

M&A Trends in Thailand

Q2 2024

KPMG in Thailand | Deal Advisory



M&A activity in Thailand experienced a downturn in the second quarter of 2024, with a 34.9% decline in deal value to USD 1,722.6 million and a 10.2% decrease in deal volume, amounting to 44 deals, compared with 49 in the previous quarter. Of the 44 deals, 37 were inbound or domestic, representing 31.2% of the total deal value, while 7 outbound deals accounted for 68.8% of the deal value. 22 deals were domestic, unchanged from the previous quarter. The Real Estate, Infra & Construction and Financial Services sectors represented 85.6% of total deal value.

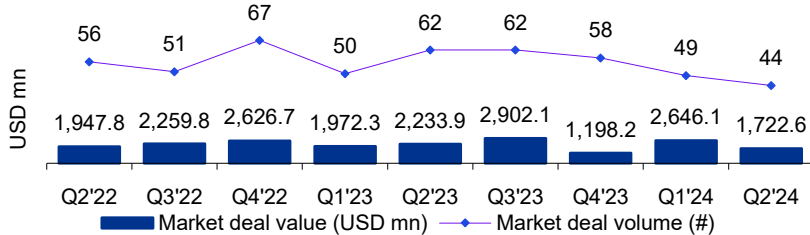
The drop in deal flow can be attributed to a slowdown in outbound deals, signaling a more cautious approach among Thai corporations towards their cross-border inorganic growth strategies. The major deal was Central Group's estimated USD 1.1 billion acquisition of the KaDeWe building from Austria-based holding company Signa Prime Selection AG. Central Group had previously co-invested with Signa in the KaDeWe Group, which operates three luxury department stores in Germany. While Central Group holds a 50.1% stake in the operating company, Signa remained the sole owner of all property prior to this acquisition. The second largest transaction was the USD 195 million fundraising by MUFG Group to invest in Ascend Group, a Thai-based online payment platform offering notable services such as TrueMoney.

Ongoing uncertainties persist in Thailand's economic environment, particularly around the credit sector, leading to concerns about overall consumer demand. Key indicators are pointing towards weaknesses in the economy, as evidenced by a notable drop in auto/motorcycle manufacturing and sales reported by the Federation of Thai Industries (FTI) for Q1 2024, mainly due to lower auto financing approvals. Additionally, the Real Estate Information Center (REIC) highlighted a continued decline in housing transfers, especially in the low-rise segment, citing an increase in housing loan rejections as the main cause. Despite the challenges, the Bank of Thailand (BOT) maintains a relatively positive outlook, expecting 3.0% GDP growth for the year, and the BOT has sustained the policy rate at 2.5% for the third consecutive quarter.

The Thai deal landscape appears resilient despite the monetary weaknesses, but monitoring key developments will be crucial to understand the outlook for deal flow. The potential launch of a tripartite credit guarantee model for SMEs by the BOT, or the further adoption of short-term adjustments of MRR by local banks to sustain aggregate demand, could significantly impact the market.

In conclusion, while challenges persist, the Thai M&A landscape remains dynamic, and organic as well as inorganic strategic initiatives will be vital to navigate the evolving economic landscape.

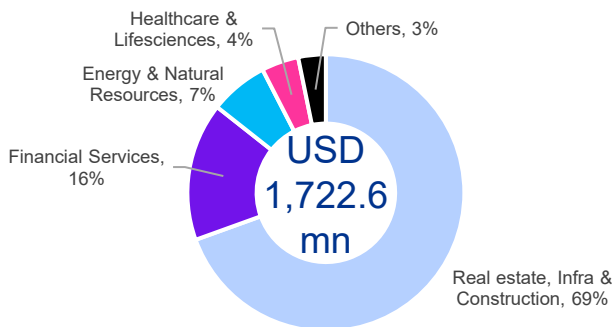
M&A activity in Thailand



Q2 2024 Thailand M&A transaction value and volume

USD 1,722.6 mn
44 Deals

Q2 2024 M&A Transaction value by industry



Top Sectors by transaction volume

Sector	No. of Transactions
Real estate, Infra & Construction	14
Financial Services	5
Energy & Natural Resources	5
Healthcare & Lifesciences	2
Telco, Media & Technology	2
Automotives	1
Industrials	6
Consumer & Retail	3
Food & Beverage	4
Commercial & Professional services	1
Transport & Logistics	1
Education	0
Total	44

Source: MergerMarkets, S&P Capital IQ, Stock Exchange of Thailand

Selected transactions

No.	Deal value (USD mn)	Stake (%)	Announced date	Target name	Target country	Target industry	Buyer name	Buyer country
1	1,083.8	100	12-Apr-24	KaDeWe Building	Germany	Real estate, Infra & Construction	Central Group	Thailand
2	195.0	10	25-Jun-24	Ascend Group Co., Ltd.	Thailand	Financial Services	MUFG Bank Co., Ltd, Mitsubishi UFJ Financial Group, Krungsri Innovate	Japan, Thailand
3	82.5	43	10-Apr-24	Sabuy Technology PCL	Thailand	Financial Services	Lightnet Co Ltd, Existing Shareholder ¹	Singapore, Thailand
4	69.5	100	7-May-24	BAIF Malacha Holdings LLC.	United States	Energy & Natural Resources	B.Grimm Power PLC	Thailand
5	69.2	51	17-Jun-24	Ananda MF Asia Udomsuk Two Co., Ltd.	Thailand	Real estate, Infra & Construction	Mitsui Fudosan Asia (Thailand) Co., Ltd.	Thailand
6	55.7	100	6-Jun-24	Teva Pharma (Thailand) Co., Ltd.	Thailand	Healthcare & Lifesciences	Lotus Pharmaceutical Co., Ltd; Lotus International Pte. Ltd	Singapore, Taiwan
7	28.1	50	13-Jun-24	Impact Solar Group Co., Ltd.	Thailand	Energy & Natural Resources	New Energy Investment Japan Ltd.	Thailand
8	25.0	30	31-May-24	Joox Thailand (Hong Kong) Co., Ltd. ²	Hong Kong, SAR	Telco, Media & Technology	GMM Tomorrow Ltd.	Thailand
9	19.1	N/A	13-May-24	Select subsidiaries of My Hospital Co., Ltd ³	Thailand	Healthcare & Lifesciences	Principal Healthcare Company Ltd.	Thailand
10	10.9	100	17-Apr-24	Super Earth Energy 1 Co., Ltd.	Thailand	Energy & Natural Resources	SUS Thailand Holding Limited	Hong Kong, SAR

Source: Bank of Thailand, Board of Investment, MergerMarkets, S&P Capital IQ, Stock Exchange of Thailand

Note: 1) The existing shareholder co-participating in the acquisition is Mr. Anonchai Veeraprawat.

2) Deal is linked to the Tencent deal, where they acquired 10% in GMM Grammy for USD 70 mn, excluded from the dataset as it falls outside the data criteria. This 30% acquisition is part of the total purchase consideration, with USD 45 million paid in cash and the remainder in shares of Joox.

3) Deal involved purchase of 100% in Chiangmai Raj Hospital Co., Ltd, 100% in Unicon Services Co., Ltd, 83.9% in Korat Medical Group Co., Ltd, and 53.96% in Phitsanulok Inter Vejchakan Co., Ltd from My Hospital Co. Ltd.

Data criteria

- 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.



Contact us



Ian Thornhill
Partner,
Head of Deal Advisory
M&A Specialist
ithornhill@kpmg.co.th
Tel: +66 2677 2297



Surayos Chuephanich
Partner,
Deal Advisory
M&A Specialist
surayos@kpmg.co.th
Tel: +66 2677 2752



Dominic Kobel
Director,
Deal Advisory
M&A Specialist
dkobel@kpmg.co.th
Tel: +66 2677 2606



Matt Crane
Partner,
Deal Advisory
Value Creation Specialist
mcrane1@kpmg.co.th
Tel: +66 2677 2154



Canopus Safdar
Partner,
Deal Advisory
Valuation Specialist
csafdar@kpmg.co.th
Tel: +66 2677 2603



Boonyaporn Donnapee
Partner,
Deal Advisory
Legal M&A Specialist
boonyapornd@kpmg.co.th
Tel: +66 2677 2405

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Legal services may not be offered to SEC registrant audit clients or where otherwise prohibited by law.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. Transaction figures are based on announced transactions only. Deal value for certain transactions were not disclosed and accordingly not reflected in the total value.

© 2024 KPMG Phoomchai Business Advisory Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name, logo are registered trademarks or trademarks of KPMG International.