



Article by Mazars in the Bangkok Post

## M&A transactions in Thailand on the road to recovery

Mazars in Thailand reports that M&A transactions in Thailand are beginning to recover as COVID-19 eases. Thai listed companies are actively entering M&A deals in both Thailand and Southeast Asia as a whole, while international private equity and venture capital investors are active in the Thai market

One of the world's leading audit and advisory services firms and providers of accounting, assurance, legal, tax and financial advisory services – [Mazars in Thailand](#) – notes that mergers and acquisitions (M&A) in Southeast Asia are quickly picking up again as COVID-19 eases and the economic situation is slowly returning to normal. Meanwhile, international private equity and venture capital investors are seeing huge potential in technology start-ups and the consumer sector in the Thai market, while Thai investors are also seeking opportunities to expand businesses locally and in Southeast Asia as a whole.

According to Mazars' November 2021 report, the COVID-19 outbreak at the beginning of 2020 had a significant adverse effect on the Thai economy. The COVID-19 outbreak also delayed the timeline for corporations to expand their business through M&A transactions. Most of those transactions were put on hold as investors wanted to reassess market conditions after COVID-19 before committing to investments.

However, Mazars in Thailand has noted that M&A transactions started to recover in Q4 2020. The firm further stated that deal value also started growing from Q4 2020 onwards, and there was a significant increase in deal value in Q2 2021.

The report stated that, as of 31 October 2021, 206 deals have been announced and 101 deals have been closed so far in 2021. Of those, almost 77 new deals were announced from July 2021 to October 2021, most of which were in the real estate, software, energy, logistics, healthcare, and hospitality sectors. It is believed that this trend will continue going forward.

Mazars' report added that, out of 34 deals that were closed in Q3 2021, 14 were closed by Thai listed public companies. According to the report, Thai listed companies are more active in M&A in the Thai market as well as other Southeast Asian markets. Companies from the energy & utilities and banking & financial sectors are particularly aggressive in regard to M&A transactions in the region.

Mr. Prasenjit Chakraborty, the financial advisory services partner of Mazars in Thailand, said one interesting phenomenon is that private equity and venture capital investors are becoming more active on the Thai market and exploring bankable deals.

He added that these investors are focusing mostly on the technology and consumer sectors. Overall, investors are gaining confidence in M&A transactions in the Thai market. Meanwhile, Thai companies have also started expanding to international markets, including Bangkok Bank's acquisition of PT Bank Permata Tbk, Indonesia's twelfth-largest bank in terms of asset value. SCG Packaging also announced its investment in the UK and Vietnam to expand its food packaging services in the global market.

Thai technology start-ups are the objects of significant transactions from international private equity and venture capital investments, and Mazars has noticed quite a few transactions in this sector recently.

Mr. Chakraborty said that the number of M&A transactions are clearly increasing in Southeast Asia. However, from the pricing and legal standpoints, COVID-19 has made M&A more complex.

"We feel that buyers are going to be more cautious before committing their investments going forward. Buyers will be more focused on the due diligence process, including financial, tax, and legal review, to find significant red flags in the target business, which will result in the offered valuation being adjusted or in condition precedents being required in the purchase agreement. In addition, we believe that buyers will be more interested in growth opportunities for target businesses," he said.

Mr. Chakraborty said that Mazars' experienced M&A professionals will continue to actively assist clients with end-to-end M&A transaction services covering financial due diligence, commercial due diligence, valuation and financial modelling, negotiations, purchase price allocation, drafting purchase documents, and corporate finance services, as well as providing insight on the ongoing changes in the M&A landscape.

Meanwhile, Mr. Jonathan Stuart-Smith, the Tax Partner of Mazars in Thailand, added that Mazars is able to provide tax, legal and financial advisory services for those interested in making M&A deals.

"Our integrated approach includes tax and legal professionals who provide valuable insights on both due diligence and structuring considerations. We can help clients with adjusting the pricing structure to reduce investment risks and increase interest in asset deals, which provide opportunities to enhance value through tax reductions, as well as address other matters to help make our clients' M&A transactions a success."

Reference: [the Bangkok Post](#)



**Prasenjit Chakraborty**  
Financial Advisory Partner  
T: +66 2 6701100  
[prasenjit.chakraborty@mazars.co.th](mailto:prasenjit.chakraborty@mazars.co.th)



**Jonathan Stuart-Smith**  
Tax Partner  
T: +66 2 6701100  
[jonathan.stuart-smith@mazars.co.th](mailto:jonathan.stuart-smith@mazars.co.th)

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