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โครงการสัมมนา เสริมความคิด ตัดปีกวิชาชีพ กับคณะพาณิชย์ฯ ธรรมศาสตร์
โดยการสนับสนุนจากมูลนิธิบุญชู โรจนเสถียร, บริษัท ดีลอยท์ ทูซ โธมัทส โซยยค สอบบัญชี จำกัด,
บริษัทสำนักงาน อี วาย จำกัด, บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
และ บริษัท ไพร์ซวอเตอร์เฮาส์คูเปอร์ส เอบีเอส จำกัด

เรื่อง “ประเด็นน่ารู้เกี่ยวกับก่อนและหลังการรวมธุรกิจ
Business Combinations: Pre- and Post-deal considerations”

โดย

คุณมานิตา ภูวัฒน์เศรษฐ์

ผู้อำนวยการอาวุโส บริษัทหลักทรัพย์ ภัทร จำกัด (มหาชน)

วันจันทร์ที่ 25 พฤศจิกายน 2562

เวลา 09.00 – 12.15 น.

ณ ห้องประชุมประกอบ หุตะสิงห์

อาคารอเนกประสงค์ 1 ชั้น 3 มหาวิทยาลัยธรรมศาสตร์ ท่าพระจันทร์

จัดโดย ภาควิชาการบัญชี คณะพาณิชยศาสตร์และการบัญชี มหาวิทยาลัยธรรมศาสตร์

M&A, Valuation, and Accounting Impact

November 2019

Overview of M&A process



A member of the
Kiattakin Phatra Financial Group

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What is M&A

Definition

- Mergers and acquisitions (M&A) refers to the consolidation of companies or assets through various types of financial transactions. In all cases, at least two companies are involved

Merger:

- After the merger, the acquired company ceases to exist and becomes part of the acquiring company

Acquisition:

- The acquiring company obtains the majority stake in the acquired firm, which does not change its name or legal structure

Why Do Companies Do M&As

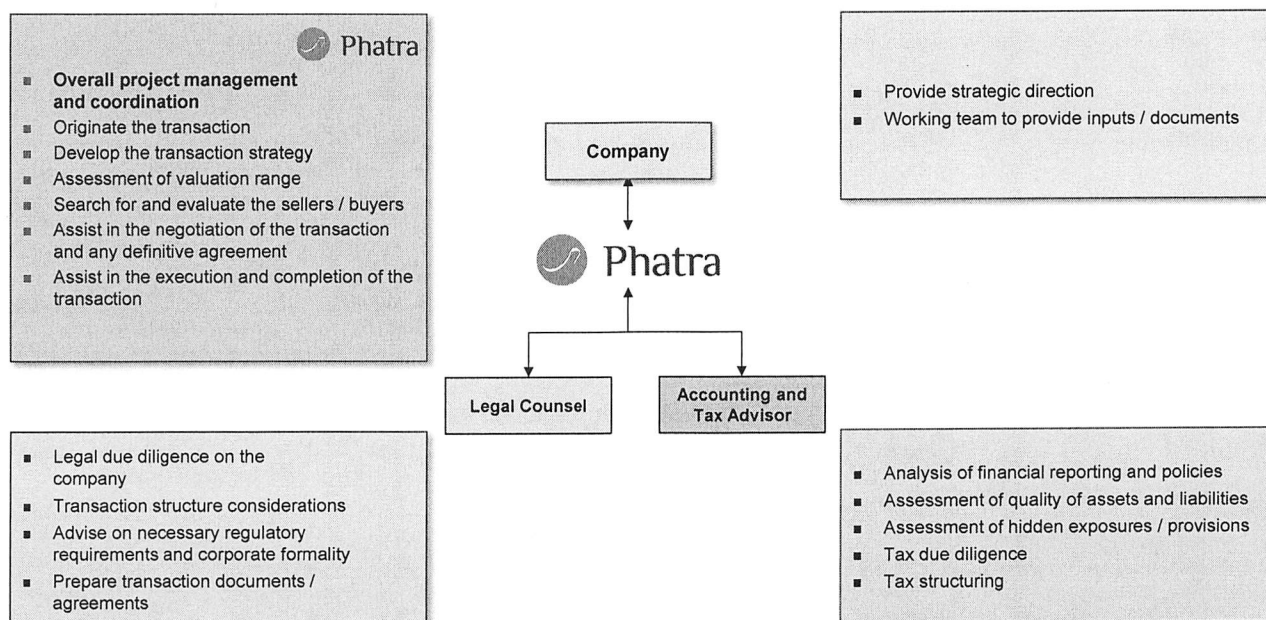
- Opportunity to growth inorganically
- Increase efficiency through size and scale
- Capture potential synergies in both operational and financial aspects
- Opportunity for business diversification
 - Vertically and horizontally
 - Geographical diversification
- Enhance reputation and creditability
- Mean to acquire competitive advantages of other companies
- Group restructuring



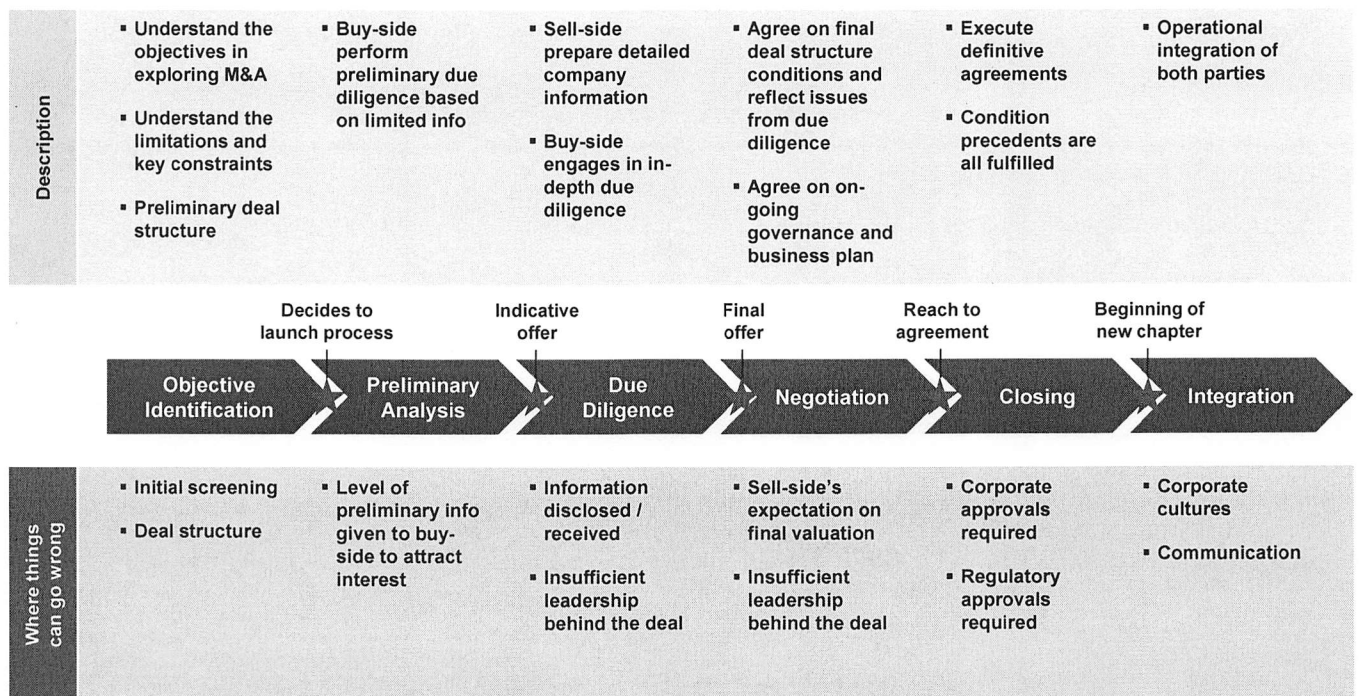
Parties and Roles

	Parties	Roles
Principals	Buyer, Seller, Major Shareholders, Board of Directors, and Management	<ul style="list-style-type: none"> ■ Originate / Sponsor deals ■ Make / Implement decisions ■ Approves transaction
Target	Company	<ul style="list-style-type: none"> ■ Provide information
Advisors	Financial, Legal, Auditors, Tax, Market, Technical, and Environmental	<ul style="list-style-type: none"> ■ Originate deals ■ Provide technical advice ■ Assist in decision making ■ Coordination
Regulators	Securities regulator (SEC), Exchanges (SET / MAI), Industry regulators (e.g. BoT), and Government agencies (e.g. MOF)	<ul style="list-style-type: none"> ■ Ensures compliance ■ Grants approvals required for transactions

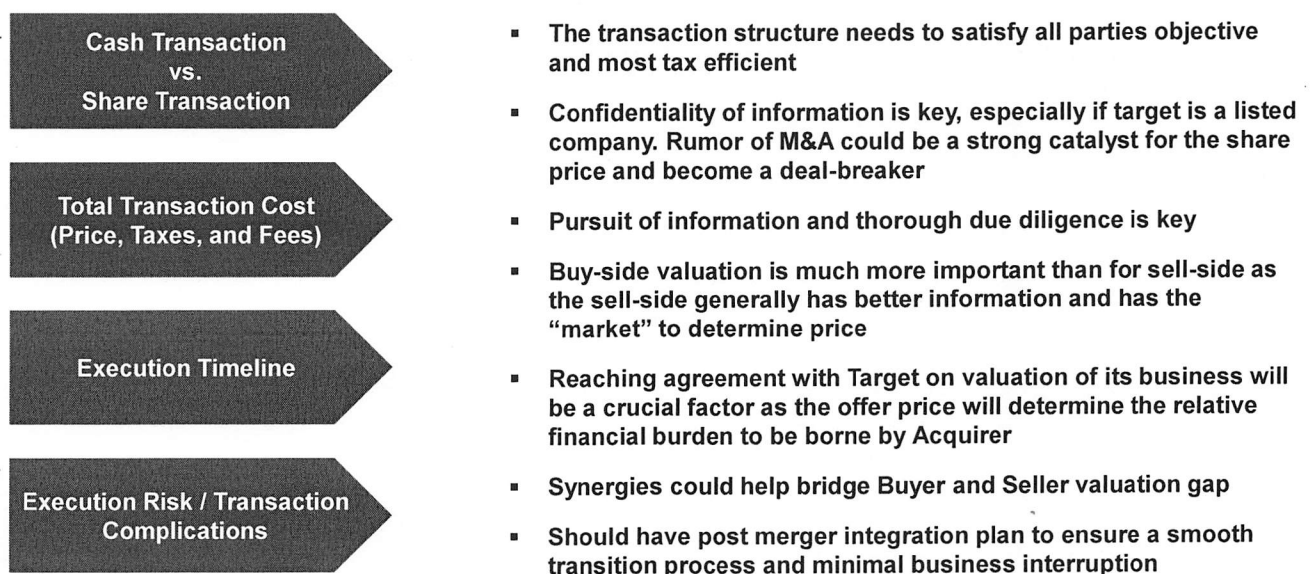
Role / Responsibilities of Parties Involved



Overall M&A Process



Key Considerations in Evaluating the Transaction



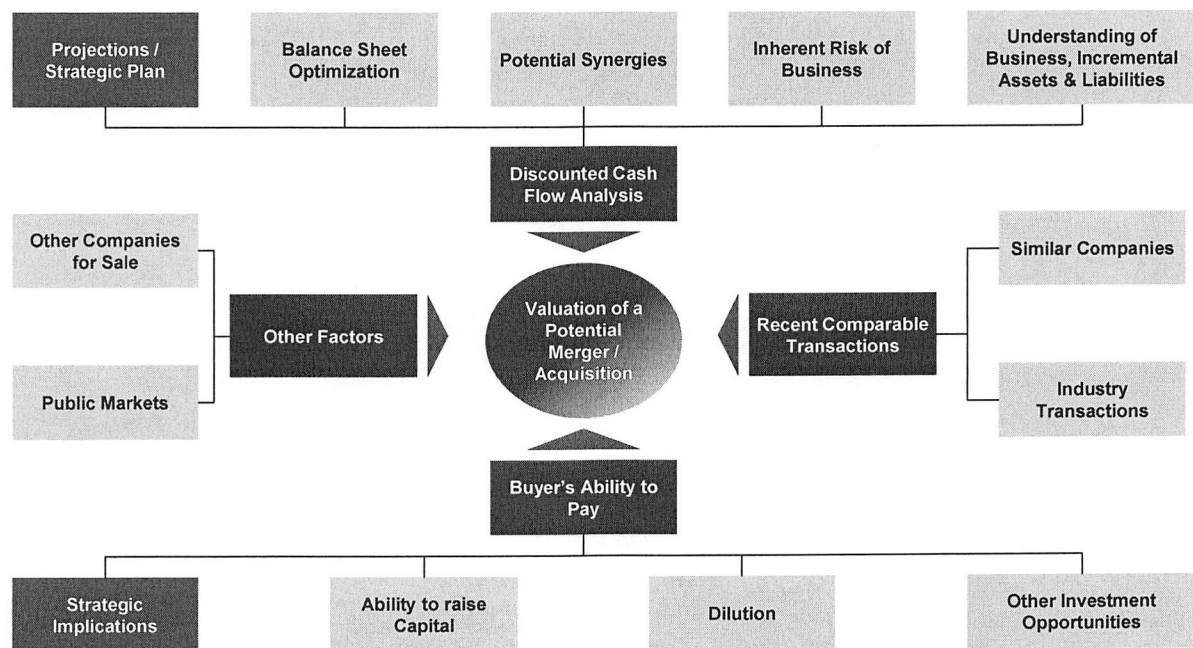
Importance of Valuation



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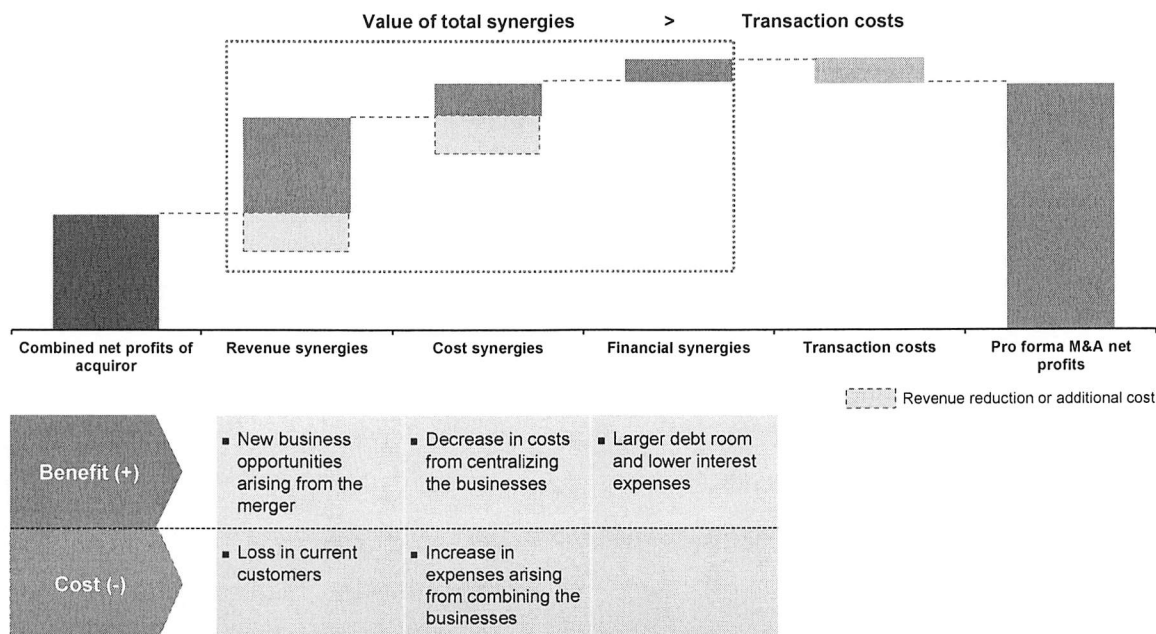
Valuation Considerations

Why do We Need a Model for Discussion



Synergy – Are They Real?

An M&A which is driven business rationale is “successful” if value of all combined synergies exceed transaction costs

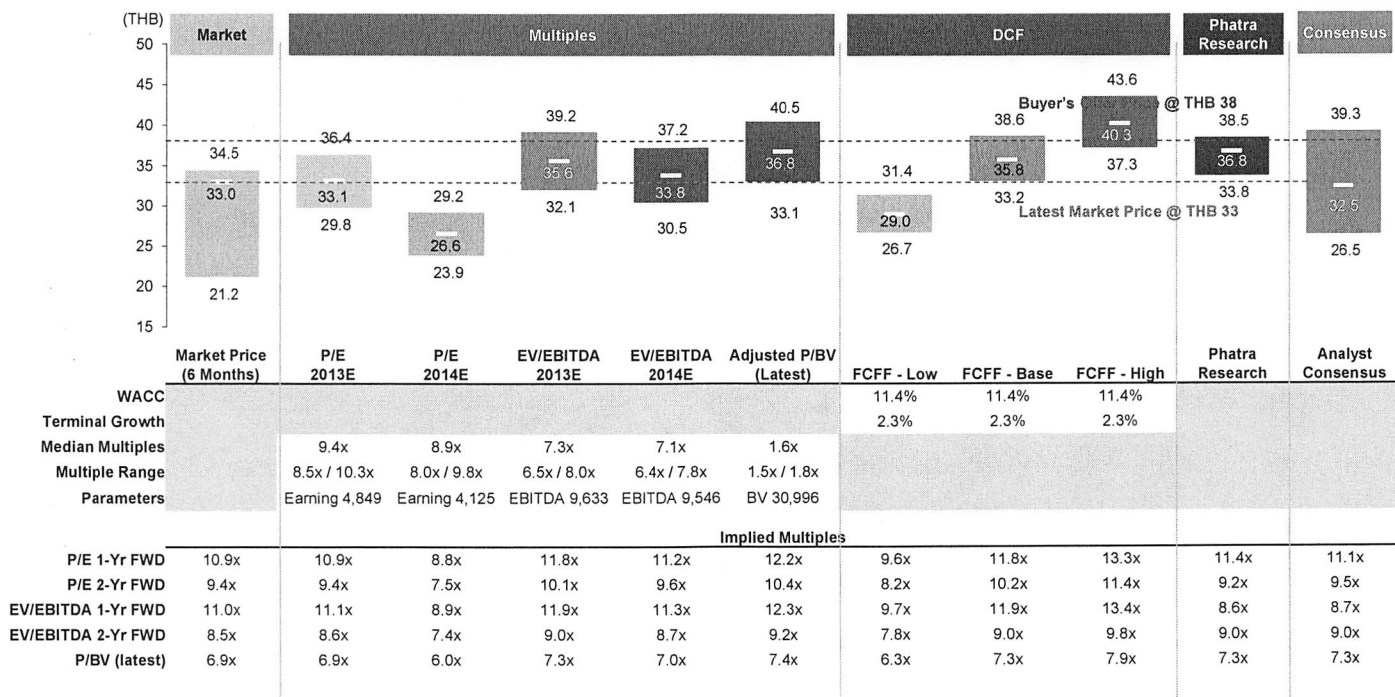


Valuation Methodologies

	Discounted Cash Flow Analysis	Publicly Traded Comparable Companies Analysis	Comparable Acquisitions Analysis
Description:	<ul style="list-style-type: none"> “Intrinsic” value of business Present value of projected free cash flows 	<ul style="list-style-type: none"> “Public Market Valuation” Valuation based on market trading multiples of comparable companies 	<ul style="list-style-type: none"> “Private Market Valuation” Value based on multiples paid for comparable companies in sale transactions
Pros:	<ul style="list-style-type: none"> Theoretically, the most sound method of valuation Less influenced by temperamental market conditions or non-economic factors Able to incorporate synergy value 	<ul style="list-style-type: none"> Easy to implement Values obtained can be a reliable indicator of the value of the company from investor perspective 	<ul style="list-style-type: none"> Recent comparable transactions can reflect supply and demand for saleable assets and any potential acquisition premium
Cons:	<ul style="list-style-type: none"> Highly sensitive to assumptions and methodology 	<ul style="list-style-type: none"> Truly comparable companies are rare and differences are hard to account for Subject to market sentiment Thinly traded, small capitalisation or poorly followed stocks may not reflect fundamental value High level of M&A activity in certain sectors has introduced distortions in relative pricing benchmark 	<ul style="list-style-type: none"> Past transactions are rarely directly comparable Values obtained often vary over a wide range and thus can be of limited usefulness

Example of Valuation Result – The Football Field

For Illustration Only



Financial Valuation vs. Accounting Impact

Purchase Price Allocation

- Bankers is not expert on PPA

Valuation Approach

- Future cash flow vs. asset value
- Premium on growth and upside from synergy

Recognizing Goodwill

- Intangible assets vs. goodwill
- Impact on amortization

Impairment Test

- Poor financial performance in early years
- Integration is time consuming / synergy is also time consuming