



OCTOBER 2023

# M&A NEWSLETTER





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# MARKET OVERVIEW

## FRICTIONLESS SHOPPING - THE FUTURE OF SHOPPING

Frictionless shopping is a new trend in the consumer retail industry that aims to provide customers with quick, convenient, and secure shopping experiences. This is a payment method that does not require customers to swipe their cards, enter their PINs, or wait in line at checkout counters. Instead, customers simply need to pick up products they want to buy and walk out, and its system will automatically identify the products and deduct money from the customer's account.



According to PWC, the market size of frictionless shopping reached USD 20 billion in 2022, and is expected to reach USD 387 billion in 2025, with a compound annual growth rate (CAGR) of 91% in the period of 2022 - 2025. A typical example of frictionless shopping is Amazon Go, Amazon's chain of grocery stores, using artificial intelligence (AI) technology to track products that customers take or return to shelves and charge through Amazon's mobile app. Amazon Go has been deployed in many countries around the world and recently expanded to the Whole Foods supermarket chain, also owned by Amazon.

In addition, in July 2018, the convenience store chain Ricker's announced a partnership with Skip, a frictionless shopping technology app at eight Ricker's stores across Indiana, USA. Skip's technology helps reduce payment speed from an average of 60 seconds to instant payment and checkout controlled by customers. Frictionless shopping has found a place in the hearts of buyers, especially young people and busy shoppers in cities, who are more tech-savvy and do not hesitate to provide personal information that the app requires. Startups such as Airpoly, Standard Cognition, AIFI, Mashgin, CheckOutFree and Zippin are also actively researching this technology.

The benefits of frictionless shopping for customers are saving time, avoiding the hassle and discomfort of queuing, and having a modern and safe shopping experience. For retailers, frictionless shopping helps reduce labor costs, increase operational efficiency, and easily collect customer data for analysis and service customization.

However, frictionless shopping also faces some challenges and limitations. Some customers may not trust AI technology or worry about personal information security issues. In addition, deploying AI technology for frictionless shopping also requires high investment costs and professional management skills. Therefore, to make frictionless shopping a dominant trend in the consumer retail service industry, retailers need to research the market and improve technology to bring satisfaction and peace of mind to consumers. In the future, the M&A trend in the frictionless shopping market will become more and more popular. Retailers can cooperate with technology companies to create comprehensive frictionless shopping solutions, meeting customer needs and bringing competitive advantages for businesses.



# HIGHLIGHTED M&As





# HIGHLIGHTED M&As

## Bain Capital invested USD 200 million in Masan Group



Announcement date	03-10-2023
Investee	Ma San Group Corporation (Masan)
Investor	Bain Capital
Target	Ma San Group Corporation (Masan)
Investment type	Issurance of convertible dividend preference shares
Change of ownership's rate	0% → 3.42%
Value	USD 200 million
Purpose: The proceeds from this transaction will be used to enhance Masan's financial position and optimize the company's balance sheet.	



### Investee: Masan

Operating since 1996 and officially established in 2004, Masan is one of the largest private conglomerates in Vietnam, operating primarily in the consumer goods and natural resources sectors.

Currently, Masan operates over 3,200 supermarkets and mini-marts in Southeast Asia through its retail chain named WinCommerce. Masan also has operations in the FMCG sector (Masan Consumer Holdings) and meat retailing (Masan MEATLife).



### Investor: Bain Capital

Founded in 1984 in the United States, Bain Capital has completed over 1,100 high-return investments in sectors such as consumer goods, industrials, healthcare, technology, and financial services.

The total assets under management by Bain Capital is approximately USD 180 billion.



# HIGHLIGHTED M&As

## KIDO increases ownership of Tho Phat to 68%



Announcement date	10-10-2023
Acquiree	Tho Phat Quoc Te JSC (Tho Phat)
Acquirer	KIDO Group Corporation (KIDO)
Target	Tho Phat Quoc Te JSC (Tho Phat)
Investment type	Share acquisition
Change of ownership's rate	51% → 68%
Value	USD 11.1 million
<p>Purpose: Tho Phat will become an important part of the group's strategy in expanding its bakery business along with its other members to actualize KIDO's goal as the leading food conglomerate in Vietnam with expansion to other countries in the world in the future.</p>	



Acquiree: Tho Phat

Tho Phat was founded in 1988 by Mr. Vu Phuoc Tho, specializing in the production and sale of bao buns, steamed rice cakes, sticky rice, baked goods, fried foods, dimsum, etc. Tho Phat currently has over 4,000 outlets throughout the country. Tho Phat also exports its products to over 30 countries around the world.



Acquirer: KIDO

KIDO is one of the leading food conglomerates in Vietnam, founded in 1993 as Kinh Do Construction and Food Processing Company Limited. KIDO has many subsidiaries operating in the fields of cooking oil, ice cream, confectionery, frozen food, and beverages. In addition, KIDO also has a multi-sector development strategy, including real estate, finance, and retail.

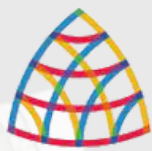


# HIGHLIGHTED M&As

***NamiTech, an AI technology startup, has just successfully raised USD 2 million***



Announcement date	17-10-2023
Investee	Nami Technology JSC (NamiTech)
Investor	Thien Viet Securities JSC (TVS)
Target	Nami Technology JSC (NamiTech)
Investment type	Pre-Series A funding
Change of ownership's rate	N/A
Value	USD 2 million
<p>Purpose: The new capital will support Namitech in researching and testing Large Language Models, particularly ChatGPT in a long term, enabling the company to advise and deliver solutions with various approaches that suit requirements, conditions, and budget of each business.</p>	



**NamiTech**

**Investee: NamiTech**

NamiTech is a technology startup supported by FPT Group, born in 2022. Currently, NamiTech's main markets are Vietnam, Japan and the US, with many customers in the fields of finance, banking, and telecommunications. NamiTech specializes in providing solutions for audio and language processing using the artificial intelligence (AI) technology.



**Investor: TVS**

Established in 2007, TVS is an independent and fully licensed investment bank in Vietnam, adhering to international standards and dedicated to meeting the needs of a diverse clientele.

TVS's investment branch has invested in companies in the fields of finance, technology, education, health and media with prominent names such as MoMo, Finhay, MindX and Nhi Dong 315. Currently, TVS is managing an asset portfolio of up to USD 70 million.





# OTHER TRANSACTIONS



# OTHER TRANSACTIONS

NO.	TARGET	INVESTOR	VALUE	%	NOTE
1	AirCity Vietnam Company Limited (AirCity)	Soopong Ventures	N/A	N/A	<p>AirCity, a technology-based real estate management startup, announced that it has successfully raised seed funding.</p> <p>AirCity will use the capital to further invest in its technology platform to develop new features that support building operations, such as integrating hardware devices that enhance security and safety using facial recognition technology, launching utility applications for residents and service partners, and thereby optimizing management efficiency and enhancing user service experience.</p>







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Please contact our professional advisors at Auxesia Holdings for assistance with capital fund raising, M&A execution, market research, review and restructuring business as well as other financial issues you may have during your business operation.

For more information, please visit our M&A Newsletter and contact us.