DATE

August 01, 2018

SECTORS

Consumer, Leisure & Retail

DEAL TYPE

M&A Advisory

DEAL LOCATIONS

DEAL TEAM

DC Advisory advised Senko Group Holdings Co. Ltd. on establishing a food service logistic JV with MK Restaurant Group PCL

SENKO

M-SENKO

MK RESTAURANTS

BACKGROUND

- Senko Group Holdings Co., Ltd. ("Senko") is listed on the Tokyo Stock Exchange and is a leading integrated logistics player
- MK Restaurant Group PCL (MK) is a major Thai sukiyaki restaurant chain operator running about 640 dining outlets under nine brands
- MK was looking to spin off its logistics division into a joint venture with a partner to cater to the growing demand from food and food-related sectors in the country, providing frozen and chilled food logistics services including warehousing and transportation

PROCESS

- DC Advisory (DC) was retained by Senko as exclusive financial advisor to provide advice on the establishment of a food service logistics joint venture with MK in Thailand
- DC advised on the joint venture based on a combination of capital and asset contribution from the respective parties

OUTCOME

- Senko and MK set up the joint venture, M-Senko Logistics, in Bangkok to provide frozen and chilled food logistics services including warehousing and transportation in the country

- With a registered capital of BHT 1.3 Bn, M-Senko Logistics was equally funded by respective investors at 49.75% each, while J-Will International (Thailand) Co., a Bangkok-based Japanese consulting firm, held the remaining 0.5%
- The new venture aimed to generate annual sales of about BHT 1.8 Bn when its operations reached full capacity
- It also planned to expand its logistics services in Cambodia, Laos, Myanmar and Vietnam
- With a total investment of BHT 1.5 Bn (c.USD 47 Mn), M-Senko planned to build a 52,800-square-meter cold storage warehouse and a dry warehouse with 7,000-9,000 square meters of space in Samut Prakan Province south of the capital, as well as procure 170 refrigeration trucks