

ETIKA STRENGTHENS Foothold IN SINGAPORE FOLLOWING ACQUISITION OF ADVEND SYSTEMS PTE LTD



(From R to L) Gerald Chiu Yoong Chian, Partner, Dymon Asia Private Equity, passing the baton to Khalid Alvi, Chief Executive Officer, Etika Holdings (Malaysia, Singapore and Brunei).

- *Etika to widen consumer reach, increasing their vending machine pool to up to 10,000 units*
- *The beverage company will apply Advend’s telemetry technology to obtain key insights pertaining to consumer shopping behavior*

9 December 2019, SINGAPORE – Etika Sdn Bhd (“Etika”), one of the region’s most prominent Halal beverage companies, has recently announced the expansion of their business portfolio after acquiring Advend Systems Pte Ltd. (“Advend Systems”), headquartered in Singapore. Advend Systems is a leading vending operator, refurbisher of vending machines and systems solutions provider for the vending industry. This acquisition includes its vending businesses in Malaysia and Singapore operating under the name Atlas Vending.

The acquisition with Atlas Vending also means that Etika will now be the number one player in the vending business, with a total pool of up to 10,000 vending machines across Singapore and Malaysia.

This will allow Etika to widen their consumer reach and offer consumers an elevated vending experience, leveraging automation and Atlas Vending’s telemetry technology. “As automation starts to gain predominance, we foresee this to be a trend even in the FMCG industry. Etika’s acquisition of Atlas Vending provides a major growth opportunity for us, to expand our business portfolio and provide consumers with a fully automated purchasing experience,” says Khalid Alvi, CEO of Etika Malaysia, Singapore and Brunei.

Along with widening consumer reach and making purchases possible in many more locations, the acquisition with Atlas Vending strengthens vending as a pillar in Etika's business model. This gives the beverage company an opportunity to invest in and develop an improved vending experience for consumers ranging from an efficient payment gateway to offering rewards to loyal consumers.

With over 39 years of operations, Atlas Vending is one of the largest independent vending solutions provider in Singapore and Malaysia, with services ranging from hot and cold beverages like coffee, canned and bottled drinks as well as snacks such as cup noodles. Atlas Vending machines come in various formats and some are equipped with proprietary telemetry technology that eases everyday operations such as stocking machines, inventory management, operating status, and stock levels, that reduce machine down-time and sold-out situations.

The acquisition will also enable Etika to offer multiple payment options through its vending machines such as e-wallets, cash, credit cards, contactless payment etc. While not all machines will carry all payment modes, Etika can choose to strategize its vending machine make-up to suit the local market. Be it cashless or cash payments, consumers will be guaranteed convenient, on-the-go access to their favourite drinks.

As Singapore progresses on its Smart Nation objectives including the proliferation of cashless payments, Etika aims to ensure that consumers can utilize cashless payments at these new vending machines as well. Atlas Vending machines accept a number of cashless payment modes including NETS, EZ-Link, Samsung Pay, and Android Pay to name a few.

Atlas Vending's machines also possess the ability to retrieve cashless sales data from its servers for analysis and understanding of transaction trends, products purchased and time of purchase. This technology is currently being progressively rolled out across more machines. For Etika's expanded business services, these analytics will help to map the entire consumer journey while obtaining key insights such as in-demand products and popular locations, assisting the company to better serve their loyal consumers. This allows Etika to play a more active role in the entire consumer journey from manufacturing to purchase.

"Innovation lies at the core of Etika's business principles. We are constantly on the lookout for new ways to innovate our offerings for our consumers. By adopting newer technologies, we are now able to increase convenience for our consumers who can access their favourite beverages, in many more locations," added Mr. Khalid Alvi.

The acquisition of Advend Systems Pte Ltd by Etika will be completed by Quarter 1, 2020.