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| **To:** | Anna |
| **From:** | Aadi A |
| **Subject:** | Potential M&A targets for WorldWide Brewing |
| Hi Anna,  Below are a list of my recommendations and descriptions for the potential M&A clients for WorldWide Brewing   |  |  |  |  | | --- | --- | --- | --- | | **Company** | **Description** | **Relevance to WorldWide Brewing** | **Recommendation** | | **HappyHour Co.** | HappyHour Co. is the largest player in Singapore and Malaysia, in the segments of beer, spirits and non-alcoholic beverages. Its operations include manufacturing facilities, distribution and direct sales and it has demonstrated strong growth in EBITDA in FY2020 which was up 20% pcp and amounted to US$300mm. | It has similar operations to WorldWide Brewing across the same segments and is the leading player in Singapore and Malaysia, suggesting the potential for strategic benefits and synergies. It has solid financial results and an ownership structure that is owned by 3 families, rendering a potential acquisition relatively simple and feasible. HappyHour Co. would be appropriate to share. | **Recommend** | | **Spirit Bay** | Spirit Bay: HQ in Indonesia, locations in Singapore, Malaysia, China.  Segments: Beer, Spirits, Non-alcoholic beverages. #2 player in Singapore, Malaysia; #1 in Indonesia. Operations: Manufacturing (Indonesia), Distribution, Direct Sales.  Shareholders: 60% Global Sponsor, 40% employee owned. EBITDA: US$400mm (FY June 2020 actuals), up 40% pcp. | Manufacturer of the same products as WorldWide Brewing, suggesting similar strategic benefits. Has strong growth.  Relatively simple acquisition due to the 60/40 shareholder structure, divided with a Global sponsor and employees. | **Recommend** | | **Hipster’s Ale** | Hipsters' Ale: HQ in Malaysia, locations in Singapore, Indonesia, Japan, Korea, Cambodia.  Segments: Beer, Spirits. Operations: Manufacturing (consortium of independent microbreweries in each region), Distribution, Direct Sales. Shareholders: 30 independent breweries. EBITDA: US$200mm (FY June 2020 actuals), up 15% pcp. | Operated only in two segments out of the three that WorldWild Brewing operates in but compensates with operations in a lot more countries. Which could have a similar strategy. Has solid fundamentals but has a complex ownership structure. Divided by 30 independent breweries. Which would become a complex acquisition. | **Not recommended** | | **Brew Co** | Brew Co.: HQ in Malaysia. Segments: Beer, Spirits. Operations: Manufacturing facilities only. #1 alcohol manufacturer in Malaysia.  Shareholders: listed on Malaysian stock exchange (mostly institutional shareholders).  EBITDA: US$800mm (FY June 2020 actuals), down 5% pcp. | Limited reach geographically, only in Malaysia. Operates in two segments out of the three of WorldWide Brewing. Has a complex ownership structure. Has mostly institutional investors and is listed mostly on the Malaysian stock exchange. And has shriking top line, indicating weak financials. | **Not recommended** | | **Bevy’s Direct** | Bevy's Direct: HQ in Singapore, locations in Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, New Zealand. Segments: Beer, Spirits, Non-alcoholic beverages. Operations: Wholesale Distribution only.  Shareholders: Owned by one family.  EBITDA: US$250mm (FY June 2020 actuals), up 20% pcp. | Operates in similar operations to WorldWide Brewing co leading to operational advantage in stratergy. Has a vast geographic reach. It has strong financials, and the ownership structure is very simple. As it is owned by one family who want to exit their position. | **Recommend** |   Let me know if there any questions or updates  Kind regards,  Aadi A | |