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| **To:** | Anna |
| **From:** | Kelvin Mutuku |
| **Subject:** | Potential M&A Targets for WorldWide Brewing Co. |
| Hi Anna,  Following our discussion with the Hong Kong Director, I’ve summarized the five potential M&A targets for WorldWide Brewing Co. (WWB) and assessed their suitability based on strategic fit, financials, and shareholder structure. Below is a concise overview of each company and my recommendation on whether they are appropriate to share with Carlos:   |  |  |  |  | | --- | --- | --- | --- | | **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** | A leading player in Indonesia (#1) and Singapore/Malaysia (#2), with integrated operations in beer, spirits, and non-alcoholic beverages. | Attractive financials (US$400mm EBITDA, up 40% YoY) and strong market position. However, 60% ownership by a Global Sponsor may complicate the acquisition process. | **Appropriate to share, but with a note on potential complexities due to shareholder structure.** | | **Hipsters’ Ale** | A Malaysian-based company operating in beer and spirits across Southeast Asia and East Asia, with a unique consortium of independent microbreweries. | While it has a niche market presence and growth (US$200mm EBITDA, up 15% YoY), the fragmented ownership structure (30 independent breweries) may make acquisition challenging. | **Not appropriate to share at this stage due to feasibility concerns.** | | **Brew Co.** | The #1 alcohol manufacturer in Malaysia, focusing on beer and spirits, with operations limited to manufacturing. | Despite its strong market position, EBITDA declined by 5% YoY (US$800mm), and its lack of distribution/sales integration may limit synergies with WWB. | **Not appropriate to share due to declining financials and limited strategic fit.** | | **Bevy’s Direct** | A Singapore-based wholesale distributor of beer, spirits, and non-alcoholic beverages across multiple Asian markets. | While it has shown growth (US$250mm EBITDA, up 20% YoY), its wholesale-only model may not align with WWB’s integrated operations strategy. | **Not appropriate to share due to limited strategic alignment.** |   In summary, **HappyHour Co.** and **Spirit Bay** are the most appropriate targets to share with Carlos, given their strong strategic fit, financial performance, and relatively feasible acquisition processes. Let me know if you’d like to discuss further!  Best regards,  Kelvin Mutuku | |