

HappyHour Co. - Investment Opportunity Summary

Slide 1: HappyHour Co. Company Profile

Company Overview

- **Founded:** 1975 by Ms. Happy (majority owner and co-founder)
- **Headquarters:** Singapore
- **Business Model:** Integrated producer, marketer, distributor of beverages
- **Geographic Footprint:** Singapore, Malaysia, China (expanding to Cambodia)
- **Product Portfolio:** Beer, spirits (vodka, tequila), non-alcoholic beverages (soft drinks, tea, water, functional drinks)

Market Position & Competitive Strengths

- **#1 player** in beer and spirits in Singapore & Malaysia
- **#1 player** in non-alcoholic beverages in Malaysia
- High-end product offerings in spirits segment (premium positioning)
- Strong supply chain and distributor relationships
- Expanding manufacturing footprint (new facilities planned for Cambodia)

Ownership Structure

- **Happy Family:** 60% (seeking full exit - Ms. Happy retiring)
- **Hour Family:** 20% (remaining as partner)
- **Co Family:** 20% (remaining as partner)

Financial Performance

Metric (US\$mm)	FY18A	FY19A	FY20E	Growth
Revenue	900	961	1,071	+11.4%
EBITDA	225	250	300	+20.0%
NPAT	135	153	193	+26.1%

Key Margins (FY20E):

- **EBITDA Margin:** 28.0%

- **Net Profit Margin:** 18.0%

EBITDA by Segment (FY20E):

- **Beer:** \$135mm (45%)
- **Spirits:** \$105mm (35%)
- **Non-alcoholic beverages:** \$60mm (20%)

Indicative Valuation

- **Enterprise Value:** US\$3,500mm
- **Implied EV/EBITDA Multiple:** 11.7x (FY20E)
- **Industry Benchmark:** 10.0x - 11.5x EV/EBITDA range
- **Valuation Status:** Within market range, reflects premium positioning

Slide 2: Overview of Auction Process and Key Workstreams

Two-Phase Auction Structure

Phase	Date	Event	Key Workstreams
Round 1: Indicative Bid Phase	Mar 19, 2020	Data room access opens	<ul style="list-style-type: none"> • Review Information Memorandum • Analyze vendor due diligence reports • Study financial forecasts
	Apr 9-13, 2020	Q&A submission period	<ul style="list-style-type: none"> • Submit up to 20 questions via form • Receive anonymized responses • Clarify key assumptions
	May 13, 2020	Indicative Bid Due	<ul style="list-style-type: none"> • Submit non-binding offer • Include purchase price & methodology • Outline integration strategy
Round 2: Final Bid Phase	Late May 2020	Shortlist notification	<ul style="list-style-type: none"> • Enhanced data room access • Begin detailed due diligence • Review transaction documentation
	June-July 2020	Management access	<ul style="list-style-type: none"> • Guided site visits to facilities • Management team presentations • Additional Q&A sessions
	Late July 2020	Final Bid Due	<ul style="list-style-type: none"> • Submit binding legal offer • Complete financing arrangements • Finalize deal structure

Critical Indicative Bid Requirements

1. Purchaser Profile

- Identity and financial capacity of buyer
- Overview of purchasing entity structure
- Principal shareholders and parent company details

2. Financial Elements

- **Purchase Price:** Total cash consideration (US\$ enterprise value basis)
- **Funding Sources:** Confirmation of available cash/credit facilities
- **Valuation Methodology:** Key assumptions and financial metrics

3. Strategic Components

- **Integration Strategy:** How HappyHour fits into buyer's structure
- **Due Diligence Plan:** Additional information requirements
- **Timeline & Approvals:** Regulatory consents and contingencies

4. Professional Support

- **Advisors:** Financial, legal, accounting advisors to be engaged
- **Additional Information:** Qualifying factors for continued participation

Key Process Considerations

- **Seller Preference:** Strategic buyer over financial buyer
- **Management Continuity:** Ms. Happy wishes to remain involved post-acquisition
- **Confidentiality:** Strict - all communication via SellerAdvisorCo only
- **Expense Responsibility:** Bidders responsible for all investigation costs
- **Seller Rights:** Right to accept/reject bids or terminate process at any time

Strategic Context

- **Industry Trends:** Asian beer market growing at 10% CAGR, rising demand for premium beverages
- **M&A Environment:** Global consolidation trend with conglomerates acquiring regional champions
- **Market Opportunity:** Rising middle class in Asia driving premium beverage consumption