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| **To:** | Anna |
| **From:** | Midhun |
| **Subject:** | Potential M&A targets for WorldWide Brewing |
| Hi Anna,  These are my recommendations including the relevance for potential M&A targets 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 is the largest player in Indonesia and number 2 player in Singapore and Malaysia, in the segments of beer, spirits and non-alcoholic beverages. Its operations include manufacturing in Indonesia, distribution and direct sales. Very strong EBITDA growth up 40% pcp amounted to US$400mm. | Brewing across same segments. Leading player in Indonesia, and #2 in Malaysia and Singapore suggest strategic benefits and synergies over several different countries. Has strong financial results with very strong growth. The company is owned by Global sponsor and employees with a 60/40 split. This acquisition would be relatively simple. Spirit Bay would appropriate to share. | **Recommend** | | **Hipsters’ Ale** | Operate in Malaysia (HQ), Singapore, Indonesia, Japan, Korea, Combodia in the segments of beer and spirits. Manufacture from microbreweries in each region, cover distribution, and direct sales. Solid EBITDA of US$200mm up 20% pcp. | Hipsters Ale operates in only 2 segments of beer and spirits. However, it covers several different countries that could have a potential strategic benefit and synergies. This is in line with the aims of WorldWide Brewing. Hipsters’ Ale also have solid financials. The ownership is more complicated with 30 independent breweries that may make the acquisition more complex. However, given the strategic aim this opportunity would be appropriate to share. | **Recommend** | | **Brew Co.** | Operate in Malaysia (HQ) in the segments of beer and spirits operations only consisting of manufacturing facilities in Malaysia. Large EBITDA of US$800 down 5% pcp. | Limited reach geographically (only Malaysia) and operations are only manufacturing (although #1 alcohol manufacturer in Malaysia). Owned largely by institutional investors and is listed on Malaysian stock exchange – due the dispersed ownership the acquisition would be more complex. Hence, due to limited strategic and operational benefit it would not be appropriate to share. | **Do not recommend** | | **Bevy’s Direct** | Operate in Singapore (HQ), Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, New Zealand in the segments of beer spirits and non-alcoholic beverages in wholesale distribution only. Strong EBITDA US$250mm up 20% pcp. | Operates in similar segments to WorldWide Brewing but only in wholesale distribution. Operates in a range of different countries which can provide a strong geographical reach, strategical benefit, and synergies. It has strong financials, and the ownership is one family which make the acquisition more simpler. Bevy’s Direct would be appropriate to share | **Recommend** |   If you have any further questions please let me know.  Kind regards,  Midhun | |