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| **To:** | Anna |
| **From:** | Offori |
| **Subject:** | M&A target |
| Dear,   |  |  |  |  | | --- | --- | --- | --- | | **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 (Very High)** | | **Spirit Bay** | Spirit Bay an Indonesia company, number one player in Indonesia and 2nd in Singapore and Malesia.  They operate in beer, spirit, non-alcoholic beverages in Singapore, Malaysia and China  There operations are mostly integrated and they manufacturing facilities are based Indonesia.  60% owed by global sponsors, they are reported FY2020 US$400 mm in EBITDA 40% pcp | It has the same similarities to WorldWide Brewing co across their segments and it is the leading player in Indonesia, furthermore second leader in Singapore and Malaysia suggesting potential strategic for benefits and synergies in Asia, mainly in Indonesia country. It has a very huge solid financial result and the structure is owned 60% by Global Sponsor and 40% employee owned, rendering an acquisition relatively a bit easy to earn.  Spirit Bay is quite appropriate to share. | **Recommend (High)** | | **Hipsters’ Ale** | Hipster’ Ale a Malaysia company operating in beer and spirits HQ Malaysia and other location Singapore, Indonesia, Japan, Korea and Cambodia. They manufacture, distribute and sell their products directly. The company is owned by a consortium of 30 independent breweries in each respective regions mentioned above.  US$200 mm EBITDA FY2020 up to 15% pcp | Hipsters’ Ale has some common similarities to our acquire company (WorldWild Brewing co), Beer and spirits.  No ranking status, making it less measurable for the global market rank. It is based in multiple Asia countries, turn it into potential strategic for benefits and synergies in Asia. It has good financial results and it is owned by 30 independent breweries, the acquisition will be barely easy. EBITDA $US200mm FY2020 with 15% pcp.  Hipsters Ale is not that bad fit | **Recommend (Good)** | | **Brew Co** | Brew co, a Malaysian beer and spirit company  Operating in manufacturing facilities solely but is still hold number 1 manufacturing in Malaysia. Most of the shares are institutional. They earned US$800mm in EBITDA FY2020 5% down pcp | Brew co, has some common similarities to our acquire company (segment: beer and spirit) and it is only number one in Malaysia regardless the rest of the whole Asia. Also, it operates only in manufacturing facilities which makes very difficult to a potential strategic for benefits and synergies in Asia. It has a very good financial status FY2020 ABITDA US$800 mm but got 15% down pcp although this huge revenue. Owned by institutions, the acquisition will be difficult to earn. | **Not recommended (Bad)** | | **Bavy’s Direct** | Bavy’s Direct, based in Singapore operate in beer, spirits, and non-alcoholic beverages as our potential buyer(acquire) company but they only do wholesale distribution across multiple countries (e, Indonesia, Japan, Korea and Cambodia) and owned by one family. EBITDA US$250mm (FY June 2020 actuals) up 20% pcp | Bavy’s Direct, highly similar to our potential acquire company with no ranking status and do wholesale distribution only. EBITDA US$250mm (FY June 2020 actuals) up 20% pcp therefore a solid financial status.  They are visible in many countries making it a potential strategics for benefits and synergies. Also, it is owned by one family, the potential acquisition is very easy to earn and feasible. | **Recommended (Good)** |   Offori Koffi | |

My own Notes

Measure the companies

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| Description Company | Relevance from target to buyer [potential acquire] (Worldwide Brewing) |
| Growth | Comparisons between the acquire and targets |
| segment | Ranking status |
| operations | Benefits/drawbacks |
| EBITDA | Finance status |
|  | Ownership |
|  | Acquisition status |
|  | Appreciation |

Comparison with target:

* Area wise growth:
  + (Potential acquire company [WorldWild Brewing] -> {Based US only} and

targets companies -> {in general over Asia}).

* Segment:
  + The different segments, WorldWild Brewing -> beer, spirits and non-alcoholic beverages and other companies -> mostly the same
* Finance:
  + EBITDA:
    - WorldWild Brewing -> US$1bn of EBITDA annually (2020) and others -> …
* Operation:
  + WorldWild Brewing -> manufacturer and supplier

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| Metric/(acquire, targets) | WorldWild Brewing co | HappyHour co | Spirit Bay | Hipsters’ Ale | Brew co | Bevy’s Direct |
| Area wise growth | USA(HQ) | Singapore (HQ), Malaysia (outsourced) and China, Cambodia (Future) | Indonesia (HQ) Singapore, Malaysia, China | Malaysia Singapore, Indonesia, Japan, Korea, Cambodia | Malaysia (HQ) | Singapore (HQ)  Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, New Zealand |
| Segment | Beer, Spirit and non-alcoholic | Beer, Spirit and non-alcoholic | Beer, Spirits, Non-alcoholic beverages | Beer, Spirits | Beer, Spirits | Beer, Spirits, Non-alcoholic beverages |
| Finance | US$1bn of EBITDA FY2020 pcp | EBITDA US$300mm (FY June 2020 actuals) up 20% pcp | EBITDA US$400mm (FY June 2020 actuals) up 40% pcp | EBITDA US$200mm (FY June 2020 actuals) up 15% pcp | EBITDA US$800mm (FY June 2020 actuals) down 5% pcp | EBITDA US$250mm (FY June 2020 actuals) up 20% pcp |
| Operation | Manufacturer and supplier | Manufacturing facilities(Singapore, Malaysia (outsourced), China, new facilities planned for Cambodia), Distribution, and Direct Sales | Manufacturing facilities(Indonesia), Distribution, and Direct Sales | Manufacturing facilities(consortium of independent microbreweries in each region),  Distribution, and Direct Sales | Manufacturing facilities only (#1 alcohol manufacturer in Malaysia) | Wholesale Distribution only |
| Shareholder |  | Three families (Pretty much integrated) | 60% owned by Global Sponsor, 40% employee owned | 30 independent breweries consortium of independent microbreweries in each region | Institutional shareholders | Owned by one family |

[Link to the code](https://colab.research.google.com/drive/1qYnlYjTLRyPMZBRI9wYVLBuB13TTTPJ8?usp=sharing)

