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| **To:** | Anna |
| **From:** | Rohankumar Panchal |
| **Subject:** | M&A Target Overview |
| Dear Anna,   |  |  |  |  | | --- | --- | --- | --- | | **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 largest player in Indonesia and 2nd largest player in Malaysia and Singapore. It has manufacturing facilities in Indonesia but have distribution and direct sales in Malaysia, Singapore, and China too. It posted an astounding EBITDA growth of 40% pcp to $400mm | It has significant presence in Indonesia, Malaysia, Singapore and China. It has very attractive EBITDA growth but we should investigate the reasons for the growth whether it is solely due to cost cutting or is it complemented with organic growth too. Its ownership structure makes it simple. Also 40% ownership of employee will align there incentives irrespective to the owners. | **Recommend but rigorous due diligence in the EBITDA growth.** | | **Hipsters’ Ale** | Hipsters’ Ale has presence in 6 asian countries. Its Operations are scattered over all the countries having their manufacturing facilities, distribution and direct sales. These independent microbreweries are the shareholders of the company. It showed a decent growth of 15% in EBITDA growth to $200mm. | Its presence in Malaysia, Singapore, Indonesia, Japan, Korea and Cambodia would give access to major markets in Asia. It has robust financials but as there are 30 microbreweries, it would be a difficult to integrate its operations with the WorldWide Brewing Co. | **Recommended with planning for integration of the microbreweries.** | | **Brew Co.** | Brew Co. is largest manufacturer of Alcohol in Malaysia. Its operations only consists of manufacturing facilities. Company posted EBITDA $800 mm which was down by 5% . | Non-alcoholic beverages are not a part of their portfolio. Also, Brew Co. only has manufacturing facilities, so worldwide would need to build distribution network and retail from scratch which can be an uphill task. | **Not Recommended** | | **Bevy’s Direct** | Bevy has presence on Australia and New Zealand apart from various Asian countries. It does not manufacture any beverages but are in the business of wholesale distribution. It showed a promising growth of 20% EBITDA growth to $250mm. | Bevy will give access to markets not only in Asia but also in Australia and New Zealand. It is not a strategic buy as it does not have any manufacturing facilities. But as It is owned by one family, it would be easy to integrate it with our business. | **Not Recommended.** |   [Insert sign-off and your name] | |