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| **To:** | Anna |
| **From:** |  |
| **Subject:** | Potential M&A targets for Worldwide Brewing co. |
| Hello Anna  Below are the potential M&A targets with descriptions and relevance to WorldWide Brewing Co. and my personal recommendation.   |  |  |  |  | | --- | --- | --- | --- | | **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 Second largest player in Singapore and Malaysia, in the segment of beer, spirits, non-alcoholic beverages. its operations include manufacturing facilities (Indonesia), distribution and direct sales and had a strong growth in EBITDA in FY2020 which was up 40% pcp and amounted to US$400mm. | It has a solid financial result and have similar operations to WorldWide Brewing and is a leading player in Indonesia. The ownership structure is 60% owned by global promoters and 40% by employee, making the potential M&A activity not relatively simple but feasible. They are also undergoing cost cutting measures to improve their earning making Spirit Bay appropriate to share. | **Recommend** | | **Hipsters’ Ale** | Hipsters’ Ale operates in Malaysia (HQ), Singapore, Indonesia, Japan, Korea, Cambodia, in the segments of beer and Spirits only. Its operations include manufacturing from consortium of independent microbreweries in each region, distribution and direct sales. Strong EBITDA in FY2020, up by 15% pcp amounted to US$200mm | Hipster’s Ale operates in only 2 segments of beer and spirits but covers several different countries providing potential strategic advantage and synergies. It has solid financial result but a complex ownership structure with 30 independent breweries making M&A activity complex. However, given the strategic significance it can provide, it would be appropriate to share. | **Recommend** | | **Brew Co.** | Brew co. is the largest player in Malaysia (HQ), in the segment of beer and spirits and provides manufacturing operations only. It shows a down in EBITDA US$800mm in FY2020 of 5% pcp. | Limited geographically (Malaysia only) reach and not in line with WorldWide Brewing co. vision. Ownership structure is complex as the company is listed in Malaysian stock exchange making the M&A activity complex. Though the company is leading player is Malaysian market that’s why it would not be appropriate to share. | **Not Recommend** | | **Bevy’s Direct** | Operates in Singapore (HQ), Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, New Zealand, in the segment of beer, spirits, non-alcoholic beverages. Performs wholesale distribution only and have strong growth in EBITDA US$250mm in FY2020 up 20% pcp | Strong geographical reach but operates only in wholesale distribution but that can provide strategic advantage and synergies. Have a strong financial result and relatively simple ownership structure, owned by a single family, making M&A activity simple and feasible. Bevy’s Direct would be appropriate to share. | **Recommend** |   I hope this information is useful and let me know if you have any further questions.  Warm Regards, | |