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| **To:** | Anna |
| **From:** | Aakanksha |
| **Subject:** | Potential M&A targets from WorldWide Brewing |
| Hi Anna,  Kindly find the descriptions and recommendations for potential M&A targets for WorldWide Brewing below.   |  |  |  |  | | --- | --- | --- | --- | | **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** | Largest player in Indonesia and number 2 player in Malaysia and Singapore in segments of Beer spirits and non-alcoholic beverages. Their operations include manufacturing in Indonesia, distribution, and direct sales. Very strong EBIDTA growth, up 40% pcp amounted to US $400 million. | Brewing across same segments. Leading player in Indonesia, and number 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 be appropriate to share. | **Recommend** | | **Hipsters’ Ale** | Operating in Malaysia (HQ), Singapore, Indonesia, Japan, Korea, Cambodia in the segments of beer and spirits. Manufacturing from microbreweries in each region, cover distribution and direct sales. Solid EBIDTA of US$200mm up to 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 benefits 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.** | Operational in Malaysia (HQ) in the segments of beer and spirits, consisting only of manufacturing facilities in Malaysia. Large EBIDTA of US$800mm down 5% pcp. | Limited reach geographically (only Malaysia) and operations are only manufacturing (although number 1 alcohol manufacturer in Malaysia). Owned largely by institutional investors and is listed on the Malaysian Stock Exchange – due to dispersed ownership the acquisition would be more complex. Hence, due to limited strategic and operational benefits it would not be appropriate to share. | **Do not recommend** | | **Bevy’s Direct** | Operates in Singapore (HQ), Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, and New Zealand in the segments of beer spirits and non-alcoholic beverages in the wholesale distribution only. Strong EBIDTA US$250mm up 20% pcp. | Operates in similar segments to WorldWide Brewing but only in wholesale distribution. Operates in a range of APAC countries which can provide a strong geographical reach, strategic benefit, and synergies. It has strong financials, and the ownership is one family which will make the acquisition simpler. Bevy’s Direct would be appropriate to share. | **Recommend** |   Please let me know if you have any further questions.  Regards,  Aakanksha Malik | |