

To: Anna
From: Akshat Pathak
Subject: Potential M&A Targets for WorldWide Brewing

Hi Anna,

I listened in on the call with the Director from our Hong Kong office where five potential targets for WorldWide Brewing Co were discussed and have prepared a summary that includes a brief description of each company and my comments on whether they are appropriate to share with Carlos.

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 second largest player in Singapore and Malaysia and largest player in Indonesia in segments of beer, spirits and non-alcoholic beverages. It operates manufacturing facilities and engages in distribution and direct sales and its EBITDA grew by 40% pcp to US\$400mm in FY2020.	Its segments and operations would be appropriate strategically. The relatively distributed ownership with 60% of the company owned by Global Sponsor and 40% owned by employees would reduce simplicity but it would still be appropriate to share given its market position in Singapore, Malaysia and Indonesia and exceptional financial performance.	Recommend
Hipsters' Ale	Hipsters' Ale has locations in Singapore, Indonesia, Japan, Korea and Cambodia and focuses on beer and spirits. Its operations include manufacturing facilities, distribution and direct sales and the company experienced EBITDA growth of 15% pcp to reach US\$200mm (FY2020).	An acquisition of Hipsters' Ale would make sense strategically and financially, given its relevant segments and operations as well as solid financial performance. Its ownership by 30 independent breweries may affect feasibility, though given the suitability otherwise, it would still be appropriate to share.	Recommend
Brew Co.	Brew Co. is the largest alcohol manufacturer in Malaysia. Its operations include manufacturing facilities only and although it had an EBITDA of US\$800mm	It would not be a good fit from a strategic expansion perspective, given it is Malaysia focused and operates manufacturing facilities only. It is listed on the Malaysian stock exchange which would increase the complexity of a	Not recommend

	in FY2020, this was down 5% pcp.	potential acquisition given its dispersed ownership. As such, Brew Co. would not be appropriate to share.	
Bevy's Direct	Bevy's Direct has locations in Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia and New Zealand and is a wholesale distributor in beer, spirits and non-alcoholic beverages. It reported an EBITDA of US\$250mm which was up 20% pcp.	It has locations spanning across Asia-Pacific and its segments are aligned with WorldWide Brewing. This may make sense from a strategic viewpoint for a vertical acquisition and would be simple and feasible given it is owned by one family. Bevy's Direct would be appropriate to share.	Recommend

Let me know if you have any questions or if I can help with anything else.

Kind regards,
Akshat Pathak