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| **To:** | Anna |
| **From:** | Hemant Garg |
| **Subject:** | Recommendation related to Future Investment in Companies |
| Hi Anna,  Here, I am presenting my study based on the future recommendation, where our company can invest for betterment in other countries.   |  |  |  |  | | --- | --- | --- | --- | | **Company** | **Description** | **Relevance to Worldwide Brewing** | **Recommendation** | | **Happy Hour Co.** | Happy Hour 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. | The company has manufacturing facilities in Singapore and China, and outsourced facilities in Malaysia. This could provide cost advantages and better control over its supply chain. The company also has distribution and direct sales, which can provide better control over its supply chain. The company is owned solely by three families. One of the owners has passed away, forcing a sale process. This could present both opportunities and challenges. On one hand, new ownership could bring fresh ideas and strategies. On the other hand, the transition could lead to uncertainty and potential disruptions. The company’s EBITDA for FY June 2020 was US$300 million, up 20% from the previous corresponding period. This indicates a positive financial performance. | **Recommend** | | **Spirit Bay** | Spirit Bay is the largest player in Indonesia, and hold 2nd rank in Malaysia and Singapore, in the segments of beer, spirits and non-alcoholic beverages. Its operations include manufacturing facilities (specially in Indonesia), distribution and direct sales and it has demonstrated strong growth in EBITDA in FY2020 which was up 40% pcp and amounted to US$400mm. | The company has a diverse product portfolio that includes beer, spirits, and non-alcoholic beverages. This diversification can help mitigate risks associated with one particular segment. The company has its own manufacturing facilities in Indonesia, which could potentially provide cost advantages. It also has distribution and direct sales, which can provide better control over its supply chain.  The company is 60% owned by a Global Sponsor, which could provide financial stability and strategic guidance. The fact that 40% is employee-owned could potentially lead to higher employee motivation and alignment with the company’s success. The company’s EBITDA for FY June 2020 was US$400 million, up 40% from the previous corresponding period. This indicates strong financial performance and profitability. | **Recommend** | | **Hipster’s Ale** | Hipster’ Ale has HQ in Malaysia and holds a good position in countries like Singapore, Indonesia, Japan and more in the segments of beer, spirits beverages. Its operations include manufacturing focused on consortium microbreweries in each region, distribution and direct sales and it has demonstrated strong growth in EBITDA in FY2020 which was up 15% pcp and amounted to US$200mm. | The company operates a consortium of independent microbreweries in each region, which could provide unique offerings and local appeal in each market. It also has distribution and direct sales, which can provide better control over its supply chain. The company is owned by 30 independent breweries. This could potentially lead to a diverse range of ideas and innovations, but it might also present challenges in terms of decision-making and alignment of interests. The company’s EBITDA for FY June 2020 was US$200 million, up 15% from the previous corresponding period. This indicates a positive financial performance. | **Recommend** | | **Brew Co.** | Brew Co.is the largest player in Malaysia, in the segments of alcoholic beverages. Its operations include manufacturing facilities only and it has demonstrated week growth in EBITDA in FY2020 which down by 5% pcp and amounted to US$800mm. | It has similar operations to Worldwide Brewing across the same segments and is the leading player in Malaysia, suggesting the potential for strategic benefits and synergies.  The company is listed on the Malaysian stock exchange and is mostly owned by institutional shareholders. This could provide financial stability and indicates a certain level of transparency and regulatory oversight.  The company’s EBITDA for FY June 2020 was US$800 million, down 5% from the previous corresponding period. While this is a significant amount, the decrease in EBITDA might indicate some challenges the company is facing. | **Not Recommend** | | **Bevy’s Direct** | Bevy’s Direct is a renowned player in different countries say Malaysia, China, New Zealand and more in the segments of beer, spirits, and non-alcoholic beverages. Its operations include Wholesales Distribution only it has demonstrated strong growth in EBITDA in FY2020 which was up 20% pcp and amounted to US$250mm. | The company operates in wholesale distribution only. This could mean lower operating costs compared to manufacturing, but it also means the company is dependent on its suppliers for product quality and availability. The company is owned by a single family. This could mean more streamlined decision-making, but it could also present risks in terms of succession planning and diversity of ideas. The company’s EBITDA for FY June 2020 was US$250 million, up 20% from the previous corresponding period. This indicates a positive financial performance. | **Recommned** |   Hopefully, this study could help our company to better understand the pros and cons of future investors.  Thanks, and regards,  Hemant Garg | |