

To: Anna
From: Karan Nikam
Subject: Potential Acquisition Targets for world-wide Brewing Co.

Hello Anna,

I attended the call with the Director from our Hong Kong office, where we discussed five potential targets for worldwide Brewing Co. I have prepared a summary that includes a brief description of each company and my recommendations on whether they should be shared with Carlos.

Company	Description	Relevance to World-wide 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.	It has similar operations to world-wide 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. Happy Hour Co. would be appropriate to share.	Recommend: One of major stake holder is looking for strategic partner.
Spirit Bay	Spirit Bay is largest player in Indonesia and second largest player in Singapore and Malaysia. With segments of Beer, Spirits, Non- alcoholic beverages. Operates in Manufacturing Facilities (Indonesia), Distribution and Direct Sales. Company's EBITDA increased by 40% pcp to US\$ 400 mm in FY June 2020.	The ownership structure of Spirit Bay, with 60% owned by a Global Sponsor and 40% by employees, may complicate transactions slightly. However, its leading market positions in Singapore, Malaysia, and Indonesia, along with its exceptional financial performance, make it a compelling option to consider.	Recommend
Hipsters' Ale	Hipsters' Ale operates in Singapore, Indonesia, Japan, Korea, and Cambodia, focusing on beer and spirits. Its operations encompass manufacturing facilities, distribution, and direct sales. The company achieved 15% EBITDA growth year-on-year, reaching US\$200 million in FY2020.	Acquiring Hipsters' Ale would be strategically and financially advantageous, given its relevant market segments, operations, and solid financial performance. While its ownership by 30 independent breweries may present challenges, the overall suitability makes it a worthwhile consideration.	Recommend
Brew Co.	Brew Co. is the largest alcohol manufacturer in Malaysia, focusing solely on manufacturing facilities. Despite having an EBITDA of US\$800 million in FY2020, this figure was down 5%	From a strategic expansion perspective, Brew Co. would not be an ideal fit due to its exclusive focus on Malaysia and manufacturing. Additionally, its listing on the Malaysian stock exchange would complicate a potential acquisition due to its	Not Recommend

	compared to the previous year.	dispersed ownership. Therefore, Brew Co. would not be appropriate to consider.	
Bevy's Direct	Bevy's Direct operates in Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, and New Zealand, focusing on wholesale distribution of beer, spirits, and non-alcoholic beverages. It reported an EBITDA of US\$250 million, up 20% from the previous year.	With locations spanning the Asia-Pacific region and segments aligned with world-wide Brewing, Bevy's Direct presents a strategic opportunity for vertical acquisition. Its single-family ownership simplifies the acquisition process, making it a feasible and suitable option to consider.	Recommend

Feel free to let me know if you have any questions or if there's anything else I can assist you with.

Kind regards,
Karan Nikam