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| **To:** | Anna |
| **From:** | Kaustav |
| **Subject:** | Potential Clients to expand business in Asia through M&A |
| Greetings Anna,  I had a brief meeting with MD, JP Morgan, HK. He suggested few potential M&A targets. Here is a brief description of each -   |  |  |  |  | | --- | --- | --- | --- | | **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** | SpiritBay is an Indonesian company, operating in beers, spirits and non alcoholic beverages in Singapore, Malaysia and China. They are the #1 player in Indonesia, and #2 in Singapore and Malaysia. Its operations are integrated too. They shown a pretty impressive growth rate with EBITDA US$400mm (FY June 2020 actuals) up 40% pcp. | It has similar operations to WorldWide Brewing across the same segments and operates not only in Malaysia, Singapore but also China, which opens up a large market. They have shown strong management with improved earnings with existing market. They are 60% owned by a Global Sponsor and 40% by employees, which make potential acquisition relatively simple. | **Recommend** | | **Hipsters’ Ale** | Operates in Malaysia(HQ), Singapore, Indonesia, Japan, Korea, Cambodia in the segments of beer and spirit. manufactures through microbreweries in each region, cover distribution and direct sales. Great EBITDA of US$200mn up 20% pcp. | Though Hipsters’ Ale operates in only 2 segments, I covers several different countries that could have potential strategic benefits. This aligns with aim of WorldWide Brewing Co.. They also have solid financials, though ownership is bit complicated with 30 independent breweries that may make the acquisition bit complex, however given the strategic aim, this would be appropriate to share | **Recommend** | | **Brew Co.** | Operates only in Malaysia (HQ) in this segment of beer and spirit. Operates manufacturing only being leader of alcohol manufacturer in Malaysia. Sold financials but lack of growth with EBITDA US$800mm (FY June 2020 actuals) down 5% pcp. | Limited reach and operations are only manufacturing. Owned largely by institutional investors and is listed on the Malaysian stock exchange – due to disperse ownership the acquisition would be more complex. Hence, due to lack of expansion opportunity and poor growth it would appropriate not to share | **Do 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. Functions in wholesale distribution only and owned only by one family. Great growth with EBITDA A US$250mm (FY June 2020 actuals) up 20% pcp | Operates in many countries which provides a strong geographical reach, though it operates only in wholesale distribution. Owned by a single, rendering a potential of acquisition relatively simpler. As the strategic advantage aligns with the aim of WorldWide Brewing, this would be appropriate to share. | **Recommend** |   Please Let me know if you have any further questions.  With Regards Kaustav Dasgupta | |