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| **To:** | Anna |
| **From:** | Nayan Verma |
| **Subject:** | Potential M&A targets for WorldWide Brewing |
| Hi Anna,  Below are my descriptions and recommendations for potential M&A targets for WorldWide Brewing.   |  |  |  |  | | --- | --- | --- | --- | | **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 Singapore and Malaysia in the segments of Beer spirits and non-alcoholic beverages.  Their operations include manufacturing in Indonesia, distribution, and direct sales.  Very strong EBITDA-growth, up 40% pcp amounted to US$400mm | Brewing across same segments.  Recommend  Leading player in Indonesia, and #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  60/40 split. This acquisition would be relatively simple. Spirit Bay would be appropriate to share. | **Recommended** | | **Hipsters’ Ale** | Operate in Malaysia (HQ).  Singapore, Indonesia, Japan, Korea, Cambodia in the segments of beer and spirits.  Manufacture from microbreweries in each region, cover distribution, and direct sales. Solld EBITDA of US$200mm up 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 benefit 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. | **Recommended** | | **Brew Co.** | Operate in Malaysia (HQ) in the segments of beer and spirits operations only consisting of manufacturing facilities in Malaysia. Large EBIDTA of US$800mm down 5%pcp. | Limited reach geographically (only Malaysia) and operations are only manufacturing (although #1 alcohol manufacturer in Malaysia). Owned largely by institutional investors and is listed on the Malaysian stock exchange - due the dispersed ownership the acquisition would be more y complex, Hence, due to limited strategic and operational benefit  It would not be appropriate to share | **Do not recommended** | | **Bevy’s Direct** | Operate in Singapore (HQ), Malaysia, China, Indonesia, Japan, Korea, Cambodia, Australia, New Zealand in the segments of beer spirits and non-alcoholic beverages in wholesale distribution only.  Strong EBITDA US$250mm up  20% pcp. | Operates in similar segments to WorldWide Brewing but only in wholesale distribution. Operate in a range of APAC countries which can provide a strong geographical reach, strategical 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. | **Recommended** |   Please let me know if you have any further question.  Kind Regards,  Satyam Singh | |