

To: Anna

From: Neha

Subject: Potential M&A Targets for WorldWide Brewing

Hi Anna,

I had the opportunity to join the call with the Director from our Hong Kong office, where we reviewed five potential targets for WorldWide Brewing Co. I've compiled a summary outlining each company briefly and provided my insights on their suitability for sharing 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 operates in similar segments as WorldWide Brewing Co. and holds a dominant position in Singapore and Malaysia, indicating significant strategic and synergistic opportunities. With robust financial performance and ownership concentrated among three families, the feasibility of acquisition appears straightforward. HappyHour Co. stands out as a suitable candidate for sharing with Carlos.	Recommended
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.	The strategic alignment of its segments and operations makes it a suitable candidate. While its ownership structure—60% owned by Global Sponsor and 40% by employees—adds complexity, its strong market presence in Singapore, Malaysia, and Indonesia, coupled with impressive financial performance, makes it worthwhile to share with Carlos	Recommended
Hipster's Ale	Hipsters' Ale has locations in Singapore, Indonesia, Japan, Korea and Cambodia and	Strategically and financially, acquiring Hipsters' Ale appears logical due to its	Recommended

	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).	alignment with relevant segments and operations, along with strong financial performance. While its ownership structure involving 30 independent breweries introduces some feasibility considerations, the overall suitability warrants sharing this opportunity.	
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 in FY2020, this was down 5% pcp.	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 potential acquisition given its dispersed ownership. As such, Brew Co. would not be appropriate to share.	Not Recommended
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	Recommended

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

Kind regards,

Neha