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| **To:** | Anna |
| **From:** | Stanley |
| **Subject:** | Potential M&A Targets for WorldWide Brewing Co. |
| **Dear Anna,**  I’ve reviewed the potential M&A targets discussed during our call with the Hong Kong Director. Below is a summary of each company and my recommendations:   |  |  |  |  | | --- | --- | --- | --- | | **Company** | **Description** | **Relevance to WorldWide Brewing** | **Recommendation** | | **HappyHour Co.** | Market leader in Singapore and Malaysia in beer, spirits, and non-alcoholic beverages. They have integrated operations and US$300mm in EBITDA for FY2020. | Strong alignment with WorldWide Brewing's expansion goals and product segments. Simplified acquisition due to ongoing sale process. | **Recommend** | | Spirit Bay | #1 player in Indonesia,  #2 in Singapore and Malaysia, with a strong EBITDA of US$400mm for FY2020, up 40%. | Significant presence in key regions. However, cost-cutting measures and complex shareholder structure may pose challenges. | Consider with caution | | Hipsters’ Ale | Operates in several Asian markets, with decentralized manufacturing managed by microbreweries. EBITDA of US$200mm for FY2020. | While it offers access to various markets, the fragmented ownership structure may complicate integration. | Not recommended | | Brew Co. | Largest alcohol manufacturer in Malaysia, focused solely on manufacturing, with US$800mm EBITDA, though down 5% from last year. | Strong financials but limited synergies due to the lack of distribution and sales capabilities. Listed on the stock exchange, adding complexity. | Not recommended | | Bevy’s Direct | A wholesale distributor operating across Asia-Pacific, with US$250mm EBITDA for FY2020. Focused on beer, spirits, and non-alcoholic beverages. | Wholesale distribution model may not align with WorldWide Brewing’s desire for direct sales and operational control. | Not recommended |   Please let me know if you’d like to discuss any of these further or if you need additional information.  Best regards, Stanley | |