

Ekuinas delivers double targeted return at RM655 mil

[Tweet](#) [Like](#)

STORY BY
G. SHARMILA
sharmila@kinibiz.com



Government-linked private equity firm Ekuinas Nasional Bhd (Ekuinas) hit 25.5% in gross annualised internal rate of return (IRR) last year, more than double its targeted return of 12% and exceeding its aspirational target of 20%.

The 25.5% IRR translated into RM655.9 million in gross portfolio return for its Ekuinas Direct Fund, giving a net annualised IRR of 20.4%.

For 2013, Ekuinas invested a total of RM246.8 million in a total of nine direct and outsourced investments. Three of the nine were direct investments with a total committed capital of RM121.1 million, comprising follow-on investments in Integrated Food Group and in ILMU Education Group, as well as PrimaBaguz Sdn Bhd, which is Ekuinas' first foray into the food manufacturing business.

The balance six investments were under the firm's Outsourced Programme, amounting to RM210.3 million, to which Ekuinas contributed RM125.7 million. The investees were Strateg Sdn Bhd, HG Power Transmission Sdn Bhd, Brickfields Asia College Sdn Bhd, Macro Kiosk Bhd, STX Precision Corporation Sdn Bhd and Consobiz Ventures Sdn Bhd.

The above brought the total cumulative committed investments undertaken by Ekuinas to 24, amounting to RM1.8 billion. Together with private capital, the RM1.8 billion facilitated a total economic capital deployment of RM2.4 billion.

The total funds received by Ekuinas up to 31 December 2013 was RM2.4 billion (out of which RM600 million was received in April that year).

Through its investment activities, the firm achieved an increase in bumiputera equity value of RM2.8 billion or 1.7 times the total invested capital and RM4.1 billion or 2.5 times of Ekuinas' invested capital.



Arshad Raja Tun Uda

Speaking at the launch of the firm's results for the financial ended 31 December 2013 this afternoon, Ekuinas Chairman Arshad Raja Tun Uda said that while last year saw slower investment rates as Ekuinas chose to remain disciplined amid an environment of rising asset prices, the fund is happy to be able to invest in a new industry as well as expanding its core groups' portfolio and also "significantly expanded the Ekuinas Outsourced Programme".

"We are also particularly happy with the progress made by our portfolio companies in our efforts to transform them into future market leading companies especially in its existing core sectors of oil and gas, education and F&B. This is manifested best by Icon Offshore Bhd, which is now the largest pure play offshore support vessel company in Malaysia, and, subject to approval from authorities, is poised for listing in 2014," he added.

Commenting on the results, Ekuinas chief executive officer, Abdul Rahman Ahmad said Ekuinas is pleased its efforts and investments are bearing fruit.

"Out of the gross portfolio return of RM655.9 million, 17% has been realised through dividend income and divestment proceeds. Further, Ekuinas' existing portfolio companies now collectively generate more than RM1.5 billion in revenue and RM375.5 million in EBITDA (earnings before interest, taxes, depreciation and amortisation)," said Abdul Rahman.

ekuinas
EKUITI NASIONAL BERHAD