

EkuiNAS enters healthcare sector with RM80m investments

PETALING JAYA: Government-linked private equity fund Ekuiti Nasional Bhd (EkuiNAS) has announced two investments worth RM79.8 million in two third party medical claims administrators (TPA), marking its maiden entry into the healthcare sector.

TPAs act as an interface between consumers, medical funders and health providers, directly tapping into the growth of healthcare and health insurance markets.

The investments comprise the acquisition of 60% equity in the MediExpress Group (MediExpress), which consists of MediExpress (Malaysia) Sdn Bhd and Health Connect Sdn Bhd, and another 60% equity in PMCare Sdn Bhd (PMCare).

In a statement last Friday, EkuiNAS said the two companies will be merged under one holding company to create the largest TPA provider in Malaysia with 40% market share and servicing more than two million members.

"EkuiNAS is pleased to make its maiden investment in the healthcare sector with these two strong TPA service providers," its chairman Raja Tan Sri Arshad Raja Tun Uda said.

He said the healthcare sector is one of EkuiNAS' six identified target sectors for investment, noting the TPA market forms a fast growing sub sector with a current estimated size of RM100 million and is expected to grow by 10% annually to reach RM156 million in 2019.

MediExpress is a leading

Managed Care Organisation which operates as a TPA for insurance companies and small and medium enterprises segment, while PMCare is the leading bumiputra TPA service provider, focusing on the corporate client segment.

Currently, MediExpress has more than one million members across a health provider network of over 3,000 clinics and 150 hospitals. PMCare, which specialises in the administration of corporate clients' medical, benefits and caters to over 600,000 members across more than 3,000 medical providers nationwide. Together, both companies generated a revenue of more than RM50 million in financial year 2014.

Commenting on EkuiNAS' latest investments, its CEO Datuk Abdul Rahman Ahmad said the company plans to leverage on each company's strengths to provide value-added services to their customers through a proprietary high technology platform to further expand their business and grow regionally.

With these investments in the healthcare sector and the follow-on investment amounting to RM149.8 million, as well as investments completed under the company's outsourced programme, EkuiNAS has undertaken a total of 38 investments since inception. Together with co-investments from private sector partners, it has facilitated a total economic deployment of RM3.2 billion.