

Ekuiņas exits Alliance Cosmetics for RM61.8m

PETALING JAYA: Government-linked private equity fund manager Ekuiti Nasional Bhd (Ekuiņas) has sold its entire 25% stake in a special purpose vehicle (SPV) which controls Alliance Cosmetics Group to its partner, Navis Capital Partners, for RM61.8 million.

Its investment of RM39.9 million in 2010, translates into an effective 20% economic stake in Alliance Cosmetics.

Ekuiņas said in a statement yesterday that Navis has agreed to give Ekuiņas additional proceeds via a sharing mechanism when Navis exits Alliance Cosmetics. That will depend on the final consideration paid and be subject to certain thresholds being reached.

Navis, a Malaysian-based private equity firm with US\$5 billion (RM20 billion) under management as at 2015, and Ekuiņas both invested in an SPV which owned an 80% stake in Alliance Cosmetics in 2010.

The sale proceeds constitute a minimum

internal rate of return (IRR) of 9% and a money multiple of 1.55 times of capital invested, including dividends received.

This disposal brings Ekuiņas' total realisation proceeds from divestments to more than RM1 billion after nearly seven years in operation. Ekuiņas is now focused on crystallising assets under the maiden fund Ekuiņas Direct (Tranche I) Fund as the company is looking to close the deal by the end of 2017, it said in the statement.

The Ekuiņas Direct (Tranche I) Fund recorded a gross portfolio return of RM591.3 million for a gross IRR of 14.8% a year, while its second fund, Ekuiņas Direct (Tranche II) Fund posted a gross portfolio return of RM133.3 million at a gross annualised IRR of 13.0%. Its third tranche, the biggest of Ekuiņas' five funds with a total capital commitment of RM1.5 billion, has had an encouraging start with 15.3% or RM229.8 million committed in FY2015.