

EkuiNAS buys 35% stake in Al-Ikhsan Sports

PETALING JAYA: Ekuiti Nasional Bhd (EkuiNAS), the government-linked private equity fund management company, yesterday announced its entry into the retail sportswear business, with the acquisition of a 35% stake in bumiputera sportswear retailer, Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan) for RM68.6 million.

The deal also includes the 100% acquisition and injection of the company's homegrown sportswear apparel brand, AL Sports, under the Al-Ikhsan umbrella, to leverage on the increasing interest in health and fitness among Malaysians.

In a statement yesterday, EkuiNAS said with the branded sportswear retail sales in Malaysia poised to grow 8% annually to reach RM2 billion by 2020, Al-Ikhsan is

well placed to capitalise on the trend.

Established in 1993, Al-Ikhsan currently commands a 36% market share in the multi-brand sports retail industry encompassing sports equipment, apparel and footwear with 119 outlets in Peninsular Malaysia.

With its rapid growth since 1993, Al-Ikhsan recorded its highest revenue in 2012 at RM278 million. At end 2015, Al-Ikhsan generated a revenue of RM257 million and a normalised ebitda of RM23.2 million.

According to EkuiNAS CEO Syed Yasir Arafat Syed Abd Kadir, EkuiNAS will be working closely with Al-Ikhsan towards accelerating the local and regional expansion, either via organic growth or

through the acquisition of existing specialty players in the market to reinforce its presence in under-penetrated cities in Malaysia.

With EkuiNAS' support, Al-Ikhsan is looking to open six stores in Kuching and Kota Kinabalu by 2018 and neighbouring Asean countries, such as Indonesia and Thailand within the next three to five years.

EkuiNAS said plans are afoot to roll out four new megastores in Kuala Lumpur and Perlis, while consumers in cities such as Kuala Lumpur and Penang can also look forward to Al-Ikhsan premium specialty stores in the mid to long term.

The acquisition is EkuiNAS' first investment this year.