

## Malaysia's Ekuinas exits halal meat-based food manufacturer PrimaBaguz



Ekuinas CEO Syed Yasir Arafat Syed Abd Kadir speaks at DealStreetAsia's Asia PE-VC Summit 2018 in Singapore.

By [Yimie Yong](#)

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Malaysia's state-owned private equity firm Ekuiti Nasional Bhd (Ekuinas) has divested its 100 per cent equity stake in halal meat-based food maker PrimaBaguz Sdn Bhd to US-based Johnsonville International LLC, per a statement on Wednesday.

The deal was closed at an enterprise value of RM175 million (\$41.96 million).

"The sale attracted significant foreign direct investment (FDI) and generated a gross internal rate of return (IRR) of 22.1% and money multiple of 3.8 times the capital invested... [this] brings the company's total realisation proceeds to RM3.1 billion," Ekuinas said.

The PE firm had acquired PrimaBaguz for RM40 million from CIMB Private Equity and Prima Agri-Products Sdn Bhd in 2013, according to media reports.

"Ekuinas is pleased that with this divestment, it has promoted FDI in the food manufacturing industry and that Johnsonville plans to make PrimaBaguz its halal hub for Asia and the Middle East markets," Ekuinas CEO Syed Yasir Arafat Syed Abd Kadir said. "Ekuinas' value creation plan (VCP) for PrimaBaguz has resulted in a 75 per cent growth in revenue since our entry in 2013, primarily driven by an increase in manufacturing capacity and product range."

Established in 1987, PrimaBaguz makes premium halal meat-based products like sausages, cold cuts, meatballs, patties, soup, and sauces. The company supplies to local and global food industry players who are primarily in the Quick Service Restaurant (QSR) and hotels, restaurants, and caterers (HORECA) segments, as well as wholesalers.

It produces over 100 products and caters to more than 15 brands in Malaysia and 10 other countries.

“Our investment in PrimaBaguz allows us to expand our international footprint into Southeast Asia, particularly Malaysia. With the country’s strong market share in the halal food manufacturing industry, we look to use PrimaBaguz’s capabilities to further penetrate markets looking for premium meats, both within Malaysia and in growing markets throughout Asia and the Middle East,” said Johnsonville International president Michael Suprick.

Wisconsin-based Johnsonville is one of the leading processed meat companies in the US. The company produces sausages, meatballs, and other protein items for the retail, wholesale, and foodservice markets. Founded in 1945, the company’s products are now available in over 50 countries.

Johnsonville was selected after submitting the best offer and the best fit under a sale process that evinced interest from a number of local and international parties, Ekuinas said.

It was reported in October last year that Ekuinas was seeking to divest three of its portfolio investments by the end of 2019 or early-2020. This was besides its food and beverage portfolio company Revenue Valley that the firm reportedly intended to exit.

In July last year, Ekuinas divested its entire equity interest in APIIT Lanka, a private tertiary education provider in Sri Lanka, to BG Investments. Ekuinas also divested its entire 60 per cent stake in third-party administrators MediExpress Group and PMCare Sdn Bhd to Sumitomo Corporation in April 2019.

[Ekuinas](#)   [PrimaBaguz](#)

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