

**Press Release**  
**25 May 2023**

## **EKUINAS CATALYSES GROWTH, DELIVERS SIGNIFICANT VALUE TO STAKEHOLDERS**

**Key highlights: -**

- Ekuinas portfolio companies recorded a consolidated revenue growth of 30.2% and earnings before interest, tax, depreciation and amortization (EBITDA) growth of 31.3%.
- Ekuinas Direct (Tranche II) Fund recorded a Gross Portfolio Return (GPR) of RM716.6 million, and a Gross Internal Rate of Return (IRR) of 11.9% per annum (p.a.), while Ekuinas Direct (Tranche IV) Fund recorded a GPR of 91.1 million and IRR of 77.2%.
- As of FY2022, Ekuinas' committed investments stood at RM4.4 billion with investments in a total of 42 companies, out of which 24 are direct investments and 18 are through Outsourced Fund Managers (OFMs).
- Through Ekuinas' investments, Bumiputera equity ownership increased to RM6.5 billion, or 1.6 times the capital invested and total shareholders' value grew to RM8.2 billion, translating to 2.1 times the capital invested. Bumiputera participation in management at portfolio companies grew by 21.9% since Ekuinas' entry.

**KUALA LUMPUR, 25 MAY 2022:** Ekuiti Nasional Berhad (Ekuinas) today announced its financial results for the year ending 31 December 2022 which demonstrated the government-linked private equity (PE) fund management company's ability to deliver on its mandate and drive significant value for its portfolio companies and stakeholders, reiterating its commitment to uphold its financial and social objectives.

For FY2022, Ekuinas portfolio companies recorded a consolidated revenue growth of 30.2% and earnings before interest, tax, depreciation and amortization (EBITDA) growth of 31.3%, well above that of FY2021 at 12.3% and 27.2% respectively.

On fund performance, Ekuinas Direct (Tranche II) Fund recorded a Gross Portfolio Return (GPR) of RM716.6 million, and a Gross Internal Rate of Return (IRR) of 11.9% per annum (p.a.), signifying an increase from RM654.0 million in the previous year. Ekuinas Direct (Tranche IV) Fund recorded a GPR of 91.1 million and IRR of 77.2%, while Ekuinas Direct (Tranche III) Fund delivered a GPR of RM133.5 million and IRR of 3.1%. Ekuinas Direct (Tranche III) Fund showed continuous improvement in recent years, owing to Ekuinas' efforts to strengthen its portfolio companies.

In terms of outsourced investments, Ekuinas Outsourced (Tranche I) Fund saw improvements with an IRR of 4.1% as compared to 2021 performance of 3.3%. On the other hand, Outsourced (Tranche II) Fund performance remained subdued with a negative IRR of 2.7%, down from negative IRR of 0.8% in 2021.

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Chairman of Ekuinas said, "In 2022, especially the second half, saw macroeconomic headwinds and subdued sentiment – a trend we see will sustain well into 2023. While global geopolitical conflict remains unresolved, businesses continue to forge ahead, focussing on operational excellence, resilience, and agility, mindful that disruptions are to be expected and energy shifts, climate change, decarbonising of our economies and food security continue to gain momentum. The theme 'Discipline in Disruption' for this year's annual report reflects our perspective on 2022 and our business approach during the year."

Commenting on Ekuinas' performance, Raja Tan Sri Dato' Seri Arshad, commented, "Despite the uncertain economic environment, Ekuinas continued to deliver on our mandate to increase Bumiputera wealth creation through equity and participation and elevate Malaysian companies to their next phase of growth. Both Ekuinas' direct and outsourced funds successfully increased Bumiputera equity ownership to the tune of RM6.5 billion, the equivalent of 1.6 times the capital invested. There was also an increase of 21.9% in Bumiputera management across its portfolio companies since Ekuinas' entry, while total Shareholders' Value increased to RM8.2 billion or 2.1 times the capital invested.

In FY2022, Ekuinas acquired a controlling stake in Xenergi Sdn Bhd, as a bolt on investment for portfolio company Davex. Ekuinas also incorporated Dana ASAS, a RM100 million fund with deal ticket size of RM10 million to RM30 million, aimed at high potential mid-market Bumiputera companies. The fund saw the completion of its maiden investment in Q1 2023 with Eagle Cliffe (M) Sdn. Bhd., which owns the network of Kaiser Farmasi outlets.

Syed Yasir Arafat Syed Abd Kadir, Chief Executive Officer of Ekuinas said, "Value creation continues to be a core component of Ekuinas' efforts to deliver value and catalyse growth in portfolio companies through customised approaches that address each company's unique opportunities and challenges. Ekuinas leveraged on digitalisation as the backbone for boosting operational efficiency and enhancing innovation. These initiatives have resulted in the rapid growth in revenue and EBITDA for our portfolio companies, strengthening their profitability and competitiveness."

"Kaiser marked our first investment under Dana ASAS, aimed to catalyse Bumiputera mid-market companies," Syed Yasir Arafat added.

Ekuinas' total cumulative funds received stood at RM4.0 billion. It continued to support the economy with a total committed investment of RM4.4 billion and total economic deployment of RM5.1 billion. At the end of 2022, its total cumulative investment portfolio comprised 42 companies, 24 via direct investments and 18 through its OFMs.

Ekuinas remains committed in playing its role as a responsible corporate citizen. In 2022, through its CSR arm, ILTIZAM, it disbursed RM19.6 million which benefitted at least 22,000 individuals, families and businesses through Education, Entrepreneurship and Community initiatives. This brings Ekuinas' total contribution towards CSR efforts to RM87.9 million since its inception.

Syed Yasir Arafat, who presented detailed results of FY2022, later summarised, "2022 was truly a year of embracing disruptions as opportunities in spite of shifting market conditions.

Building strong, resilient businesses that can withstand such certainties remains our priority. Maintaining investment discipline in rising markets over the past few years has continued to pay off. We were able to achieve both our financial and social objectives.

“Whilst we are cautiously optimistic for 2023, we foresee a challenging but busy 2023 ahead in the leadup to the planned divestment of some assets in our portfolio and ongoing deployment of capital for our funds, including Dana ASAS. With a strong pipeline of potential deals, ample dry powder and confidence in our ability to source and convert deal opportunities, we anticipate the closure of more deals at realistic valuations.”

For more information on Ekuinas’ 2022 performance, you may refer to the Chairman and CEO's joint statement in the Annual Report which is available on Ekuinas’ website at [www.ekuinas.com.my](http://www.ekuinas.com.my).

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**About Ekuiti Nasional Berhad**

Ekuiti Nasional Berhad (Ekuinas) is a government-linked private equity company that aims to create Malaysia’s next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation. The Company’s primary objective is to deliver financial value on its investments to ensure its social objective is achieved in a sustainable manner.

To date, Ekuinas has undertaken investments in 42 high potential Malaysian companies involved in its core target sectors namely education, fast moving consumer goods, oil and gas, retail, healthcare, and services. Ekuinas was shortlisted as one of the Top 3 Southeast Asian Firms of the Year by the Private Equity International (PEI) Awards for the year 2018 and 2019.

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