

EkuiNAS sells Tenby

Sale brings 46% internal rate of return to fund management firm

PETALING JAYA: Ekuiti Nasional Bhd (EkuiNAS), the government-linked private equity (PE) fund management company, has divested its entire equity interest in Tenby Education Group to International Schools Partnership (ISP), generating a positive internal rate of return (IRR) of 45.7% and money multiples of 2.5 times the capital invested, including dividends received.

EkuiNAS first bought into Tenby in March 2015, when it acquired a 70% stake in the education group for RM70mil. The following year, it fully acquired the remaining 30% stake for RM35.2mil from its founder Datuk Lim Si Boon.

This sale marks EkuiNAS' eighth divestment and brings the company's total realisation proceeds to more than RM1bil, including the partial divestment of Icon Offshore Bhd.

In a statement, EkuiNAS chief executive officer (CEO) Syed Yasir Arafat Syed Abdul Kadir (*pic*) said: "We are pleased that after eight years in operation, our divestment initiatives are progressing rapidly to accelerate the realisation of our investments.

"The time and economic climate are right for us to exit Tenby, as the divestment enables EkuiNAS to generate positive returns to maintain the funds' performances."

Meanwhile, EkuiNAS chairman Raja Tan Sri Arshad Raja Tun Uda said: "The divestment conducted is in keeping with EkuiNAS' prudent investment strategy to ensure a positive IRR. Additionally, EkuiNAS believes that ISP, which has the required resources and operational expertise, would be able to support and guide the group to continued success."

While EkuiNAS was invested in Tenby, it



had undertaken a few initiatives to aggressively grow revenue and earnings of the group such as increasing student numbers from about 4,600 to over 5,000, and driving expansion through the opening of Tenby Ecohill in 2016 and Tenby Tropicana Aman, scheduled for 2018.

The buyer, ISP, was founded by a team of experienced school operators with both educational and commercial expertise, managing and providing education to 16,000 students in Pre-K-13 schools across Europe, North America, Central America and the Middle

East. Steve Brown, CEO of ISP, commented:

"We are extremely pleased with our acquisition of Tenby, which is our first acquisition in South-East Asia.

"This demonstrates our ambition to grow our partnerships across different regions all over the world. Tenby schools are well-respected within their community. We look forward to making further investments and continuing to grow the schools to help children and students learn to levels that amaze them."

In the statement, EkuiNAS said that Tenby presented an opportunity for ISP to expand into the Asean market, complementing the existing strengths of Tenby and adding a new dimension brought on by its educational and commercial expertise, as well as its experience from schools in other countries under its portfolio.

With Tenby, ISP's portfolio of schools will increase to 25.

Tenby, established in Ipoh in 1960, is a leading education group in Malaysia offering private national and international curricular across six campuses in Ipoh, Penang, Miri, Setia Alam, Johor Baru and Semenyih.

Just last week, EkuiNAS sold its 100% stake in APIIT Group for RM725mil to APIIT's management team and Singapore-based PE firm KV Asia Capital.

EkuiNAS said it had recouped its cost of investment and generated an IRR of 22.3% with a multiple of 1.6 times the capital invested, including dividends. EkuiNAS had bought into APIIT Group in 2011 when it acquired a 51% stake for RM102mil from Bursa Malaysia-listed Sapura Resources Bhd.