

VENTURE CAPITAL AND PRIVATE EQUITY

The total number of registered corporations stood at 129 as at 31 December 2022 (Table 1). The venture capital (VC) segment accounted for 109 registered corporations (venture capital management corporation (VCMC) and venture capital corporation (VCC), while the private equity (PE) segment consisted of 20 registered corporations (private equity management corporation (PEMC) and private equity corporation (PEC).

As at end 2022, the number of professionals employed by the industry with at least 4 years experience stood at 229.

TABLE 1
Statistics of industry participants

Source of funds	2022	2021
Number of registered corporations	129	124
Number of registered VCMCs and VCCs	109	105
Number of registered PEMCs and PECs	20	19
Number of VC and PE professionals ¹	229	344

Note:

¹ Professionals with more than 4 years of experience.

TABLE 2
Industry key statistics (RM million)

	2022		2021	
	Private equity	Venture capital	Private equity	Venture capital
Total committed funds under management [1]	10,711.59	5,372.93	9,648.42	5,183.50
Total drawn capital [2]	7,644.83	3,868.54	6,884.29	3,870.73
Estimated capital available for investment [3]=[1]-[2]	3,066.75	1,504.39	3,495.88	1,312.77
Total no. of investee companies	68	186	41	211

Note:

The statistics are based on self-reported figures by registered VC/PE firms. Y-o-y movements may vary.

Total committed funds in the industry as at the end of 2022 stood at RM10.71 billion and RM5.37 billion for PE and VC respectively (Table 2), with a combined total of RM16.08 billion. For PE, commitments are sourced largely from corporate investors (33.40%), individuals and family offices (16.97%), and financial institutions (12.78%) (Chart 1).

For VC, government agencies and investment companies (36.01%), sovereign wealth funds (27.27%) and corporate investors (22.68%) make up the top 3 sources of funding (Chart 2).

The top 3 registered corporations by the amount of investor commitments as at end 2022 were Creador, Xeraya Capital, and MAVCAP.

CHART 1

Sources of funds, private equity (2022: RM10,711.59 billion)

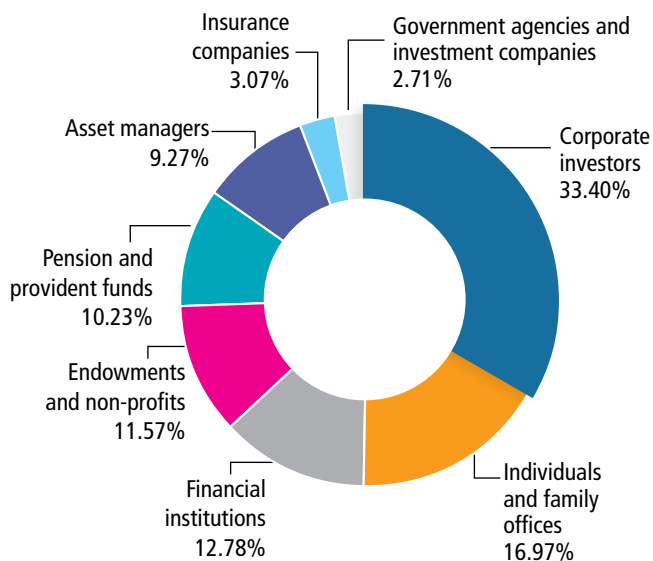
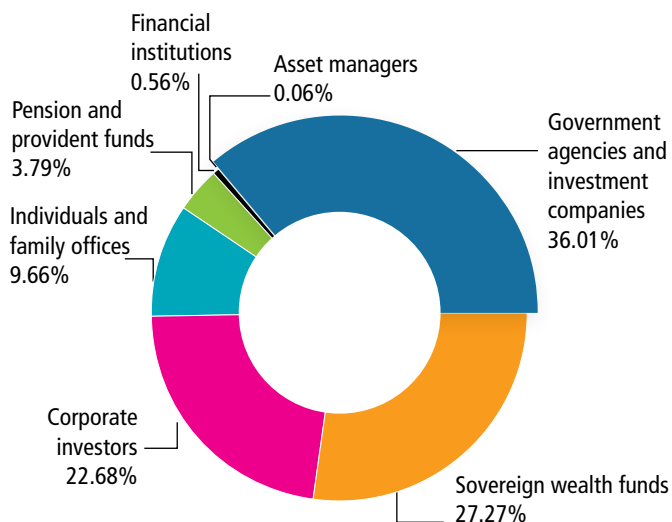


CHART 2

Sources of funds, venture capital (2022: RM5.37 billion)



Note:
Government agencies and investment companies: Includes ministerial investment companies (e.g. Minister of Finance (Incorporated), government agencies, statutory bodies and GLICs established for the purpose of managing investments of public funds (e.g. PNB, Ekuinas).

VC investments in 2022 concentrated on growth (48.18%), followed by early stage (36.53%) and seed (10.54%) opportunities. PE investments were primarily channeled into growth plays (64.87%), with some

investments made to early stage opportunities (28.20%), followed by bridge, mezzanine and pre-IPO investments (6.85%). In total, 34 VC and 38 PE deals were recorded in 2022 (Table 3).

TABLE 3

Investments during 2022

Business stage	New investments (RM '000)	% of segment	No. of companies
Venture capital			
Seed	14,637.49	10.54%	10
Start-up	6,592.35	4.75%	3
Early stage	50,705.45	36.53%	8
Growth	66,885.45	48.18%	13
Private equity			
Early stage	320,479.10	28.20%	7
Growth	737,112.57	64.87%	27
Bridge/Mezzanine/Pre-IPO	77,857.08	6.85%	3
Turnaround/Restructuring	890.00	0.08%	1
Total	1,275,159.49	100.00%	72
<i>Venture capital</i>	<i>138,820.73</i>	<i>10.89%</i>	<i>34</i>
<i>Private equity</i>	<i>1,136,338.76</i>	<i>89.11%</i>	<i>38</i>

In terms of target industries, medical and biotechnology (34.83%) saw the highest share of VC investment in 2022, followed by information and communication (16.45%), and financial and insurance/takaful activities (12.70%).

As for PE, investments were largely channeled to wholesale and retail trade (53.66%) in 2022, followed by healthcare (13.45%) and manufacturing (13.41%) (Chart 3).

CHART 3

Investments in 2022, top 5 target industries

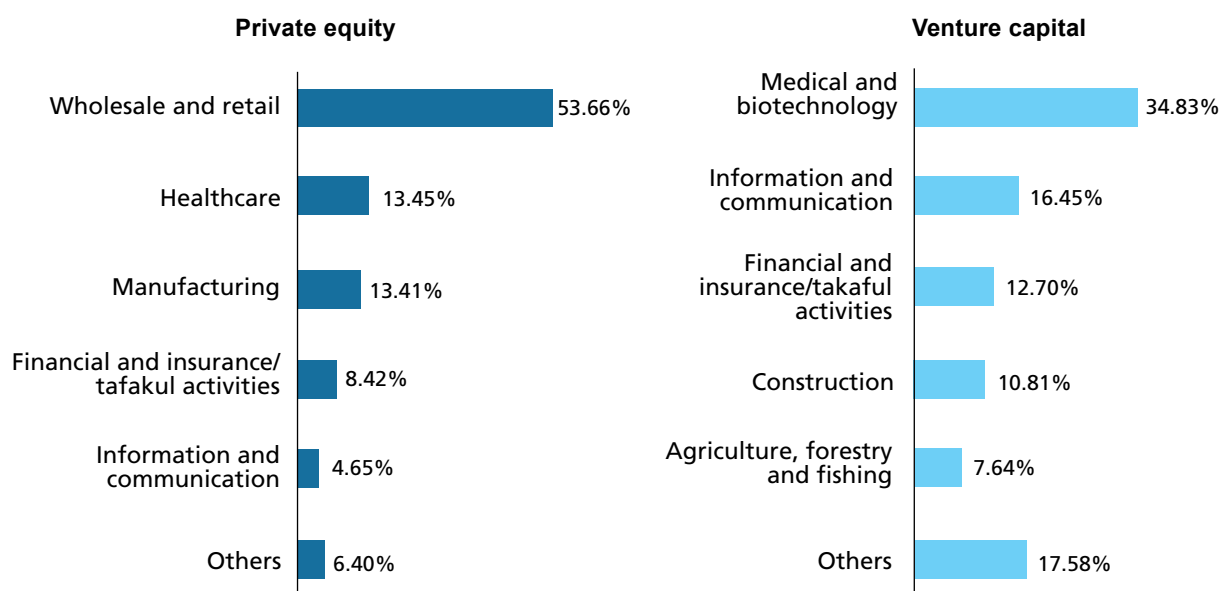


TABLE 4

Divestments during 2022

Business stage	Divestments (RM '000)	% of segment	No. of companies
Venture capital			
Growth	421,905.34	97.89%	23
Buyout	8,212.41	1.91%	1
Turnaround/Restructuring	890.00	0.21%	1
Private equity			
Seed	18,112.61	7.17%	6
Start-up	5,570.92	2.21%	3
Early stage	165,813.00	65.63%	11
Growth	59,134.11	23.41%	12
Bridge/Mezzanine/Pre-IPO	4,000.00	1.58%	1
Total	683,638.38	100.00%	58
<i>Venture capital</i>	<i>252,630.63</i>	<i>36.95%</i>	<i>33</i>
<i>Private equity</i>	<i>431,007.75</i>	<i>63.05%</i>	<i>25</i>

Note:

Figures measured at cost.

Divestments in PE portfolios during 2022 were mainly exits in the growth stage, while the majority of divestments in VC were early stage positions, followed

by growth (Table 4). While trade sales and secondary sales remain common routes for liquidity, 2022 saw several exits via IPOs.