

VENTURE CAPITAL AND PRIVATE EQUITY

The total number of registered corporations stood at 127 as at 31 December 2020 (Table 1). The venture capital segment accounted for 106 registered corporations (VCMC and VCC), while the private equity segment consisted of 21 registered corporations (PEMC and PEC).

As of end 2020, the number of professionals employed by the industry with at least four years' experience stood at 175.

TABLE 1

Statistics of industry participants

	31 December 2020	31 December 2019
Number of registered corporations	127	122
Number of registered VCMCs and VCCs	106	105
Number of registered PEMCs and PECs	21	17
Number of VC and PE professionals ¹	175	220

¹ Professionals with more than 4 years of experience

TABLE 2

Industry key statistics (RM million)

	31 December 2020		31 December 2019
	Private Equity	Venture Capital	
Total committed funds under management [1]	7,385.73	4,314.34	5,998.07
Total drawn capital [2]	5,874.77	3,187.31	4,285.08
Estimated capital available for investment [3]=[1]-[2]	1,510.96	1,127.03	1,712.99
Total no. of investee companies	31	311	304

CHART 1

Sources of funds, private equity (2020: RM7.39 billion)

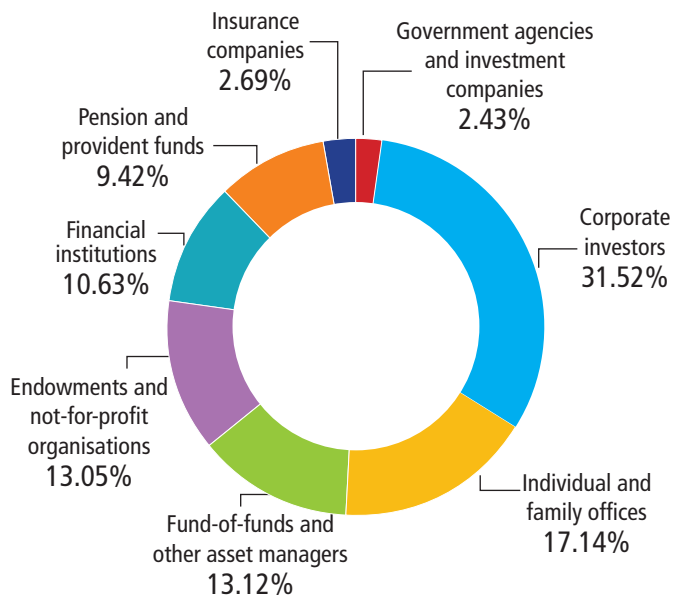
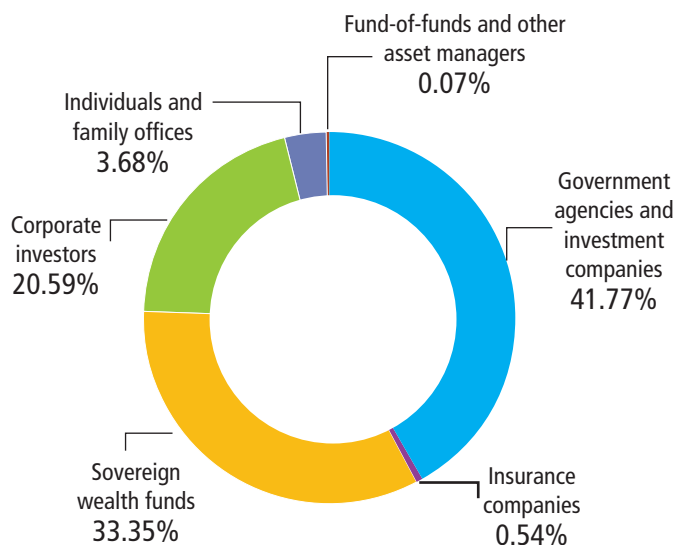


CHART 2

Sources of funds, venture capital (2020: RM4.31 billion)



Notes:

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

Total committed funds in the industry as at the end of 2020 stood at RM7.39 billion and RM4.31 billion for private equity and venture capital respectively (Table 2) with a combined total of RM11.70 billion. For private equity, commitments are sourced largely from corporate investors (31.52%), individuals and family offices (17.14%) and fund-of-funds and other asset managers (13.12%) (Chart 1).

For venture capital, government agencies and investment companies (41.77%), sovereign wealth funds (33.35%) and corporate investors (20.59%) make up the top 3 sources of funding (Chart 2). The top three registered corporations by amount of investor commitments as of end 2020 were Creador, Xeraya Capital and MAVCAP.

TABLE 3

Investments during 2020

Business stage	New investments (RM '000)	% of segment	No. of companies
Venture Capital			
Seed	24,276.30	9.45	10
Start-up	2,954.50	1.15	5
Early stage	129,688.24	50.50	40
Growth	99,869.72	38.89	52
Turnaround/Restructuring	21.00	0.01	1
Private Equity			
Early stage	10,000.00	12.97	1
Growth	53,801.65	69.75	6
Bridge/Mezzanine/Pre-IPO	854.50	1.11	1
Turnaround/Restructuring	12,475.00	16.17	1
Total	333,940.91	100.00	117
<i>Venture Capital</i>	<i>256,809.76</i>	<i>76.90</i>	<i>108</i>
<i>Private Equity</i>	<i>77,131.15</i>	<i>23.10</i>	<i>9</i>

VC investments in 2020 concentrated on early stage (50.50%) and growth (38.89%) segments respectively while PE investments were primarily channeled to growth (69.75%) followed by

turnaround or restructuring (16.17%) and early-stage (12.97%) opportunities. In total, 108 VC and 9 PE deals respectively were recorded in 2020. (Table 3)

In terms of target industries, medical and biotechnology (60.64%) saw the highest share of VC investment in 2020, followed by information and communication (21.54%) and arts industry (8.66%). As for PE, investments were largely channeled to financial services (42.10%) in 2020, followed by information and communication (40%) and energy and utilities (12.96%) (Chart 3).

Divestments by PE firms were predominantly in the growth stage (96.81%). Similarly, VC divestments were significant in the growth stage (60.27%) followed by seed stage divestments (18.34%). Divestments were mainly through redemptions (Table 4).

CHART 3

Investments in 2020, top 5 target industries

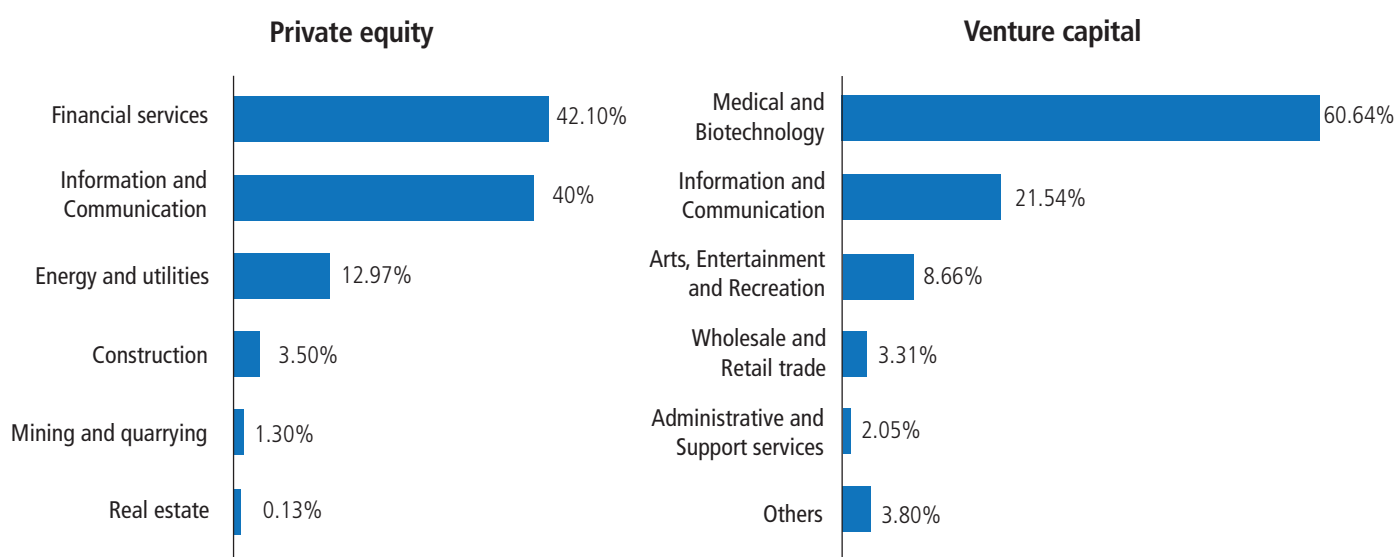


TABLE 4

Divestments during 2020

Business stage	Divestments (RM '000)	% of segment	No. of companies
Venture Capital			
Seed	6,158.43	18.34	5
Start-up	1,502.61	4.47	3
Early stage	5,552.48	16.54	15
Growth	20,233.68	60.27	34
Turnaround/Restructuring	126.53	0.38	7
Private Equity			
Growth	25,957.73	96.81	6
Bridge/Mezzanine/Pre-IPO	854.50	3.19	1
TOTAL	60,385.96	100.00	71
<i>Venture Capital</i>	<i>33,573.73</i>	<i>55.60</i>	<i>64</i>
<i>Private Equity</i>	<i>26,812.23</i>	<i>44.40</i>	<i>7</i>