

Quadria Capital picks majority stake in Malaysian device firm Straits Orthopaedics



Source: Straits Orthopaedics website

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Healthcare-focused Asian private equity firm Quadria Capital on Friday said it has acquired a majority stake in Straits Orthopaedics, a Malaysia-based contract manufacturer of orthopedic-focused medical device solutions, from TH Su, founder of Straits Orthopaedics, and Apex Healthcare Bhd.

Under the terms of the agreement, Apex Healthcare Bhd and Su have agreed to re-invest a substantial portion of their sales proceeds back into the company as minority-stake partners.

The Quadria Capital consortium includes the Employees Provident Fund (EPF) of Malaysia.

As part of the deal, Su has been reappointed as the CEO and director of the company for the next five years.

Founded in 2003, Straits Orthopaedics manufactures a range of orthopaedic-focused implants, surgical tools, and instruments for blue-chip medical device companies around the world.

Quadria Capital managing director Joseph Khoo said, in the statement, “our team had been thematically tracking the medical device outsourcing space for some time, and we see strong growth underpinned by global secular trends of increased outsourcing and supply chain diversification.”

According to research firm EMIS, Straits Orthopaedics reported a net sales revenue increase of 6.96% in 2021. Its total assets grew by 15.21% over the same period. The net profit margin of Straits Orthopaedics decreased by 2.08% in 2021.

Quadria Capital, which is currently on the road to raise \$800 million for its third fund, is looking to hit the first close sometime in the first half of 2023. The Singapore-headquartered firm, which has an establishment in India, recently

Quadria Capital Fund III LP.

Quadria seeks to invest in the high-growth healthcare sector of some of the world's fastest-growing economies in South Asia and Southeast Asia, including healthcare delivery, life sciences, medical technology and associated healthcare services subsectors.

Quadria's acquisition of Straits comes amid rising deal activity in the healthcare space in India. Recently, private equity investor [Advent International](#) entered into a definitive agreement to acquire a significant stake in Suven Pharmaceuticals.

Separately, Sun Pharmaceutical also agreed to buy Concert Pharmaceuticals Inc for \$576 million to access the US company's experimental drugs for treating skin diseases, including patchy hair loss.

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