

São Francisco Group



400%
Increase in
Group hospitals

aprox. 143%
Annualized
EBITDA growth

“Gávea has contributed significantly to improve our governance, capital structure, and strategic planning with a long-term vision. They assisted us in discussions and decision making, always in a constructive way and preserving the company’s culture.”

Lício Cintra - CEO of São Francisco Group

With a track record stretching back more than seventy years, GSF is one of the largest healthcare groups in Brazil. Owing more than a hundred of its units, with over 7,000 accredited practitioners and more than 7,000 direct employees, it has some two million beneficiaries. The GSF group consists of: São Francisco Saúde, which is Brazil’s fourth largest group medicine operator; São Francisco Odonto, one of Brazil’s best dental plan operators; São Francisco Resgate, which heads up the highway medevac sector, and São Francisco Saúde Ocupacional. This group has eight hospitals, including the Hospital São Francisco, which is the largest private hospital in Ribeirão Preto, focused on high-complexity specialties, with more than seventy clinics and centers in five states in Brazil.

COMPANY NEEDS

- The GSF group was seeking a minority investor to help its controlling families grow the business and boost its profits. It was looking for a reputable partner with knowledge and experience in Brazil.
- Furthermore, it wanted a capital increase in order to underwrite its main capital allocation initiatives: (i) verticalization of its own operations; (ii) acquisition of other businesses.

VALUE CREATION THROUGH PE&VC

- Gávea provided support for setting up the following Committees:
 - M&A, to help select, implement and integrate acquisitions;
 - People & Management, to discuss mechanisms for attracting, keeping and developing talents.
 - IT, for support in developing and maintaining critical corporate systems.
 - Risk & Price, for monitoring poorly-performing client portfolios and implementing action plans.
- A GIF partner became the CFO of the company.
- Gávea steered the preparation and introduction of an action-based compensation plan ensuring closer alignment between the interests of the shareholders and the management.

OUTCOMES

- In three years of investment, the Company more than doubled its income and boosted its EBITDA margin by ~40%.
- During the Gávea investment period, the Company completed eleven acquisitions and quadrupled the number of hospitals that it owned.
- At the time of our investment, the Group was merging two business units, with significant operating and tax synergies.
- The Gávea partners provided input for the business efforts of the Group, introducing management for the relationship network companies, which also allowed GSF to move into new areas.



HEAD OFFICE
Ribeirão Preto, SP

MANAGED BY
Gávea Investimentos

INFO
www.saofrancisco.com.br
www.gaveainvest.com.br

INVESTMENT
October 1, 2016

AMOUNT INVESTED
BRL 230 Million

TYPE OF ACQUISITION
Common Shares

STAKE
INITIAL / MAXIMUM / CURRENT
27,9% / 27,9% / 0%

DIVESTMENT
November 1, 2019

TYPE OF DIVESTMENT
Sale to Strategic

PAYBACK
IRR realized: 96.6%
MOIC realized: 5.6x