

LATIN AMERICAN PRIVATE CAPITAL & ESG DEAL CASE



DATE OF INVESTMENT November 2020
TRANSACTION SIZE Undisclosed
PARTICIPATION STAKE 43.3%



COMPANY NAME

Pro Infusion

<https://www.proinfusionpharma.com.br/>

INDUSTRY/SECTOR Healthcare

LOCATION Brazil

DESCRIPTION

Pro Infusion is one of the leading outsourcing companies of pharmaceutical compounding services in Brazil. The company has had consistent growth over the years and high standard operations certified by ANVISA (Brazilian Health Regulatory Agency) and ONA (Brazilian National Accreditation Organization). By optimizing the volume of medicine supplied with each patient's needs, the company's operations cut inefficiencies in the supply chain, reducing the cost to clients by 15- 25%. Pro Infusion delivers quality assurance and cost savings for health plans, mid-sized hospitals and clinics in Brazil.

INVESTOR PROFILE

Founded in 2009, Vinci Partners is a Brazil-focused alternative investment platform specializing in asset management, wealth management and financial advisory services. Vinci Partners' Impact and Return division has managed four funds and seeks minority stakes in growth equity investments. In 2021, Vinci Partners listed on the Nasdaq Stock Market.

FUND NAME Vinci Impact and Return IV

FUND SIZE USD173m

TOTAL AUM USD14.2b

Pro Infusion has provided pharmaceutical compounding services to support hospital demands and healthcare operators since 1989. Through minimizing pharmaceutical waste, Pro Infusion has been able to reduce inefficiencies in the supply chain and reduce costs to clients by 15-25%, expanding the healthcare system's capacity to meet the needs of underserved populations. In November 2020, Vinci Partners became the company's first investor, expanding Pro Infusion's impact to a wider range of geographies and medical services, which led to a successful exit for Vinci Partners in September 2022.

OPPORTUNITY

The pharmaceutical industry can often lack pricing transparency. Often, depending on their physique and other key factors, patients require less than a full dose of medication but must purchase an excess regardless. A way to minimize waste in these situations is to repack and redistribute dosages based on patients' individual needs, which is known as pharmaceutical compounding. However, in Brazil, only specifically licensed centers can perform this service to ensure standards of safety and accountability.

Pro Infusion was founded in 1989, and today is one of the leading pharmaceutical compounding services in Brazil certified by ANVISA (Brazilian Health Regulatory Agency) and ONA (Brazilian National Accreditation Organization). The company's main business line is oncological medications and since 2012, it has expanded its offering to other lines such as parenteral nutrition and ophthalmology. Pro Infusion's business model is based on purchasing high value medicines from large pharma companies and manipulating them in a safe environment to deliver customized products for clinics at a lower cost. As of 2022, the company was delivering around 38 thousand oncology bags per month across Brazil.

Pro Infusion has been able to reduce inefficiencies in the supply chain and reduce costs to clients by 15-25%, enabling mid-sized and non-profit hospitals to treat more patients in underserved areas. This means that for many clinics and clients, Pro Infusion's reduced pharmaceutical prices are essential to maintaining affordability for complex medical services.

EXECUTION

After developing a robust business model, led by its founder Gilberto Shapira, there was an opportunity for institutional capital to further expand the company's value through diversification. In November 2020, Vinci Partners became the first investor in Pro

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Infusion with the thesis of expanding the company's geographical footprint and diversifying its product portfolio beyond oncology. Vinci supported Pro Infusion in opening branches outside of São Paulo which further expanded and diversified its customer base while bringing quality treatment to regions without adequate healthcare access. After Vinci's investment, Pro Infusion entered three new states in Brazil and expanded to new product lines, including parenteral nutrition.

Additionally, Vinci supported the company's acquisition of four new pharmaceutical compounding centers. In the two years following, Pro Infusion was able to roughly double its revenue, EBITDA grew by 160%, and the number of patients expanded from 4,000 to 7,600. In terms of internal structure, Vinci and Pro Infusion collaborated on the development of a long-term value creation plan which incorporated key social and environmental indicators, allowing the company to measure the impact of expanded services. The financials of the company were strengthened through formalizing budgets, regular financial audits, and consistent impact monitoring sessions.

In September 2022, Vinci exited the company through a strategic sale to Viveo, a Brazil-based healthcare manufacturer and distributor of disposable materials and medicines. The deal netted an IRR of 85.1% for Vinci Partners.

SOCIAL IMPACT

Pro Infusion's business model supports the expansion of affordable pharmaceuticals towards patients across Brazil, with a high potential for impact in traditionally underserved regions. Through improving the efficiency of the healthcare value chain, the company has been able to reduce waste and optimize essential medical services where they are needed most. The number of monthly treatments grew by 90% in two years by 2022, with underserved community members representing nearly 13% of the company's patients.

Additionally, Vinci's investment impact thesis focused on attending to the underserved population through oncology units in small cities or non-profit hospitals, where the company operated in partnership with hospitals under the Public Unified Health System (SUS). An example of this growth is the acquisition of an operation in São Gabriel, which is in the countryside of Rio Grande do Sul, to assist patients from the public healthcare system. In the final year of the investment period, Pro Infusion treated nearly 50 thousand patients and supported over nine thousand treatments for the public/philanthropic health sector, reflecting not only a significant increase in capacity but also an expansion of social impact.

