

Lightrock | dr.consulta



Date of Investment

December 2017

Transaction Size

Undisclosed

Participation Stake

15 - 20%

Dr.consulta's clinics provide routine medical appointments, exams and outpatient procedures at an affordable cost to low-to-middle income individuals. The company uses lean digital processes to reduce costs, while maintaining a patient satisfaction rate approximately twice that of public hospitals. Through support from institutional investors such as Lightrock, the company now offers sixty specialties and has established a successful membership program that accounted for 40% of all visits in 2023. In São Paulo, most clinics are located in underserved areas where the company serves an average of 120,000 patients and performs close to 210,000 treatments and services per month.

Investor Profile



FUND NAME	FUND SIZE	TOTAL AUM
Lightrock Growth Fund I	USD966m	USD4b+

Lightrock is a global private equity platform backing purpose-driven entrepreneurs tackling the world's biggest challenges. Lightrock seeks to invest in companies that pursue scalable and tech-driven business models around the key impact themes of people, planet and productivity. Lightrock's portfolio includes more than 85 high-growth companies, supported by over 100 professionals across Europe, Latin America, India and Africa.

Company Profile



COMPANY NAME	INDUSTRY	LOCATION
<u>dr.consulta</u>	Healthcare	Brazil

Dr.consulta provides comprehensive access to primary and secondary healthcare; from routine medical appointments to exams and outpatient procedures across more than sixty specialties. Through its advanced telemedicine platform, digital facilities and streamlined processes the company has been able to greatly reduce operational costs, offering high-quality healthcare at affordable prices. As of 2022, dr.consulta's 1,500+ doctors have served more than three million patients.

The Opportunity

Brazil has a universal health insurance system (Sistema Único de Saúde - SUS), which nearly 75% of the country relies on for their medical needs since many are unable to afford private health plans. However, public medical institutions are often underfunded due to government budget shortfalls. In São Paulo, there are only 16 public specialty care clinics available to serve 15 million people, creating long waiting periods for essential care. Due to these limitations, many low and middle-income Brazilians forego treatment for lower-level ailments or optional medical exams, seeking medical attention only in urgent situations.

In 2011, dr.consulta's first clinic was established in Heliópolis, a São Paulo favela with limited access to healthcare facilities. The dr.consulta model integrates primary and secondary health services into one location, providing patients with access to services faster than through the public medical system, while upholding a standard of care designed for adherence with more than 300 medical guidelines. As an early entrant into the low-cost, out-of-pocket healthcare sector, dr.consulta was well positioned to become a leading healthcare provider across Brazil. The company soon began seeking institutional capital to expand the scope of its services and establish clinics across São Paulo.



Execution

In 2017, dr.consulta received its first investment from Lightrock. As shareholder and member of dr.consulta's board, Lightrock has played a pivotal role in launching the company's secondary care offerings alongside the introduction of medical tests and diagnostics. As a result, dr.consulta has almost tripled its revenues since Lightrock's initial investment. Lightrock has also contributed to the introduction of a recurring revenue model through a monthly subscription program which offers subscribers discounted rates and preferential scheduling options. Currently, the membership program accounts for over 40% of all visits to dr.consulta's clinics.

During the pandemic, Lightrock further supported the company by developing a tool to determine the optimal timing to temporarily shut down, reopen or permanently close clinics to ensure dr.consulta's survival through a difficult period. Dr.consulta clinics also implement skalAI, an AI algorithm that optimizes doctors' schedules to maximize productivity. Prior to its introduction, agenda utilization averaged around 70%, and afterwards it rose above 90% creating more patient capacity within clinics. Through the company's proprietary AI algorithms developed from patient data, the efficiency of visits has increased enough to allow for walk-in appointments.

Dr.consulta has attracted over USD150m from investors since its creation. In 2017, Madrone Capital Partners led a USD50m Series C round, with participation from Endeavor Catalyst, Omidyar Network and follow-on from KASZEK. Most recently, Pátria Investimentos' Kamaroopin fund led a USD57m Series D round with participation from Lightrock, IDB Invest and JICA, the Japanese government's international cooperation agency. These investments have served to further establish dr.consulta's impact as a high-quality healthcare solutions provider.

Social Impact

Dr.consulta's services are currently delivered through a network of thirty clinics, where the company treats an average of 120,000 patients and performs close to 210,000 treatments and services per month. The company focuses on treatments such as routine medical appointments, tests and low to high complexity outpatient procedures across more than sixty specialties, providing patients with access to services 25 times faster than through the public medical system.

The success of the company's model is evidenced by a patient satisfaction rate (NPS) that is approximately twice that of public hospitals in Brazil. Dr.consulta has also partnered with traditional health plans to provide primary care services outside of hospitals, further reducing the pressure on the public healthcare system for the broader population.

Nearly 50% of the company's patients are in the low-to-middle class demographic. Therefore, the majority of dr. consulta's clinic facilities are strategically located near transport terminals, ensuring economically and physically accessible care. The company has launched campaigns in the outskirts of São Paulo, including the largest favela, Paraisópolis, where dr.consulta brings healthcare access to the local population. Additionally, through corporate social responsibility campaigns centered on local communities, dr.consulta provides free gynecologist consultations and personal hygiene kits to women in vulnerable situations.

