

Linzor Capital | Sies Salud



Date of Investment

December 2020

Transaction Size

Undisclosed

Participation Stake

77%

Sies Salud was founded in 2006 to provide comprehensive care at an affordable cost for people living with HIV in Colombia. In 2020, Linzor Capital acquired a majority stake in Sies Salud, identifying an opportunity to expand the company's business model to serve a wider range of chronic diseases. The company currently has 24 outpatient healthcare centers across Colombia, alongside a mobile clinic circulating through the national territory to bring health services to underserved areas. In 2021, Sies Salud was named the best HIV healthcare provider by Colombia's centralized regulatory body and Sies patients continue to report superior health results compared to national benchmarks.

Investor Profile



FUND NAME

Linzor Capital Partners III

FUND SIZE

USD621m

TOTAL AUM

USD703.5m

Company Profile



COMPANY NAME

Sies Salud

INDUSTRY

Healthcare

LOCATION

Colombia

Linzor Capital Partners is a regional private equity firm that invests in mid-sized companies in Latin America. Linzor has the local presence and the expertise required to source, execute, monitor and support a diversified portfolio of investments. Since its founding in 2006, Linzor has invested close to USD1.1b across 24 deals. Linzor is committed to responsible investing as an integral part of its business model and actively considers impact potential throughout its investment process.

Sies Salud is a Colombian healthcare service provider that offers treatment to patients suffering from chronic diseases through a comprehensive care model. Sies' flagship program is HIV care, where Sies is a market leader, serving an average monthly population of 65,000 patients. The company manages end-to-end treatment while delivering above-average patient clinical outcomes, for which it has received multiple industry awards.

The Opportunity

The Colombian healthcare system is a large and growing segment of the country's economy, accounting for approximately 9% of the country's GDP. It is a highly fragmented market where a large number of players face liquidity issues, creating an attractive opportunity for consolidation. While most healthcare spending in the country comes from public funding, private health providers perform an essential role in delivering quality care to wide segments of the population which the public health system cannot manage independently.

For many patients with chronic diseases, it is difficult to access affordable healthcare tailored to their specialized needs, increasing the risk of costly and dangerous complications. This challenge is more prominent for patients with stigmatized conditions, such as HIV, which has historically faced discrimination within the healthcare system. In Colombia, the first judicial claim regarding the constitutional right to health was made in 1992 by a patient living with HIV who was denied antiretroviral therapy. By the end of 2003, an estimated 287,000 Colombians were living with HIV, representing a significant portion of the population underserved by the public healthcare system.

Sies Salud was founded in 2006 with the vision of providing comprehensive care to people living with HIV in Colombia through clinics that could support patients with a level of attentiveness and specialization that was missing from existing hospitals. The first facilities were established in the cities of Armenia, Pereira and Cali, serving roughly 1,800 patients, many of which came from marginalized communities. The company was quickly able to attract the country's most reputable health insurers as clients, due to the proven impact of quality care on decreasing the incidence of costly complications. Between its founding and 2019, Sies Salud grew to serve nearly 45,000 patients, reached 18 outpatient healthcare centers and expanded its services beyond HIV care into other chronic conditions.



Execution

In 2020, Linzor Capital acquired a majority stake in Sies Salud, identifying the opportunity to enter the Colombian healthcare sector through an established specialized healthcare provider. Sies Salud stood out due to its ability to manage end-to-end treatment of high-cost patients while delivering above-average health results at scale. Linzor's investment thesis centered around expanding the company's comprehensive care model across a wider range of chronic diseases, creating a larger and more diversified platform.

Linzor has since supported the launch and expansion of additional services, including chronic kidney disease (“CKD”), arthritis, diabetes and multi-pathologies medical units, leading to non-HIV care growing at a 32% CAGR and representing 19% of total revenue in 2023. In addition, in 2024, Sies expanded into oncology care through the acquisition of Insuasty Oncología.

During the pandemic, Linzor worked closely with Sies's management to adapt its business model by incorporating a telemedicine strategy, which enabled it to continue serving vulnerable patients. Currently, 95% of Sies' medical professionals are trained in telemedicine tools and ~60% of Sies' patient population has accessed remote medical care. Additionally, during this time, Sies started collecting laboratory samples and delivering medications to patients' homes at no additional cost to the insurer or the patient.

In 2024, the company was named the best HIV healthcare provider by Colombia's centralized regulatory body and 15 Sies' clinics were nominated for awards in Arthritis, HIV, and Hepatitis C. Since Linzor's entry, the number of Sies clinics has grown by 33% to 24 outpatient healthcare centers and one mobile unit, further expanding healthcare access for individuals living with chronic diseases.

Social and Environmental Impact

Sies Salud patients report superior health results when compared to the national benchmark for patients living with chronic diseases. For example, Sies patients with HIV have a lower rate of hospitalization and mortality (0.4% and 0.2% respectively) than national averages (2.0% and 1.3%). Additionally, 72% of Sies patients with CKD did not have their condition deteriorate, above the 50% goal set nationally. These examples highlight how the company generates significant savings for Colombia's health system while protecting patients' health outcomes and quality of life.

During 2023, Sies assisted an average of 65,000 monthly patients through 24 clinics, many of which are based in areas with limited access to healthcare services. The company has also undertaken women-focused social investment projects in the low-income regions of La Guajira and Chocó, such as sustainable income-generating programs and food security ventures. In 2023, Sies launched a social impact project in Sampués, a 42,500-inhabitant rural location with no access to health services, where the company has been providing medical checkups, rapid lab tests, health workshops and donations to the local population. The company has also established a mobile clinic that brings health services to over 2,500 patients in underserved areas annually.

By 2023, Sies had installed solar panels in seven of its clinics and partnered with two local institutions to donate solar panels to a school within an indigenous community in Guajira. Sies is also working to develop a plan to reduce its carbon footprint by 2030. The company has since obtained an environmental excellence certification from the Bogotá Environmental Authority and joined the Global Network of Green Hospitals in 2023.

