Advent International reinvests in Brazilian education sector with acquisition of Faculdade da Serra Gaúcha

Investment supports the creation of a new higher education platform to consolidate institutions with high quality standards, starting with the acquisition of one of the most important players in Rio Grande do Sul

SÃO PAULO, BRAZIL – March 24, 2015 – Advent International, one of the largest and most experienced global private equity investors, today announced that it has agreed to acquire Faculdade da Serra Gaúcha (FSG), a leading private higher education company located in the state of Rio Grande do Sul. The transaction, subject to regulatory approval and other customary closing conditions, is expected to be completed in the first half of 2015. Terms of the agreement were not disclosed.

Founded in 2003 by two professors, FSG is the second-largest higher education company in Caxias do Sul, the second-largest city in Rio Grande do Sul. The company, which provides undergraduate and graduate courses to more than 10,000 students, has a well-established reputation for academic excellence as most of its courses are graded four out of five by the Ministry of Education in Brazil. In addition to its headquarters in Caxias do Sul, FSG has operations in the cities of Bento Gonçalves, Farroupilha and Ijuí.

“I am pleased to see an experienced investor like Advent supporting FSG’s growth, not only in the Caxias region but also outside Rio Grande do Sul State,” said Professor Orlando Chemello, co-founder of FSG.

“Advent’s investment will help to broaden FSG’s course offering and expand our geographic footprint, including the development of a new campus in downtown Caxias do Sul,” said FSG co-founder Julio Stelzer.

“FSG operates in a strategically important region in Brazil and is recognized for its high-quality undergraduate, graduate and extension programs,” said Juan Pablo Zucchini, a managing partner in Advent’s São Paulo office. “The Serra Gaúcha region has the second-highest gross domestic product in Rio Grande do Sul and a per capita income above the state average. We see great potential for FSG’s continued expansion within its home region.
and in other parts of Brazil, particularly as Brazilians continue to recognize the benefits of post-secondary education.”

The acquisition of FSG represents Advent’s second investment in Brazil’s higher education sector. Between 2009 and 2013, the firm co-controlled Kroton Educacional, the largest private education company in Latin America and one of the largest worldwide. With Advent’s support and guidance, Kroton expanded its student base 25-fold from 40,000 to more than 1 million and made seven acquisitions including IUNI, Unopar, Uniasselvi and the merger with Anhanguera.

Advent has been investing in Brazil since opening its São Paulo office in 1997. The firm’s local team of 17 professionals has worked on 20 investments in Brazil and other Latin American markets and supported numerous acquisitions by existing portfolio companies. Over the past 15 months, Advent has invested in two other Brazilian companies: Allied, a leading independent marketer and provider of technology products; and Cataratas do Iguaçu, the largest concessionaire and operator of services in Brazil’s national parks. Advent also helped to fund its portfolio company Biotoscana’s acquisition of United Medical, a specialty pharmaceutical company, and facilitated the merger of Dudalina with publicly listed Restoque, creating the largest high-end apparel retailer in Brazil.

“We are looking forward to working closely with the team at FSG to expand the company’s geographic footprint and course offering,” said Newton Maia, a director in Advent’s São Paulo office. “We plan to do this through internal growth initiatives and an acquisition program where we will augment FSG’s platform by adding post-secondary educational institutions with strong brands, high quality standards and leading positions in their respective regions, not only in the south but all over Brazil including institutions in the North and Northeast regions.”

About Faculdade da Serra Gaúcha
Faculdade da Serra Gaúcha (FSG) is one of the largest private higher education companies in the south of Brazil, headquartered in Caxias do Sul and with operations in Bento Gonçalves, Farroupilha and Ijuí. The company provides education to more than 10,000 undergraduate and graduate students. FSG was founded in 2003 by professors Orlando Chemello and Julio Stelzer, both of whom have significant experience in Brazil’s education sector.

About Advent International
Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. The firm has invested in 300 private equity transactions in 40 countries and as of December 31, 2014, had $33 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 180 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services; healthcare; industrial; retail, consumer and leisure; and technology, media and telecom. After 30 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies. For more information, visit www.adventinternational.com

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