

**¿Vender o no vender?**

**Todohospital: un diagnóstico financiero pendiente**

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**Abstract:**

This case illustrates how to analyze the financial situation of a private hospital and also how this analysis may help an individual investor to decide to sell or to keep the investment.

*Todohospital*, was a private hospital which started its operations in 2009. The hospital was built by an important and powerful Holding with tremendous experience on real estate and also agribusiness. The project sought financing in 2006 and went to the market to sell 2800 fiduciary securities in order to raise USD 16.8 Million. The strategy to sell securities was directed to doctors and small individual investors. The first year of operations the profits would start at \$ 2.5 million dollars up to approximately \$ 5 million after ten years. Additionally, investors would access benefits and discounts on health services provided at the hospital.

Juan, an industrial engineer with more than 15 years of work experience and also a manager of a company, had always been a saver and a good financial planner. He bought one of the fiduciary securities and paid USD 6,000 for it. Since *Todohospital* started to operate, the net profit has been below the expectations and the last financial statements issued in 2016 only showed that net profits reached less than USD 600,000.

Given this situation, Juan questioned whether the hospital was following a very risky strategy considering one of its principal clients was the government which was responsible for the majority of the account receivables. Which is the financial condition of the hospital? Is it worthwhile to maintain his investment or is it the time to leave considering an optimistic sell price of USD 6,000 for the fiduciary security?

**Keywords:** financial ratios, working capital, investment return