

## The Investor

**HELIOS** Investment Partners

Established in 2004, Helios Investment Partners is an African private investment firm based in London, Paris, Lagos and Nairobi. Managing funds totaling USD3.6b, the firm's portfolio companies operate in over 30 countries across the continent. In January 2020, Helios became the largest emerging markets-focused private equity firm globally to achieve B Corp certification.

**FUND NAME**  
Helios Investors III

**FUND SIZE**  
USD1.1b

**TOTAL AUM**  
USD3.6b

## The Company

**GB** FOODS Africa

Based in Ghana, GBfoods Africa (GBFA) is a pan-African culinary products platform with a portfolio of low-cost, staple food categories, including tomato paste, mayonnaise and bouillon cubes. The company was established as a joint venture between Spanish fast-moving consumer goods (FMCG) holding company Agrolimen and Helios Investment Partners, acquiring assets from leading African food brands. Through direct import and local production in seven factories across Africa, GBFA is one of Africa's largest FMCG businesses, with distribution in over 30 African countries.

**LOCATION**  
Ghana

**SECTOR**  
Food & Beverage

**WEBSITE**  
[www.thegbfoods.com](http://www.thegbfoods.com)

DATE(S) OF INVESTMENT

MAY '17

AMOUNT

USD100M+

STAKE

49%

DATE OF EXIT

SEPT '21



GBfoods, a global culinary products manufacturer operated by Barcelona-based holding company Agrolimen, has been selling its seasoning products in Francophone Africa since 1973. The company was looking to expand its African operations into other product categories and markets, particularly in Anglophone countries like Nigeria and Ghana.

Impressed by the company's global product expertise and track record on the continent, Helios saw an opportunity to create an integrated buy-and-build culinary platform. Comprising non-discretionary products that constitute only 3-5% of money spent on an average meal, the portfolio of seasoning and condiment brands would be resilient to macroeconomic conditions. Helios would focus on shifting the brands away from export-heavy business models and towards local production, thereby insulating the business from supply chain challenges, increasing profit margins and contributing to local economies and food systems.

## The Deal

In 2017, Helios and Agrolimen invested to establish the joint venture GBfoods Africa (GBFA), consisting of GBfoods' existing Africa business. Helios first assisted GBFA in localizing its operations, establishing a headquarters in Ghana and building a senior executive team with a mix of Spanish and African talent.

The firm's initial capital infusion was used to acquire the assets of Watanmal, an importer and trader of tomato paste brands Gino and Pomo. Tomato paste is essential to the Nigerian diet, and the country is the world's largest importer of the staple product. Despite the availability of arable land close to African consumers, tomato paste ingredients and finished products are nearly all imported from China, the United States, Europe and Latin America. Previous efforts by Nigerian agribusinesses to localize the production of tomato paste had failed, either because local tomato varieties were not suited to paste products or because storage and other logistics infrastructure was inadequate.

Leveraging Agrolimen's experience cultivating tomatoes in Spain, Helios helped GBFA combine global agricultural best practices with local expertise and experimentation to find the right land, growing practices and irrigation process to produce a successful tomato crop for its paste products. Key to this success, the company introduced a new tomato varietal that can be grown during the dry season to optimize land use, boosting the average yield of local farmers by up to 10x.

Downstream, Helios helped GBFA to innovate tomato paste packaging from traditional tins to smaller-volume sachets, making the product more affordable for consumers. The sachets also created a competitive edge because they are harder to import by international competitors.

"Identifying ways to domesticate production of some of the product categories was a major focus for us."

—Nimit Shah, Partner, Helios Investment Partners

Helios also helped GBFA with the backward integration of its mayonnaise and bouillon cubes products by localizing the manufacturing processes. Its new bouillon cube factory in Nigeria now produces millions of cubes per day that are sold under the Jumbo brand. Prior to Helios' investment, the company sourced all of its mayonnaise products from a producer in Richmond, Virginia, in the United States. Helios helped GBFA acquire the Bama mayonnaise brand from the US manufacturer and set up the most advanced mayonnaise manufacturing facility in the world. The company now produces 100% of its mayonnaise products sold in Nigeria in two factories in Sango Ota, outside of Lagos. After the acquisition, GBFA also adapted its mayonnaise products for the local palate by incorporating flavorings, boosting its market share.

Vertical integration helped increase company profit margins and insulate the business from foreign exchange fluctuations and regulatory changes. Meanwhile, new product innovations and launches, combined with cross-selling products across complementary markets, improved gross sales. As a result, during the four-and-a-half-year investment period, GBFA consistently registered annual operating profit growth in the mid-teens.

## Inclusive & Sustainable Growth

About 60% of raw materials for GBFA products are now sourced on the continent, up from less than 30% prior to Helios' investment. Approximately 10% of the tomato paste input is now produced locally, and the company aims to increase this percentage. Through localizing food production, GBFA created over 1,000 new jobs for people who were previously unemployed and had limited job prospects, keeping high-value skills and jobs in agriculture and manufacturing on the continent. The local tomato-growing operations alone have created new jobs for 700 tomato harvesters, 80% of which are women. For many families, these jobs provide for the first time a second source of income, which surveys indicate is used to buy clothing, mattresses and mosquito nets and to pay children's school fees.

Local production also limits price increases for local consumers that would result from currency depreciation and supply chain disruptions like those seen during the COVID-19 pandemic, as well as reducing carbon emissions associated with previous long-haul shipping.

## Outcome/Outlook

In September 2021, Helios sold its 49% stake in GBFA back to its joint venture partner GBfoods at a more than 2x MOIC. GBFA and its parent company remain committed to expanding the platform's local production and suite of brands, fostering an African champion in the culinary space. •