



Financial Access

2SCALE

*Incubating and accelerating  
inclusive agribusiness in Africa*



# Agribusiness Investees

Investments Pitch Deck

6th June 2020

## Hello, we have an opportunity to share

I am Henk Van Duijn, program director 2SCALE and I would like to use this opportunity to reach out to you and your organization.

[2SCALE](#) – is a \$ 300 million incubation program started in 2012 and are in the 2<sup>nd</sup> phase of implementation up to 2024. We are a joint initiative of the International Fertilizer Development Center (IFDC), SNV and the BoP Innovation Center. We have and are supporting over 100 public private partnerships in several countries across Sub-Saharan Africa, reaching over 1,350,000 smallholder farmers and 10.000 micro, small and medium enterprises and producer organizations in 2024. Together with our strategic partner [FACS](#), we provide support to portfolio companies to scale their inclusive business models into investable propositions in the Agri and Financial Services sectors.

Based on the results of the partnership so far, we are pleased to present you with a selection of opportunities at different stages of maturity of the acceleration program in the **attached presentation**.

We believe these companies represent an attractive opportunity to diversify your portfolio while investing in inclusive models that contribute to improving farmers' capacity and bottom-of-the-pyramid consumers' livelihoods.

To understand your appetite for this type of opportunities, we would like to schedule a call at your convenience.

Feel free to reach our contacts Mr. Peter Kirimi senior financial inclusion specialist (2SCALE) and Ms. Veerle Haagh (impact investment analyst) from FACS as per contact details provided in the last slide of this investment pitch deck.

Yours faithfully,



Henk Van Duijn

Implemented by:



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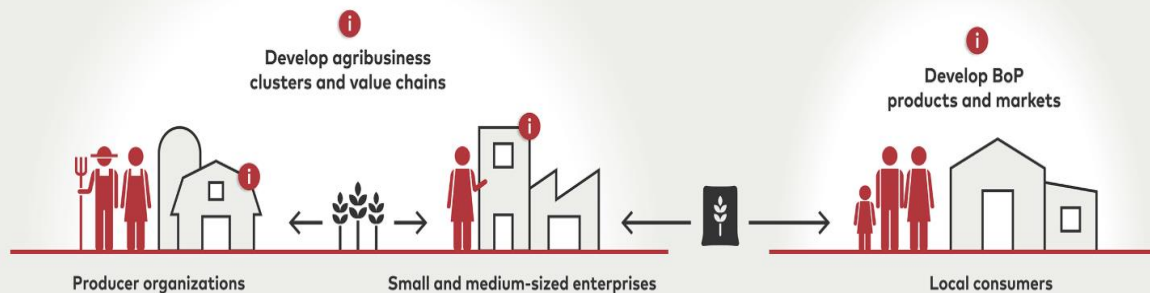


Ministry of Foreign Affairs of the  
Netherlands



**2SCALE** is an incubator program that manages a portfolio of public-private partnerships (PPPs) for inclusive business in agri-food sectors and industries. Currently in its second phase, 2SCALE offers a range of **support services to its business champions** (SMEs and farmer groups) and partners, enabling them to produce, transform and supply quality food products. These products go to local and **regional markets, including to base of the pyramid consumers.**

The **2SCALE** program started in June 2012 and has since developed in one of the largest incubators of inclusive agribusinesses in sub-Saharan Africa. Between June 2012 and December 2018, the program developed a portfolio of 52 partnerships in target agri-food sectors and industries, reaching over 600,000 smallholder farmers and leveraging around €50 million in private sector contributions.



**FACS** is part of the Financial Access Group, the ex-ING Bank **emerging market advisory unit.**

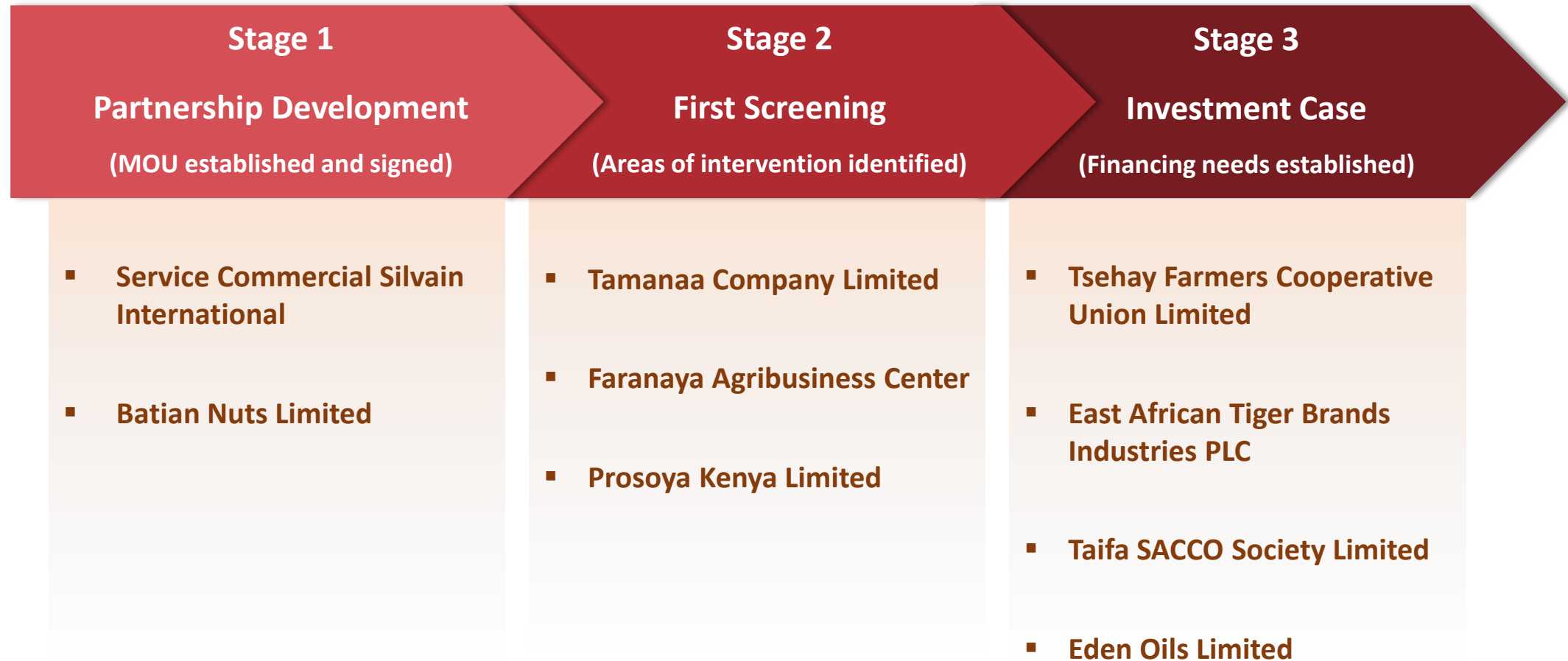
Headquartered in Amsterdam, FACS develops and delivers sustainable **investment advisory** and **technology solutions** with emphasis on **agri commodity chains.**

From its regional hub in Nairobi, FACS has been engaged in a number of assignments and has developed an extensive network of local partners, (financial) institutions and other organizations in Kenya and Sub Sahara Africa.

In 2019, 2SCALE and FACS decided to enter into collaboration to offer tailored advice and deliver technology solutions to accelerate financial inclusion for small Agri-enterprises and smallholder farmers for 2SCALE partners in the 2SCALE's program countries. The goal of the parties is to provide capacity building, data analytics, broker financial services aiming at matching the financial demand-side and supply-side and ensure 250,000 SHFs, 2000MSMEs, and 250 SMEs have received additional financial services equivalent to 50 million Euros.

# Investment Opportunities

*Overview of potential opportunities at different stages of incubation under the 2SCALE program*







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## I. Opportunities in the Partnership Development Stage

# Service Commercial Silvain International

*Promoting markets for locally produced fruits and vegetables*



**Established in**  
1997



**Mali**



**Fresh Produce**



**Ask: 1 M EUR**



**Instrument: Long term debt**

## Company Overview

**Business description:** Service Commercial Silvain (SCS) is an agri-business that specializes in the sourcing and exportation of fruits and vegetables. SCS sources its products from local smallholder farmers and exports them to overseas buyers, mainly in Europe.

**Ownership:** SCS is a limited liability company owned by Mr. Moussa Silvain Diakité (CEO).

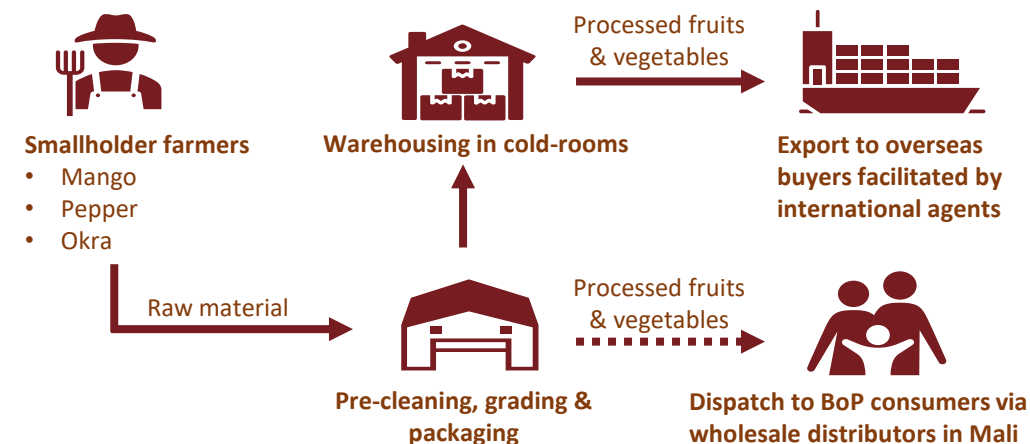
**Products:** SCS mainly specializes in the exportation of mangoes to Europe. Since 2015, the company has become more active in the production and sourcing of pepper, okra and other vegetables.

**Production capacity and growth plans:** The company's first export batch was 22 tonnes of mangoes in 2007, which grew to 2,000 tonnes as of 2019. SCS has ambitions to reach 6,000 tons in the next 5 years across its existing operations in Mali and upcoming subsidiaries in other West African countries, including Ivory Coast, Guinea, and Senegal.

Financial Snapshot	2017A	2018A	2019A
Revenue (EUR)	1,597,000	1,877,000	6,344,000
EBITDA Margin	19.0%	20.0%	10.1%*
Debt-to-Equity	0.4x	0.4x	0.5x

\*The EBITDA margin in 2019 declined due to investments in additional distribution units.

## Supply Chain Overview



## Use of Funds

- To prepay inputs for farmers and Support expenses linked to the implementation of a market gardening program.
- To pre-finance the purchase of products before recovery of turnover. After the first season/sales, the activity will be auto financed.

## Targeted Impact and Key Interventions Under the 2SCALE Program

- 15,000 (50% senior women, 25% junior women, 10% senior men, 15% junior men) smallholder farmers involved.
- 145 micro, small and medium enterprises involved
- 4 producer organizations involved.
- EUR 1,058,720 private sector co-investment.
- 15,000 BoP consumers with better access to nutritious food



# Batian Nuts Limited

## Process, package and market edible nuts



**Established in**  
2017



**Kenya**



**Edible nuts**



**Ask: 650,000 USD**



**Instrument: Working capital loan**

### Company Overview

**Business description:** Batian Nuts Ltd (BNL) is an agro-processing company established to fill a gap in the off taking of Macadamia nuts produced by smallholder farms in the larger Meru region of Kenya.

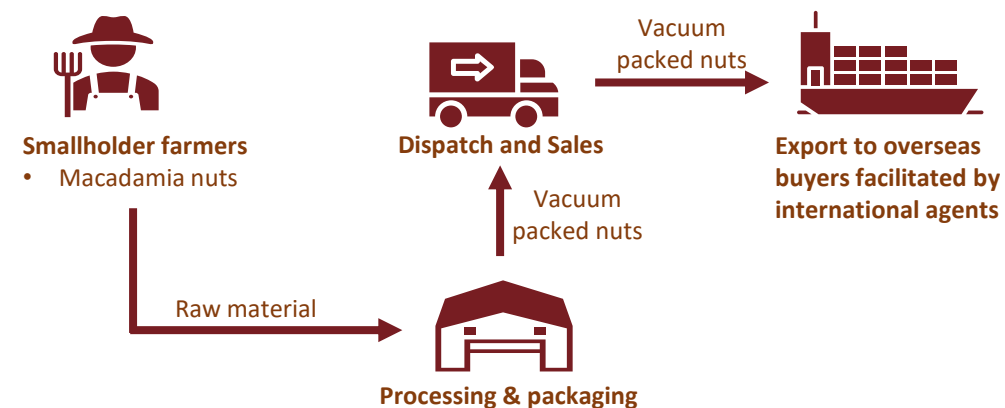
**Ownership:** BNL is a limited liability company owned by 3 individual shareholders and 3 corporate shareholders comprising Afrimac Nuts Company Ltd, The Village Nuts Company Ltd and Sagana Nuts Company Ltd.

**Products:** BNL's primary product is vacuum packed macadamia nuts, which are exported through international agents. The company plans to expand into cashew nut and peanut processing in the future

**Production capacity and growth plans:** Production began in 2018 with an output of 300 tonnes for their first batch of processed nuts which later increased to a whopping 520 tonnes in 2019. Batian has since acquired land to set up a peanut processing plant which is expected to be completed and operational by the end of 2020.

Financial Snapshot	2018A	2019E	2020E
Revenue (USD)	1,225,406	1,873,641	2,682,777
Operating Margin	26.5%	27.1%	27.3%
Debt-to-Equity	1.3x	1.3x	1.3x

### Supply Chain Overview



### Use of Funds

- The funds will be used primarily to purchase and stock macadamia nuts from farmers ready for processing. BNL proposes that such debt be repayable in full at the end of each season with the option of prepaying at the company's convenience to enable the business access a similar facility in readiness for subsequent seasons.

### Targeted Impact and Key Interventions Under the 2SCALE Program

- 10,000 (50% women, 40% youth) farmers targeted & supported.
- 6 SMEs involved including 2 female-led.
- Approximately KES160M of private sector co-investment.
- 10,000 BoP consumers with improved access to nutritious food.



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## II. Opportunities in the First Screening Stage



# Tamanaa Company Limited

*Process locally sourced rice into high quality nutritious rice*



**Established in 2011**



**Ghana**



**Rice milling**



**Ask 3 M USD**



**Instrument: Long term debt**

## Company Overview

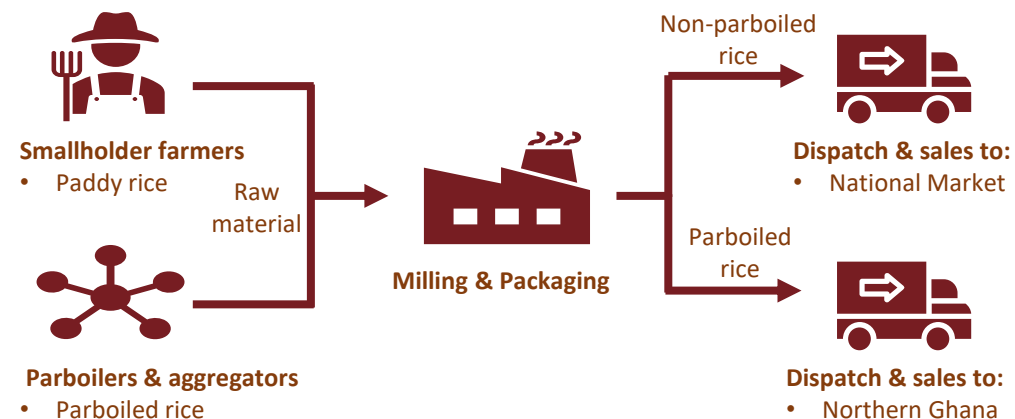
**Business description:** Tamanaa Company Limited (TCL) is an agro-processing company that mills, and markets rice sourced from smallholder farmers and aggregators under its brand name Nasia Star Rice.

**Ownership:** TCL is a limited liability company owned by Mr. Braimah Saibu (CEO) and Mr. Abdulai Tampuri.

**Products:** Tamanaa processes and markets 60% of its rice as parboiled and the remaining 40% as non-parboiled. The parboiled rice is marketed in Northern Ghana, while the non-parboiled rice is marketed in the national rice market.

**Production capacity and growth plans:** Tamanaa currently operates a 40 MT/day rice mill and has a 500 MT capacity warehouse for storing paddy and milled rice. In line with its vision to become a leading producer of rice in Ghana, the company plans to install a 100 MT/day rice mill and a 1000 MT capacity warehouse.

## Supply Chain Overview



## Use of Funds

- Construction of a factory in Nasia with 100 MT rice processing mill and a 1000 MT capacity warehouse.
- Purchase of two tractors and a combine harvester to provide mechanization services to smallholder rice farmers.

## Targeted Impact and Key Interventions Under the 2SCALE Program

- 10,000 smallholder farmers (2,000 youth & 5,000 women) involved.
- 30 micro-small and medium enterprises involved.
- 350 producer organizations involved.
- EUR 800,000 private sector co-investment.
- 15,000 BoP consumers with better access to nutritious food.

Financial Snapshot	2016A	2017A	2018A
Revenue (\$)	43,196	65,501	100,859
EBITDA Margin	7.4%	15.7%	49.2%

*\*The company does not have any long-term or short-term financial obligations as it is fully funded by its two shareholders.*

# Faranaya Agribusiness Center Limited

*Provide secure and reliable market for sorghum farmers*



**Established in**  
2010



**Ghana**



**Sorghum**



**Ask: 3M GHS**



**Instrument: Short term debt**

## Company Overview

**Business description:** Faranaya Agribusiness Center Limited is a leading commercial aggregator of sorghum from smallholder farmers in Northern Ghana, which is supplied to its main off-taker Guinness Ghana Breweries Limited (GGBL).

**Ownership:** Faranaya is jointly owned by the Presbyterian Agriculture Services and Wumtitaaba Farmers Association, together with other farmer-based organizations.

**Products:** The company's main product is sorghum, which is supplied to GGBL as its main off-taker.

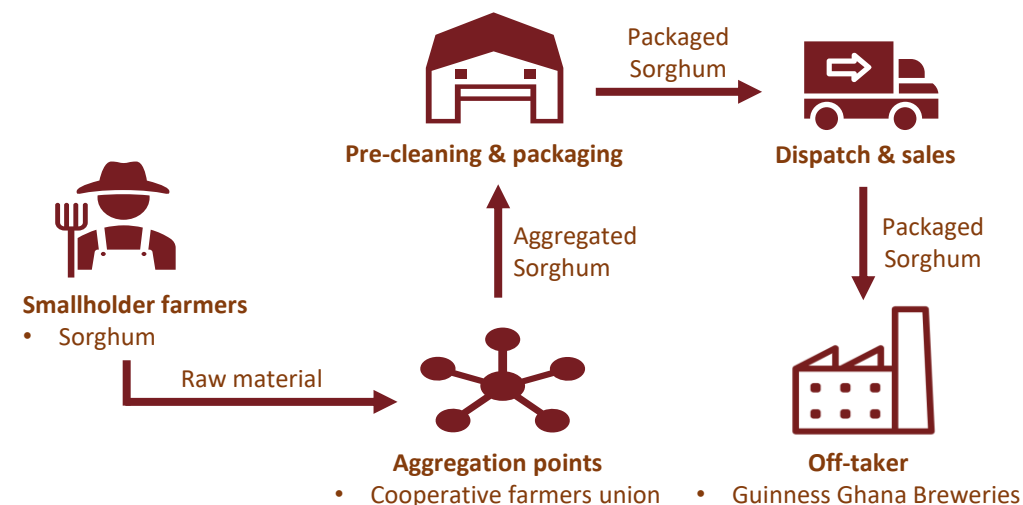
**Production capacity and growth plans:** The company's reputation for top quality sorghum earned it a 3-year contract with GGBL from 2017-2019 for a yearly sorghum delivery of 5000 tonnes. Plans are underway to extend this partnership to 2022 while increasing output and product variety, with the aim to serve BoP consumers.

## Financial Snapshot

	2016A	2017A
Revenue (USD)	934,799	1,776,878
EBITDA Margin	6.7%	4.5%
Debt-to-Equity Ratio	12.7x*	12.3x*

\*Faranaya debt to equity ratio is driven by short-term financing to fund its operations.

## Supply Chain Overview



## Use of Funds

- The company will require GHS 2 million to stock its warehouse with sorghum
- GHS 1 million input financing for its contracted smallholder farmers.

## Targeted Impact and Key Interventions Under the 2SCALE Program

- 10,000 smallholder farmers (5,000 women & 2,000 youth, male and female) involved.
- 20 micro-small and medium enterprises involved.
- 334 producer organizations involved.
- EUR 800,000 private sector co-investment.
- 10,000 BoP consumers with better access to nutritious food.

# Prosoya Kenya Limited

*Process extruded cereal composites for the low-income market*



**Established in**  
2009



**Kenya**



**Healthy foods**  
processor



**Ask:1 M USD**



**Instrument: Long**  
term debt

## Company Overview

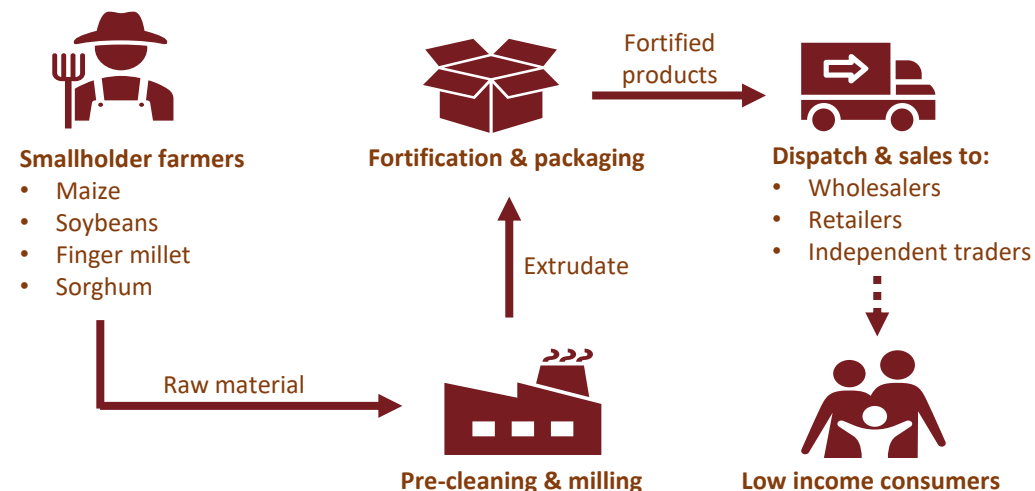
**Business description:** Prosoya is an agro-processor that produces fortified products from maize, sorghum, soybeans and finger millet supplied by small scale farmers. These products (fortified with vitamins and minerals) are sold at affordable prices to BoP consumers.

**Ownership:** Prosoya is a private limited company owned by Mr. Kaburu Muguika (CEO) and Mrs Lucy K Kaburu.

**Products and services:** Its products include ready to drink fermented porridge, fortified blended flour, special pre-cooked dairy meal and other animal feeds. The company is also Insta-Pro's East Africa sales agent and authorized official parts distributor.

**Production capacity and growth plans:** With a 20% capacity utilization rate, Prosoya manages to produces an impressive 400 MT of flour per month. It aims to reach full capacity utilization producing over 2000 MT per month by increasing its raw material stocks.

## Supply Chain Overview



## Use of Funds

- The company requires approximately USD 1 M working capital financing to stock its under-construction silos with raw materials.

## Targeted Impact and Key Interventions Under the 2SCALE Program

- 15,000 farmers targeted and supported including 50% women and 40% youth.
- Approximately 1M EUR in the upgrading of the factory, new machines, human resources and payments of the service providers.
- 12,000 bottom of the pyramid consumers with improved access to nutritious food

## Financial Snapshot

	2016A	2017A	2018A
Revenue (USD)	3,939,676	4,129,498	4,288,460
EBITDA Margin	27.3%	38.9%	36.1%
Debt-to-Equity	0.5x	0.4x	0.3x





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## **III. Opportunities in the Investment Case Development Stage**

# Tsehay Multipurpose Farmers Cooperative Union

*Provide stable market for oilseed farmers, process and market edible oils to Low income consumers*



**Established in 2000**



**Ethiopia**



**Oilseeds**



**Ask: 1.5M USD**



**Instrument: Long term debt**

### Company Overview

**Business description:** Tsehay Multipurpose Farmers Cooperative Union (TMFCU) integrates smallholder farmers into a well-functioning value chain in Northern Ethiopia by exporting aggregated oilseeds and providing affordable and healthy cooking oil to urban and peri urban BoP consumers.

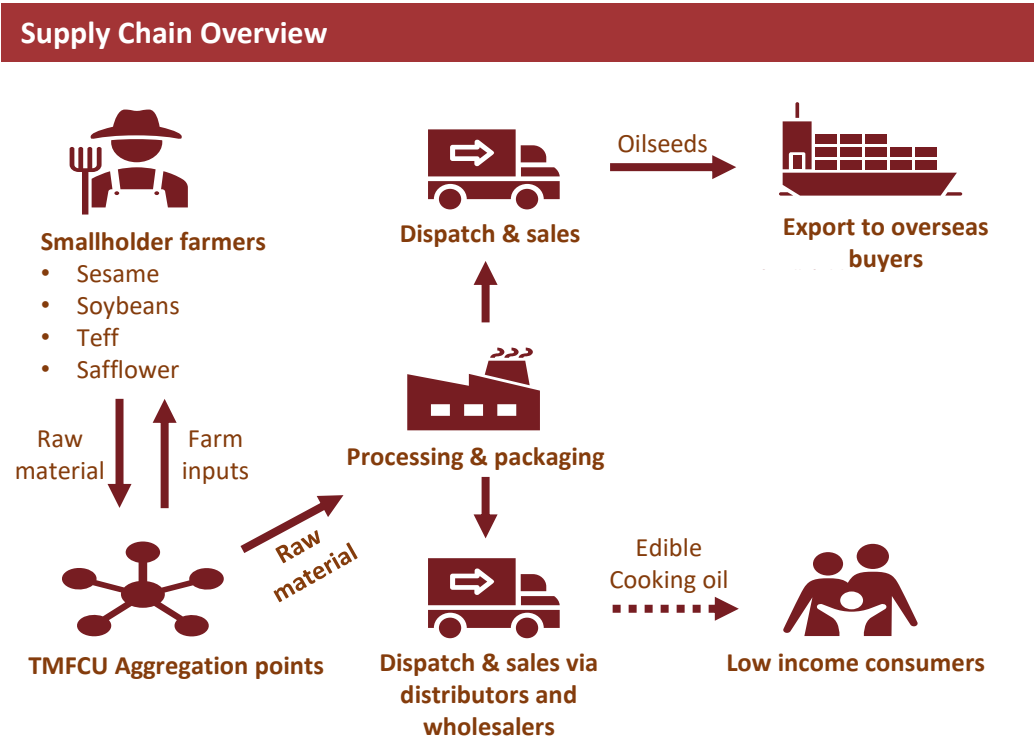
**Ownership:** Tsehay is made up of 142 member cooperatives across 12 districts with 120,450 smallholder farmers (27,703 women).

**Products:** Tsehay purchases sesame, chickpea, malt barley, teff, Niger seed and safflower from its smallholder farmers for export to overseas buyers and processing into edible oil.

**Revenue growth:** Tsehay has witnessed an impressive annual growth rate of approximately 138% in revenue over the past 3 years from \$874K in 2016 to \$11.8M in 2018. The union seeks to further compound this growth as it expands its operations and distribution channels within the edible oil sector.

Financial Snapshot	2017A	2018A	2019E
Revenue (USD)	5,762,343	11,796,000	6,507,155
EBITDA Margin	1.3%	2.9%	26.9%
Debt-to-Equity Ratio	6.7x*	13.7x*	2.4x*

*\*Tsehay has a high debt-to-equity ratio as it relies on subordinated debt from its shareholders to fund operations.*



### Targeted Impact and Key Interventions Under the 2SCALE Program

- 30,000 (10,000 youth & 12,000 women) smallholder farmers involved.
- 50 micro-small and medium enterprises involved.
- 30 producer organizations involved.
- EUR 1.4 million private sector co-investment.
- 50,000 BoP consumers with better access to nutritious food.

# East African Tiger Brands Industries PLC

*Production of home care, personal care, printing and packaging, and food items.*



**Established in**  
1997



**Ethiopia**



**Fast moving**  
**consumer goods**



**Ask: 1.5 M USD**



**Instrument: Long**  
**term debt**

## Company Overview

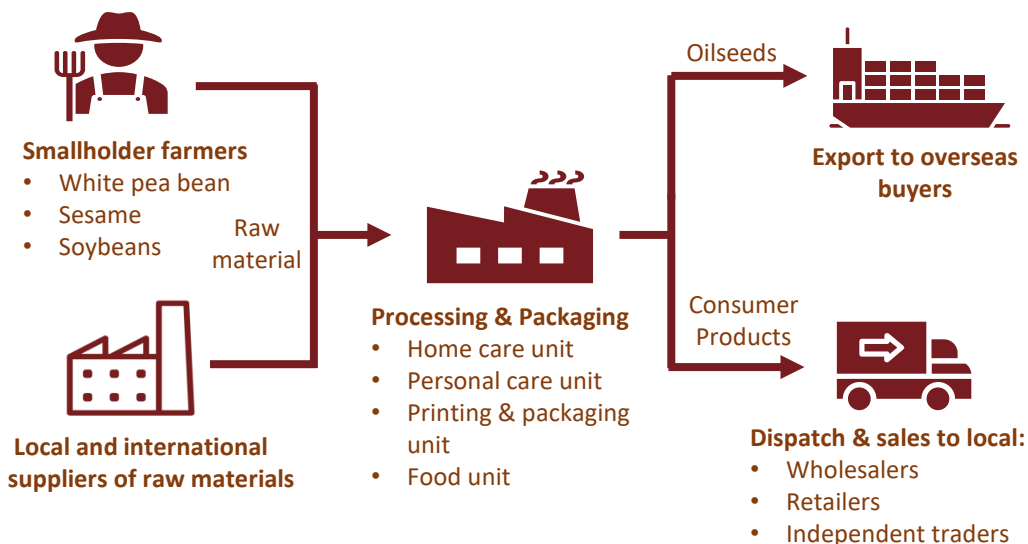
**Business description:** East African Tiger Brands Industries PLC (EATBI) is a collection of companies that are engaged in the production of home care, personal care, printing and packaging, and food items.

**Ownership:** EATBI is a limited liability company owned by Mr. Ato Buzuayehu Tadele Bizenu, who is also the group's chairman.

**Products:** The major products manufactured and marketed by EATBI include soaps, detergents, lotion, shampoo, body cream, packaging materials, biscuits and supplementary food items.

**Production capacity and growth plans:** In the 2018/19 financial year, the company produced an outstanding 18,740 tonnes of goods from its 4 business units, primarily home care products. EATBI plans to increase utilization of its processing capacity to 62% for the budgeted year 2019/20, which is expected to result in a production of 28,145 tonnes of goods.

## Supply Chain Overview



## Use of Funds

- The loan will be used to finance equipment upgrades and new equipment acquisitions.

## Targeted Impact and Key Interventions Under the 2SCALE Program

- 10,000 smallholder farmers involved.
- 250 micro-small and medium enterprises involved.
- 22 producer organizations involved.
- EUR 759,995 private sector co-investment.
- 100,000 BoP consumers with better access to nutritious food.

Financial Snapshot	2017A	2018A	2019A
Revenue (USD)	20,231,244	16,358,325	19,065,095
EBITDA Margin	-16.4%*	13.1%	6.3%
Debt-to-Equity Ratio	0.3x	0.3x	0.3x

\*In 2017 EATBI reported operating losses.



# Taifa SACCO Society Limited

## Mobilization of savings and onward lending to members



**Established in**  
1974



**Kenya**



**Financial**  
**intermediary**



**Ask: 1.5 – 3 M USD**



**Instrument: Long**  
**term debt**

### Company Overview

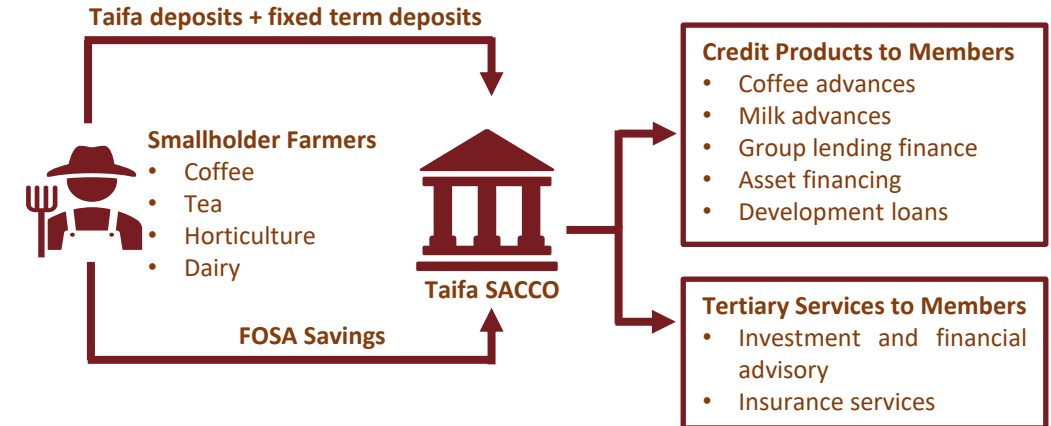
**Business description:** Taifa SACCO is a long-standing savings and credit co-operative based in Nyeri county. It offers banking services to smallholder farmers operating across the coffee, tea, horticulture and dairy value chains.

**Ownership:** The SACCO is exclusively owned by its members.

**Products and services:** Taifa offers a wide range of credit products, including production advances for farmers, asset loans, development loans for business related endeavors as well as investment advisory and insurance.

**Customer base:** Taifa has grown its membership from 9,500 members in 1974 to 154,740 as of 2019. It has a leading market position in the Nyeri country coffee sector and a strong position in the dairy sector. Its strategic plan focuses on growing membership and deposits, while strengthening governance and risk management.

### Supply Chain Overview



### Use of Funds

- Branch expansion to Eldoret, Naivasha and Nairobi.
- Roll-out of new credit products in the dairy sector.
- KDPL (Kieni Dairy Product Limited) medium-term financing to improve capacity for pasteurization and packaging.

### Targeted Impact and Key Interventions Under the 2SCALE Program

- 6,000 farmers (50% women) targeted & supported
- 122 micro-small and medium enterprises involved (44% women led)
- 9 Producer organizations involved
- EUR 741,284 private sector co-investment
- 50,000 bottom of the pyramid (BoP) consumers with better access to nutritious food

### Financial Snapshot

	2018A	2019E	2020E
Net Interest Income (USD)	2,870,466	2,858,165	3,016,547
Net Interest Margin	14.7%	14.9%	13.8%
Loan-to-Deposits	84.0%	71.6%	77.2%

# Eden Oils Limited

## Process, package and market vegetable oils



Established in  
2017



Kenya



Vegetable oils



Ask 2.2 M USD



Instrument: Long  
term debt

### Company Overview

**Business description:** Eden Oils Limited (EOL) is an agro-processing company specializing in vegetable oils (soy and palm oil). It employs a network of independent distributors to reach and grow its market share in the sector.

**Ownership:** EOL is a private limited company owned by Mr. Simon Murimi (Managing Director) and Mr. Alex Mbiu.

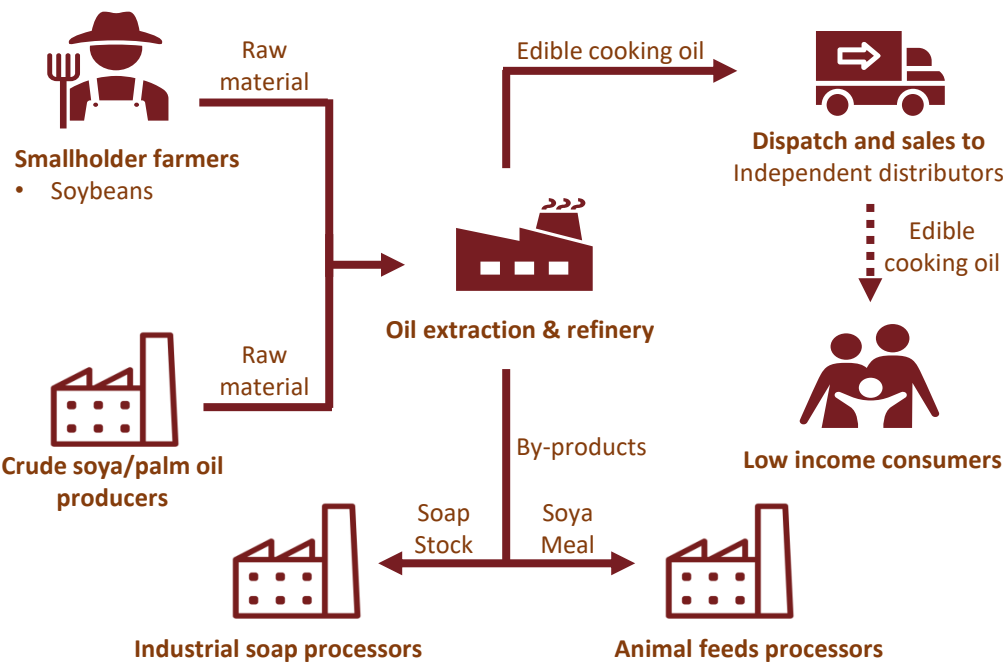
**Products:** The company produces high quality edible oils, primarily palm and soy oil, targeted at low income consumers at an affordable price. By-products from the oil refinery processes include soya meal and soap stock, which are sold to animal feed processors and industrial soap processors.

**Production capacity and growth plans:** EOL currently produces 380 tonnes of olein soya oil and 260 tonnes of olein palm oil per month. Plans are underway to ramp up production from its current 40% to 650 tonnes palm olein and 950 tonnes soya olein at full utilization.

Financial Snapshot	2018A	2019E	2020E
Revenue (USD)	3,548,807	5,238,679	11,608,210*
EBITDA Margin	5.6%	7.5%	12.0%*
Debt-to-Equity	0.2x	0.2x	2x*

\*The 2020E figures and ratios include the USD 2.2 million long term financing the company is seeking.

### Supply Chain Overview



### Use of Funds

- The purchase of raw material to ramp up production to 100% of the installed plant capacity (extraction and refining).
- To cover the direct costs of increased production.
- Weigh-bridge completion a key investment that will help cut operating costs.



## CONTACT

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