

MAAVI, KIMITEC MAKING A VISION¹

*"I know we will reach a turnover of more than a billion euros a year. I don't know when we will get there, and that's the least of my concerns. Our vision is to **change the world through the way food is produced.**"*

Félix García. CEO & Co-founder, KIMITEC

In mid-2022, Félix García was working to turn his motto into reality: making things happen. The project was moving forward. His company had closed FY 2021 with a turnover of almost 36 million euros, +190% compared to 2020, when it closed with 19 million euros. They had achieved this with an EBITDA of 9 million euros, 25% of sales. They were still growing in 2022, and in May, they estimated they would end the year with a turnover ranging between 55 and 60 million and an EBDITA of 15 million euros.

KIMITEC in 2022

Kimitec was founded in 2007 as a natural biotechnology company involved in the research, development, and marketing of biostimulants, probiotics, and biopesticides and aimed to change the way food was produced. Its objective and its proposal were to eliminate synthetic chemistry from food by offering natural, innovative, and equally effective alternatives without higher manufacturing costs. In short, Kimitec aimed to achieve a balance between productivity, sustainability, and health preservation. Although its origin and main activity in 2022 was agriculture, its current vision and focus were to serve the entire food chain: livestock, aquaculture, and the food industry.

Located in the southeastern corner of Spain (Vícar, Almería), the company employed 300 people of different nationalities, including 80 involved in research. It was a young multinational with trade delegations in the United States, Brazil, Peru, and China, sold in more than 60 countries, and was present in one way or another in more than 90

¹ Case published by the Research Division of San Telmo Business School, Spain. Prepared by Professor Manuel González-Toruño in collaboration with Ms. María Garrido Illescas as a research assistant of San Telmo Business School. This case is developed only as the basis for class discussion. Cases are not intended to illustrate any judgement on the effective or ineffective management in a specific situation. Copyright © february 2023, Fundación San Telmo, Spain.

The reproduction of all or part of this document or its storage and/or transcription in any format and by any means, whether electronic, mechanical, photocopying, recording or otherwise, without express authorization from San Telmo Business School is hereby strictly prohibited. If you would like to order copies or request permission to reproduce this case, please contact the Case Publishing Department at +34 954975004 or send an email to casos@santelmo.org.

countries. Up to 70% of its output was exported. Its capital was 100% Spanish and remained in the hands of the four founding partners.

The company stated that the key to its development rested on three pillars: R&D, internationalization, and customer adaptability and invested significant amounts every year in R&D&I. In 2019, Kimatec opened the first phase of the **MAAVi Innovation Center**, the largest agriculture biotechnology center in Europe, in which they invested almost 20

million euros. This center faced the challenge of changing how food is produced by becoming the natural, efficient, and productive alternative to chemical synthesis tools.

Find images of the company in the following QR:



THE COMPANY'S EVOLUTION: A CLEAR VISION, ADAPTATION BASED ON CONTEXT ANALYSIS, AND RAPID DECISION MAKING

Félix García (1974) liked chemistry but decided to go to business school instead because he felt this gave him a better chance to earn a living. Kimatec was born in 2007 under his leadership, with the same four partners who in 2022 were owners: Félix García (CEO) with 56% of the shares, and Alejandro de las Casas (international CEO), Juan Jose García – Félix's brother (CRO)², and Francisco José Cobos (CMO)³, each owning 14.7% of the remaining shares.

At its inception, the company only produced plant food: biostimulants. The goal during that period was to have a minimum viable product to market, everything else would follow.

Kimatec always had a very international focus because the Almeria market was very mature and competitive in these products. Félix and his partner Alejandro de las Casas traveled a lot and gradually opened all the countries where Kimatec is present today. In Félix's words: *"During those early years, we spent a lot of money on plane trips even though we had salaries of only 300 or 400 euros at the end of the month; Alejandro and I have traveled the world and have been in about 60 or 70 countries. The resources available to the company were limited in those days of scarcity. Our margin for error was minimal, and our bullets were few and far between, which made me develop an analysis capacity that has remained in my DNA. It ran in my family, and then I experienced it in*

² Chief Regulatory Officer

³ Chief Manufacturing Officer

the company. Today, I strive to ensure that this spirit stays in the company, even though we could make huge mistakes today and our survival would not be at stake."

Like most start-ups, Kimitec were not clearly structured at first. Alejandro de las Casas said: *"At the beginning, we all did everything: registration, marketing, logistics... I remember Cobos would call us during the weekend saying: hey, we need hands to pack at the factory. And we would all go, Félix, Juanjo, me, our partners, the entire family would lend a hand and fill containers, load pallets, etc."* The beginnings were far from easy. The office was an apartment, and they operated in a rented warehouse.

First boost: search in nature.

Very early on, since 2007, they set themselves the challenge of finding natural alternatives that would be as effective as chemical synthesis. Thus, they delved into the study of natural resources such as botany, microbiology, and microalgae and applied biological processes such as fermentation, extraction, pyrolysis, and hydrolysis to them in order to extract nature's full potential.

It was then that they began to form the R&D team, with Félix being its first member: *"I am self-taught; for many years, my room was a nest of notes and books sprawling on the floor. I couldn't tell a fungus from a bacterium until one day, I told a professor at the University of Seville that I had to start from scratch. Since then, I have read everything that has fallen into my hands."*

Financially, these were challenging years, as the business started during a prolonged global financial crisis. Félix says: *"It was tough because sometimes we had to ask customers who trusted us for money in advance; I even had to mortgage my parents' and my in-laws' house to continue the business."* Despite this, Félix always believed in the project, and the motto in his mind then, which he shared with the team, was "all or nothing." They reached the break-even point for the first time in 2011.

Second boost: the leap to biopesticides.

Gradually, their low-tech biostimulants vertical begins to bear fruit as a result of their commitment to internationalization. However, by 2010, they realized that limiting themselves to this product line would not be enough if they wanted to have an impact and make a difference.

Kimitec noticed that organic farming was a growing, albeit less productive niche, for several reasons, one of them being pests. When faced with a pest, farmers treated their crops with very basic and inefficient elements, such as vinegar, etc. In 2010, Félix and his team decided to expand their impact by creating a new pest and disease control vertical: Biopesticides. The founder elaborates: *"This is a much bigger leap than it seems. In a nutshell: it's as if a company that makes cookies explores the world of pharmaceuticals and wants to compete with Pfizer and other similar companies. In this*