

SMILEAT AND INFANT NUTRITION¹

INTRODUCTION

Alberto Jiménez and Javier Quintana—founders of the baby food company Smileat—walked with satisfaction through the new factory in Jerez de la Frontera (Cádiz) in January 2026, recalling the summer of 2022, when they had lunch with an executive from a private equity fund at La Castillería restaurant (Vejer de la Frontera), who asked them how they envisioned the company four or five years down the road. The company had increased its revenue yet again; from the EUR 8 million achieved in 2022, it had grown to EUR 21.5 million in 2025, with an EBITDA margin of 13%—figures that exceeded even the most optimistic projections recorded over the previous four years.

Alberto and Javier believed the time had come to look ahead to 2030 and beyond. As in 2022, their benchmark was still HiPP, a German family-owned organic baby food company and European market leader, with revenues exceeding EUR 1 billion.

Both founders believed that over the past four years, core consumer trends around healthy eating, closely aligned with Smileat’s positioning, had remained largely unchanged. However, persistent confusion around terminology continued to work against them. Concepts such as organic, sustainability, natural, and local sourcing featured prominently in consumer discussions, while concerns about certain ingredients, such as salt, sugar, and ultra-processed foods, were on the rise.

Some of these concepts could converge with Smileat’s value proposition; at the same time, however, they could also create confusion, as it was difficult to distinguish between fads, broader trends, and consumers’ actual behavior at the point of purchase, something that became evident when food inflation² negatively affected purchasing power.

¹ This Case has been developed by the Research Division of San Telmo Business School, Spain. Written by Professor José Luis García del Pueyo, of San Telmo Business School, for classroom use, and not intended to illustrate the effective or ineffective management of any specific situation.

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² Cumulative food inflation exceeded 30% between 2021 and 2024.

The two executives wondered whether the trends observed in 2026 might shift, upward or downward, over the next five years, and how such changes could impact the company.

What impact could the existing terminological confusion among consumers have on Smileat? Could it be reflected in purchasing behavior? Would the growth of organic food seen in recent years continue, or might it begin to plateau as a result of price increases driven by inflation?

Additionally, how might the declining birth rate affect the business? Would it make sense to target older consumers, given Spain's high life expectancy and the broader aging of the population? Which market segments should Smileat prioritize going forward?

At the same time, many households had brought millions of pets³ into their homes as companion animals, creating a strong emotional bond. Could this market represent a viable growth alternative, given the less favorable outlook for the baby food category, as some industry analysts suggested?

Against this backdrop, which is open to debate, Alberto and Javier reflected on the growth avenues available to Smileat as they worked toward defining the revenue target they would present to the board as part of their five-year vision.

THE COMPANY

Origins

The company was founded by Alberto Jiménez and Javier Quintana—friends since childhood, school, and university—at the age of 29 in Madrid in 2015. Both were expatriate executives at multinational companies, with backgrounds in business administration for the former and engineering for the latter. They shared a strong awareness of the role that nutrition can play in consumers' health.

Sales of organic products⁴ in the self-service distribution channel were not as strong as some consumer trend analyses suggested; however, they showed a clear upward trajectory within the baby food market. These products were typically priced above conventional alternatives, with a premium that varied across food categories.

³ In 2024, Spain had around 25 million pets—nine million registered dogs and six million registered cats—compared to 1.8 million children under the age of four. This ratio was among the highest in Europe, where approximately 50% of households also owned a pet.

⁴ In 2024, average annual per capita spending on organic products in Spain amounted to EUR 66, representing a 10% increase compared to the previous year. Organic foods accounted for 3.2% of total household food expenditure in 2024, with a moderate growth outlook (Source: Ministry of Agriculture, Fisheries and Food).

Smileat’s founders set out to craft a value proposition aligned with the “eco-healthy” eating trend emerging in society, aiming to offer the baby food market a healthier alternative “for consumers who cannot or choose not to prepare it at home.” After analyzing the market, they found that nearly 50% of total volume consisted of food prepared at home, while the remainder was dominated by well-established companies with strong reputations and highly recognized brands.

The founders articulated the following vision:

“To provide our consumers with organic products, featuring simple ingredients and optimal nutritional profiles, with a firm commitment to 0% added sugar and continuous innovation in both ingredients and production processes, delivering products with traditional flavors, but without any added sugar.”

Their product concept was built around five core pillars:

- Recipes with a limited number of ingredients.
- Free from preservatives, concentrates, added sugars, salt, and other artificial additives.
- Organic fruits and vegetables.
- Sustainable packaging.
- Transparent communication.

The company’s workforce had grown steadily in recent years, reaching 67 employees by early 2026.

The company model and its corporate governance

The company was established following a startup model⁵: geared toward strong scalability in its business volume, leveraging technology, and financed by external investors whose investment criteria were not focused on short-term profitability, but rather on generating capital gains over the medium to long term.

The first funding round raised EUR 142,000 in 2015; the second, EUR 260,000 in 2016; the third, EUR 700,000 in 2018; and the fourth, EUR 1,800,000 in 2021. The company’s capital base was further strengthened by a EUR 200,000 contribution from ENISA⁶.

Some of these capital contributions were subscribed by investment funds—such as the Swiss firm QUADIA (www.quadia.ch), CREAS (www.creas.es), and Clave Mayor (www.clave.capital.es)—as well as by individual investors, including Didier Suberbielle, Pablo Campos, Alberto Bermejo, Pablo Keller, Jesús Usar, and Francisco Albella, among others; nearly 40 prominent entrepreneurs with expertise in the digital economy.

⁵ IESE awarded it the “Best Start-up of the Year” prize in 2015, and Fundación Empresa y Sociedad granted it the “Promising Company” award that same year.

⁶ ENISA (Empresa Nacional de Innovación, S.A.), Ministry of Industry, Trade and Tourism.