

Goodlife Pharmacies

Building East Africa's Modern Retail
Pharmacy Sector

Holding period:
November 2016 - July 2025

SDG Goals: 1, 3, 5, 8, 10

Impact Thesis:
Increase access to quality
pharmaceuticals across East Africa

1.5M

Emerging Consumer Reach

22M

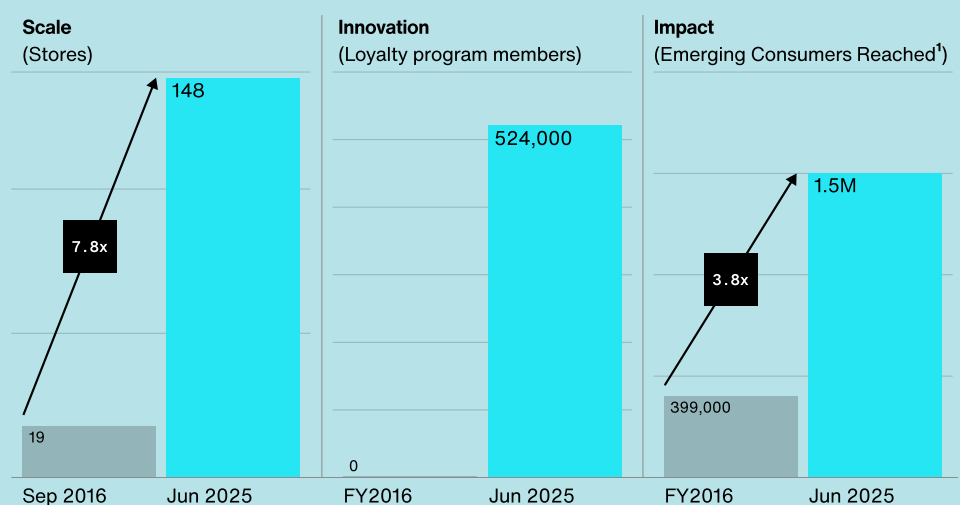
Medicines delivered

614

Jobs Supported

Goodlife is a pioneering retail pharmacy chain that helped establish the modern retail pharmacy sector in East Africa. The Company is now the largest private chain in the region and has grown its pharmacy and health hub network to nearly 150 locations across Kenya and Uganda. In doing so, the Company has increased access to genuine, affordable over-the-counter and prescription drugs with a unique omnichannel business model.

With LeapFrog's support, investment and hands-on operational leadership, Goodlife grew its footprint 7.8x - from 19 stores to 148 stores - reaching 3.0 million people, including 1.5 million emerging consumers (~4x from LeapFrog's entry). The business has delivered above-market growth and now holds the leading retail presence in East Africa.



Investment and Impact Thesis

LeapFrog made its first foray into the healthcare sector in November 2016 with a majority investment in Goodlife – then a 19-store chain across Kenya that had been operating for two years. Kenya’s retail pharmaceutical market was valued at US\$746 million and projected to grow 9% annually to US\$1.2 billion by 2021.² Retail comprised a significant share of this spend, with over 60% of Kenyans relying on drugstores as their first point of care and often self-prescribing medications.³ High levels of fragmentation (with an estimated 94% of licensed private pharmacies being single stores) together created a ripe opportunity for formalising and consolidating the sector.

The market was also fraught with challenges. The World Health Organisation (WHO) estimated that in 2018, one in ten medicines in low-and-middle-income countries was either substandard or falsified.⁴ Kenya had not been immune to this issue. Goodlife directly addressed this by expanding access to affordable, high-quality over-the-counter and prescription medications. By offering a trusted brand and an organised alternative to informal drug retailers, Goodlife played a critical role in improving the integrity of healthcare delivery in Kenya.

SDG Goals:



LeapFrog's contribution to the Retail Pharma Industry in Kenya

LeapFrog helped build not just a new category, and category leader, but a trusted healthcare platform that provides quality, affordable care to millions of people across East Africa, many accessing these services for the first time. Through hands-on operational support, the team worked with management to professionalise the business, strengthen governance, and scale a model that now reaches over three million consumers annually. LeapFrog demonstrated that with the right capital and the right partner, it is possible to transform healthcare access at scale, serving emerging consumers, creating hundreds of jobs, and proving that purpose-driven investing can change lives while delivering positive outcomes for investors.

Photo: LeapFrog deal team and CEO Andy Kuper with Goodlife management team in 2019

¹ Emerging consumers are defined as those earning less than \$10 a day (2011 PPP)

² Source: BMI Research. 2017. Kenya Pharmaceuticals & Healthcare Report, Q3 2017

³ Bringing Safe, Quality Medicine to All, Case Study, International Finance Corporation, World Bank Group, December 2018

⁴ <https://www.who.int/news/item/28-11-2017-1-in-10-medical-products-in-developing-countries-is-substandard-or-falsified>

Further detail on LeapFrog's additionality was explored in a 2018 case study by [IFC](#) and a 2022 case study by [INSEAD](#).

LeapFrog's Additionality

LeapFrog led a comprehensive transformation of Goodlife Pharmacy from a sub-scale chain into East Africa's largest integrated health hub. Through a series of targeted interventions, LeapFrog delivered significant strategic and operational value, positioning Goodlife for sustainable growth, profitability, and impact.

Key value creation initiatives included:

Governance and resourcing

LeapFrog led the recruitment of experienced executives, including Amaan Khalfan (CEO) and Justin Melvin (COO), as well as mid-level managers across core functions, including a Chief Pharmacist, Head of Purchasing, Internal Auditor, IT Manager and Marketing Director. Retail pharmacy expert, John Makepeace, was also appointed as independent director to the Goodlife board. These enhancements laid the foundation for disciplined growth, stronger internal controls, and more effective decision-making. In 2023, Justin Melvin was promoted to CEO, marking a successful leadership transition alongside the onboarding of a new CFO.

Product and service innovation

LeapFrog's Customer Experience (CX) team supported Goodlife in the repositioning of the business to a broader "health hub" through enhanced product category management, pricing optimisation, and the integration of new health services beyond such as telemedicine and in-pharmacy lab diagnostics – a first for the Kenyan market. The CX Launchpad program led a redesign of Goodlife's loyalty platform including the introduction of a specialised sub-group—Wellness 360°—which catered to chronic care customers.

Launch of digital channels

During the COVID-19 pandemic, LeapFrog worked closely with management to rapidly launch an online pharmacy/delivery platform. Goodlife introduced a WhatsApp-based ordering system in March 2020 and launched a fully integrated e-commerce platform by June that year. Over time, the digital channel evolved into a core revenue stream and the strategy, including partnerships with Uber and Glovo, has positioned Goodlife as one of the region's most digitally-advanced pharmaceutical retailers.

Purchasing and supply chain management

Working with management, LeapFrog led a complete overhaul of Goodlife's supply chain and procurement infrastructure, driving significant gains in efficiency. Management also implemented a modern point-of-sale (POS) system across the Goodlife network, enabling real-time visibility, reduced shrinkage, improved reorder accuracy and enhanced data-driven decision-making.

Network expansion

LeapFrog and Goodlife jointly developed a robust assessment framework to evaluate and prioritise new store openings based on expected returns, competitive dynamics, and strategic relevance enabling a significant improvement in breakeven timelines and average build times for new stores. Operational hours were optimised, and store-level performance scorecards were introduced to enhance accountability and productivity.

Robust E&S practices

With LeapFrog's support, the company made substantial strides in strengthening its Environmental and Social (E&S) framework, including enhanced safety protocols, better waste management, and the introduction of energy efficiency measures. The company also built robust procurement processes to mitigate the risk of counterfeit products, instituting multiple layers of checks along the supply chain. Goodlife adheres to the standards set by the Pharmacy and Poisons Board of Kenya and sources products exclusively from licensed suppliers in good standing with the regulatory authority.

Growth capital and fundraising

LeapFrog's support and presence on the cap table helped Goodlife crowd in additional capital. IFC was an existing lender to the business at LeapFrog's entry and successfully exited in 2022. The business then received additional debt financing from Proparco, the French Development Finance Institution, that helped accelerate the network expansion. Beyond capital, the Goodlife team partnered with IFC in November 2022 to open a branch in Kenya's Kakuma-Kalobeyi refugee-hosting area - the first major pharmaceutical retailer to do so - increasing access to quality pharmaceuticals, medicines, and other products and services for thousands of refugees and Kenyans in the surrounding area.

Performance

Performance against Investment Thesis

Goodlife achieved significant growth over the investment period, strengthening both its scale and profitability through enhanced procurement efficiency, economies of scale, and an expanded service offering. Today, it is the leading retail pharmacy chain in East Africa, recognised for its scale, brand strength, and digital capabilities. LeapFrog's investment thesis, that a scaled and integrated health retail platform would attract strategic acquirers, was validated through CFAO Healthcare's minority investment in 2022 and full acquisition in 2025.

Performance against Impact Thesis

Increased Access: The number of emerging consumers reached grew 3.8x, from 400,000 to 1.5 million, while medicines delivered rose from 5.5 million to 22 million by June 2025. To further increase access to care, teleconsultation services were introduced in concert with licensed partners, allowing customers to speak with doctors for medical advice and prescription guidance. Store employees received comprehensive training in managing illnesses, nutrition, and medication to improve their knowledge of treatment options, ensuring a more informed and supportive customer experience.

Increasing Affordability: The Company launched the 'myGoodlife Club', a loyalty program offering tiered discounts on over-the-counter (OTC) medicines, prescriptions, and personal care products. By the time of exit, the program had grown to over 500,000 members.

Delivering Quality: Goodlife undertook a comprehensive review of its supplier base, requiring all suppliers to rebid contracts, and only manufacturer-authorized suppliers and wholesalers were selected. All of the pharma manufacturers from which Goodlife procured its products complied with WHO Good Manufacturing Practices (GMP). To maintain quality standards, a Chief Pharmacist regularly audited suppliers, and pharmaceuticals were reviewed to confirm appropriate licensing with Kenya's regulatory authority.

Jobs and Livelihood Generation: Goodlife's full-time workforce grew over 4x, from 127 to 593 employees with the Company investing heavily in staff training and upskilling. Goodlife introduced mandatory monthly online courses focused on medicines, diseases, and customer interaction, with nine accredited PPB courses currently available on the platform.

Profit with Purpose Highlights

- **Expanded Access to Quality Healthcare:** Goodlife scales from 19 to 148 stores, expanding its reach from 800K consumers at entry to over 3 million consumers at exit including a ~4x increase in emerging consumer reach. Business is repositioned as an integrated health hub offering diagnostics, telehealth, and wellness services.
- **Job Creation and Women's Economic Empowerment:** Created over 600 formal jobs (FTEs + Part-time Employees) in Kenya, with 57% of full-time roles held by women, many of them first-time formal sector employees, contributing to financial inclusion and upward mobility.
- **Digital Innovation for Resilience and Reach:** Launched an online pharmacy during COVID-19 to maintain uninterrupted access to essential medicines, with digital sales now driving both commercial growth and healthcare access.

Responsible Exit

On July 29, 2025, LeapFrog completed its full exit from Goodlife Pharmacy Africa, selling its remaining stake to CFAO Healthcare—the healthcare arm of Toyota Tsusho Corporation. This follows an earlier minority stake sale in 2022.

The transaction is considered the largest private equity-led retail pharmacy exit in Sub-Saharan Africa (excluding South Africa), underscoring investor confidence in the scalability of healthcare businesses in the region.

LeapFrog assessed the transaction in accordance with our Responsible Exit Framework, in line with impact investing best practices (Principle 7 – Impact Principles).



Internal Exit Considerations	Achievement of Financial Targets	<ul style="list-style-type: none"> ■ Network growth of 7.8x creating the #1 health services provider in the region at exit, with revenue growth outpacing the industry in that period ■ Operational excellence achieved with significant improvement observed across key metrics, with the business proving the investment thesis for an attractive asset-light business model
	Achievement of Social Targets	<ul style="list-style-type: none"> ■ Creation of a new category enabling access to world class levels of pharmacy services in East Africa with the business revolutionising at scale how healthcare is delivered in the region ■ LeapFrog's work with Goodlife led to the launch of several firsts which inspired other followers and spurred a wave of innovation in Kenya's pharma retail sector ■ Emerging consumers reached by Goodlife's services expanded nearly 4x from ~400,000 to over 1.5 million ■ Direct jobs supported grew over 4x to 614 during the investment period
Evaluation of External Acquirer/Proposal	Serving Emerging Consumers	<ul style="list-style-type: none"> ■ CFAO Healthcare provides stable, long-term institutional support to continue the business' growth in Kenya, with potential expansion to other countries. CFAO Healthcare has been focused on Africa for 70+ years and has operations across 24 countries on the continent ■ We expect to see increased integration with CFAO's pharma wholesale and manufacturing businesses which could see consumers benefitting from a broader selection of pharmaceuticals at various price points over the long term
	Respect of Employee Rights	<ul style="list-style-type: none"> ■ Goodlife is continuing under the helm of the existing team with scope for broadened responsibilities and opportunities for them as they scale the platform as part of CFAO group ■ Goodlife's network of qualified pharmacists and pharm-techs (over 354 pharmacy professionals) and frontline operational staff is expected to grow as the company expands its network further
	Provides LeapFrog Desired Return	<ul style="list-style-type: none"> ■ LeapFrog Fund III fully exited its investment in two tranches in 2022 and then in 2025, providing a positive return on investors' capital