Early Warning System

IFC-44176

RSE Crisis Response Reve

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Quick Facts

Countries	Colombia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Borrower	REVE GROUP INC.
Sectors	Industry and Trade
Investment Type(s)	Equity
Investment Amount (USD)	$ 15.00 million

Project Description

Reve Group (the “Group” or the “Company”), founded in 2015, is a leading Panamanian company engaged in the retail and consumer foodservice segments. It operates discount retail in various segments in Colombia and Panama and has recently acquired Erbi supermarkets in Chile to continue the expansion of Justo & Bueno stores. Reve’s operations are comprised of three main business operations: (i) a hard discount supermarket chain (“Justo & Bueno” or “J&B”) providing high quality consumer staples at the lowest prices in Colombia and in Panama with a footprint of 1,160 stores across Colombia and Panama; and 28 proximity grocery retail stores in Chile currently operating under Erbi brand. Grocery retail represents ~90% of Reve’s revenues. For J&B, the typical store sales area is 300-400m2 and product assortment is approximately 700 stock keeping units (SKUs), with a focus on quality private label products. All stores are leased and opened with a minimum of refurbishing. (ii) specialty coffee chain (“Tostao”) with a footprint of 600+ coffee shops across Colombia that offers low-priced, high-quality coffee and baked goods as well as cold beverages and ready-to-eat meals. Tostao is the fastest growing coffee shop chain in Colombia, current footprint covers 40+ cities in Colombia. Typical store area is 80 square meters. Tostao is the holding company for Tostao and also includes a coffee roasting operation and bread plant. Tostao represents ~8% of Reve’s revenues.; and (iii) an industrial division engaged in the production and distribution of coffee, bread, milk and other products (~2% of Group revenue). This industrial division includes 6 companies described below.(iv) Goodprice is an import platform in Colombia consisting of one office and one warehouse. The company is an importer and exporter of mass consumer goods (food, non-food, and alcoholic beverages), machinery and equipment, raw materials.(v) Frugal manufactures sauces, premixes, and jams. Products are sold to J&B, Tostao and third parties.(vi) Laktoland is a milk processing and packaging operation situated near Bogota. Laktoland buys approximately 150,000 liters a day of crude milk from cooperatives and small producers in Bogota. Pasteurized milk is packaged in Tetra Pak packs and in bags. Laktoland milk products are sold exclusively to J&B shops.(vii) E-Factoring: the company provides factoring services to Reve subsidiaries.(viii) Invesfruit is a small operation. J&B and Tostao owns 40% of the company. Invesfruit buys and sells produce and sells its products to J&B stores and other clients with a processing capacity of 40 kilos per day.(ix) Merqueo is located in Colombia and is an online retailer of food, beverages, and general household items. It operates as an online grocery retailer that provides clients with low price products. The platform is exclusively aimed to grocery shopping. J&B and Tostao distribute products through 12 strategically located distribution centers (DCs) with 113,000 sq. mts, all leased. J&B has already opened its first built-to-suit DC in Tocancipa, and 2 more DCs will open in the regions in 2020 to replace existing ones. BBI’s industrial bread facility is a new facility built in Tocancipa alongside the Tostao’s and J&B distribution centers and the companies’ new headquarters. This facility has a total installed capacity of: (i) small bread: 13,000 units/hr, (ii) pastry: 8,000 units/hr, (iii) puff pastry: 25,000 units/hr, (iv) big breads: 6,000 units/hr, and (v) loaves 5, 000 units/hr. BBI’s coffee roaster facility is in Manizales, at the Tesorito Industrial Park. The company sources 4 million kilograms of coffee per year, directly from cooperatives. The coffee processed at the facility is sold at Tostao and J&B stores as well as to third parties. None of the Group companies employ armed guards in its stores, distribution centers or processing plants. IFC is seeking to invest up to US$15 million in equity to support both J&B and Tostao’s working capital needs and Reve’s expansion plans during 2020 and part of 2021 (the “project”).

Investment Description

- International Finance Corporation (IFC)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	International Finance Corporation (IFC)	Investor	-

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

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