Early Warning System

# IFC-44813

## Profi Romania Grocery

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### Quick Facts

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|---|---|
| **Countries** | Romania |
| **Specific Location** | Cluj, Prahova, Giurgiu, Neamt, and Timis |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Proposed |
| **Bank Risk Rating** | B |
| **Voting Date** | 2021-04-29 |
| **Borrower** | SC PROFI ROM FOOD SRL |
| **Sectors** | Construction, Industry and Trade |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 58.62 million |
| **Project Cost (USD)** | $ 568.57 million |

## Project Description

The proposed investment would allow the company to (i) further expand its reach in the country by opening 800 new stores by 2027 including the acquisition of existing stores and greenfield developments; and (ii) partially refinancing its existing debt during the next three-year period. The investment will address some of the country's developmental challenges by increasing access to quality and affordable goods across the country and providing better access to modern retail in rural areas of Romania.

## Investment Description

- International Finance Corporation (IFC)

## Private Actors Description

The investment consists of an A loan of up to €50 million to Profi Rom Food S.R.L. (“Profi” or the “company”), the largest food retailer in Romania based on the number of stores. Profi is owned by Mid Europa Partners (the “sponsor”), a private equity firm. The proposed investment would allow the company to (i) further expand its reach in the country by opening 800 new stores by 2027 including acquisition of existing stores and greenfield developments; and (ii) partially refinancing its existing debt during the next three-year period (the “project”).

Profi (https://www.profi.ro/) was established in 1979 in Romania, and has a presence in all 41 counties of the country supplying groceries, fruits, vegetables and related household products. As of March 2021, the company has 1,404 stores in 4 formats:

- Profi Supermarket (avg. sales area 400 m2);
- Profi City (avg. sales area 220 m2);
- Profi Loco in rural areas (avg. sales area 220 m2); and
- Profi Mini (avg. sales area 121 m2).

The company sources and carries its own inventory of over 5,400 products and over 1,800 brands. For this purpose, the company has distribution centers (DCs) in 5 major counties of Romania i.e. Cluj, Prahova, Giurgiu, Neamt and Timis. A typical DC has an area of around 40,000 m2, has rack storage space, receiving and dispatch bays.

## Contact Information

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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