

Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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Degusto management team and owners, from left to right: Giorgi Levidze, senior manager, Aleksandre Chkhikvishvili, company owner, Giorgi Mushkudiani, CFO/ company owner, and Aleksandre Norakidze, CEO/ company owner. Not pictured Shalva Breus, company owner.

Story of the owners of Degusto

Degusto has a strong set of owners comprised of two young, educated, and business-minded Georgians who were among the original company founders and also serve as senior managers of the company and two other Georgian financial investors who more recently joined as partners. Before founding Degusto, the original set of partners gained experience working in and investing in the food retail industry, successfully launching and ultimately selling a prominent local convenience store chain. As a result of this experience, the founders identified that existing food outlets were leaving a major gap in the market. With Tbilisi's rapid growth of a busy, mobile, working middle class that demands affordable prepared food, the partner's saw an opportunity to build a well-managed company that could offer affordable, healthy, on-the-go food. In just two years, the partners have built a company with ISO certification, 200 employees (of which 57% are below 35 years), a good reputation in the market, and a local brand that has strong growth potential, both domestically and internationally. Of the four owners, three are 35 or younger.

Gazelle's investment will allow the company to achieve sufficient scale to offer an even more cost competitive product in the Georgian market and establishes a platform for the company's next phase of development. Gazelle Fund LP, managed by Gazelle Finance, has invested USD 700,000 in Degusto, which the company is using to open 7 new retail premises in Tbilisi (Georgia's capital). Prior to the investment, Degusto operated with 5 retail premises in Tbilisi and a central food preparation and warehousing facility, and with the investment the company expects to reach a total of 12 retail premises. The major development benefits expected as a result of the investment are the creation of 110 additional jobs (the majority of which are expected to go to women), increased access to healthy, freshly-made affordable meals for the general population, and increased sourcing of local food inputs.

Gazelle Fund SME profile

Degusto



Gazelle Investment Amount:
USD 700,000



Sector:
Hospitality



Degusto employee baking bread

Degusto

Degusto, established in 2015, operates a leading chain of "fast casual" restaurants in Tbilisi offering Georgian cuisine and supplies prepared meals to medium and large corporate customers (including Carrefour, the leading supermarket chain in Georgia). Degusto's format fills a market gap between inexpensive, fast-food restaurants and full-service, sit-down restaurants and appeals to an increasingly employed, on-the go, and health-conscious population. The investment puts the company on a path to achieve its ultimate long-term vision, which is to establish a Georgian fast casual food brand that spans into other countries in the Eurasia region. Through anticipated technical assistance, Gazelle Finance also expects to enable Degusto to increase brand awareness through improved and more targeted advertising.