

## EBRD takes equity stake in Turkish retail giant DeFacto



EBRD takes minority stake in Turkish clothing retailer DeFacto in key equity move

Project to support the company's growth, expand its retail footprint

EBRD priority is to deepen capital markets in Türkiye

The European Bank for Reconstruction and Development (EBRD) has purchased a minority equity stake in DeFacto, a global apparel retailer based in Türkiye, for US\$ 59 million.

A significant equity move, the Bank's investment will help DeFacto fuel growth and expand its footprint in the economies where the Bank operates. The transaction is also a first for the EBRD; DeFacto is the first Turkish non-food retail company in which the Bank has taken a stake.

DeFacto will use the investment to strengthen its inclusion credentials and transform its human resources policies to better respond to the recruiting and training needs of workers with disabilities. The company will target an increase in the share of workers with disabilities, with a view to reaching 5 per cent across its manufacturing, retail and office operations. The investment will also promote gender equality practices across the company.

The EBRD's priorities in Türkiye include the internationalisation of Turkish companies and increasing the depth and resilience of the country's capital markets through equity deals.

Hande İşlak, EBRD Deputy Head for Türkiye, welcomed the deal, saying: “The EBRD remains committed to supporting a resilient, international and diverse capital market in Türkiye, and we view our partnership with DeFacto as a strong step towards that goal. DeFacto has great potential to become a moving force for the sector and the country, and we are happy to provide resources for the company as it strengthens its inclusivity and gender credentials.”

DeFacto CEO Ihsan Ates said: “Our partnership with the EBRD is strong evidence of our long-term global success. In 2022, we increased our sales revenues both domestically and internationally. We entered new markets and increased our number of stores. We had record export numbers and grew our e-trade numbers. With the EBRD’s investment, we will invest in new markets and boost the international share of our revenues to 70 per cent. We will build on the success we achieved in Europe and continue to grow our new-generation franchise and e-trade models.”

DeFacto is a global apparel retailer with a product offering of affordable clothing in a broad range of categories. The company has a strong international presence with operations in more than 90 countries. DeFacto’s countries of operation are largely similar to those in which the Bank operates, including Morocco, Kazakhstan and Egypt.

The EBRD is a leading institutional investor in Türkiye. Since 2009, it has invested almost €17 billion in various sectors of the country’s economy, mostly in the private sector