Patatam renames to Rediv and raises €12 million

By Olivier Guyot  -  22 June 2022

Patatam, the second-hand clothing specialist that has won over Auchan in recent seasons as well as retailers such as Kiabi and the Beaumanoir group, has changed its name to Rediv and is looking to expand abroad. The company, based in Hastingues in southwestern France, has just raised €12 million from investing firms AM Impact, Creas Impact and Quadia to boost its growth. The company is planning to expand into Germany and the United States, where it will offer second-hand clothing to partners in the food retail industry.

In France, the company, which provides services to hypermarkets and retail chains has confirmed a number of exciting projects, including the introduction of its products in more than 300 Kiabi stores by the end of 2023. The company’s strong momentum is taking shape not only in France but also across Europe. While the firm is aiming for €15 million this year, i.e. a threefold increase in sales, it expects to generate around €45 million in 2023. Rediv’s management says it collected 2.5 million items of clothing last year in more than 2,000 collection points. The fundraising should enable the company to finance this growth, with five million euros allocated to warehouse equipment. “We had announced the integration of a new 14,000 square meter warehouse in Cambrai (North of France) whose first 40 employees will arrive soon,” said Eric Gagnaire, co-founder of Rediv. “This fundraising will allow us to install an Exotec, like the one we already have in Hastings since January. This technology, developed by a French start-up, allows us to robotize our warehouse and optimize space. There is no better solution for smaller products. This Exotec will be twice as big. In the South-West of France, we have 300,000 garments at the moment and we could go up to 750,000. The Exotec in Cambrai will be able to produce up to 1.5 million pieces. Another part of the investment will be used to create a product catalog. We will need to bring garments into the warehouse”.

By providing different services to distributors, brands and chains, the second-hand specialist has seen its activity and sales volume grow. This trend does not seem to be waning, as the current economic context, with the prospect of higher inflation, is playing in favor of second-hand goods. The manager also pointed out that
with the prospect of higher inflation, is playing in favor of second-hand goods. The manager also pointed out that its sales have increased by 35% over the last few weeks on a like-for-like basis and that receiving donations from people in exchange for food vouchers is performing well. By the end of the year, half of its activity will be carried out with the GSA and half with the GSS. And as June draws to a close, the company has decided to rename itself.

"We are leaving behind the fact that we were a consumer brand," said Gagnaire. "We want to become a brand for professionals only. We chose the name Rediv, which comes from the Latin word Redevo, meaning coming back to life. And it's also a word that is pronounced the same in all languages."

With its partnerships with hypermarket groups, Rediv's activity is growing outside France and Belgium, its main markets. Today, the company is operating in Italy, Spain, Portugal, Poland, Romania and Hungary, supplying second-hand clothing to stores and allowing it to extend its activity throughout Europe, particularly in Eastern Europe where demand is high and sales per square meter five times greater. Export sales are expected to grow at a faster pace.

Thanks to its latest funding round, the company is developing trial runs to deploy its expertise in Germany and the United States. Major retail players will be evaluating the brand's potential in these two markets over the coming months. "We are starting off, as we did with Auchan, with testing in a handful of stores, but given the size of these networks, the results could be very significant," said the company's director, who aims to meet demand in a market segment where he believes he has very few competitors at the moment.

"We know our strengths. We are successful in the mass market, with high sales volume. We are also looking at what Zalando is planning to do in this field, but today it remains a brand. Players like Faume, Reflaunt and of course Vinted are positioned in a more premium market. Then there are brands that want to develop their second-hand products but only contact us for logistical services. We have come to realize that every brand needs different solutions. Kiabi's model wouldn't work for Promod. We have to adapt each corner and collection system according to the brand. Our core business is logistics, our IT resources and tailor-made solutions."

This outlook also explains the investment in logistics. By the end of 2023, the company expects to have a storage capacity of more than two million pieces in its warehouses. Two of its warehouses are dedicated to physical retail partners and its Pau warehouse is dedicated to online retailers, which deals with players such as ShowroomPrivé or La Redoute and which allows the company to reach out to a younger audience.

By the end of next year, Rediv expects to have more than 600 employees. In the medium term, management is planning to open other sites closer to the markets where it will be established, with Gagnaire pointing out that banks are now much more willing to invest in Exotec. The company could additionally branch out into other second-hand product categories such as toys, video games and accessories.