

Lafise Investment Management | InnovaBlends



Date of Investment

April 2022

Transaction Size

USD8.5m

Participation Stake

100%

InnovaBlends, a Costa Rica-based company that manufactures and sells nutritious powdered beverages that cost 40% less than whole milk powder, creating significant savings for low-income consumers in Central America. Since CASEIF IV's investment, InnovaBlends has improved internal management, streamlined operations and expanded its product offering to prepare for regional growth. As of 2024, the company relies on a regional network of over 1,000 commercial outlets serving both low-income households and industrial clients.

Investor Profile



FUND NAME

CASEIF IV

FUND SIZE

USD69m

TOTAL AUM

USD110m

Company Profile



COMPANY NAME

InnovaBlends

INDUSTRY

Food & Beverage

LOCATION

Costa Rica

Founded in 2000, Lafise Investment Management (LIM) is an asset management firm and General Partner for the CASEIF funds. CASEIF IV is a growth capital fund designed to support small and medium-sized private enterprises in Central America, Panama, the Dominican Republic and Colombia. The fund invests across multiple sectors, including agro-industrial products, packaged foods, retail, education and health, with a portfolio structure of 20% equity and 80% mezzanine loans.

InnovaBlends is a Costa Rica-based manufacturer and distributor of nutritious powdered beverages, providing a cost-effective alternative to traditional milk powder for low-income households. InnovaBlends partners with food products manufacturers (e.g. baking and confectionery brands) to develop and offer cost-effective substitutes for milk and cream, currently serving over 318 industrial clients.

The Opportunity

According to the United Nations, Latin America and the Caribbean have the highest healthy diet costs in the world. In 2022, 248 million people in the region faced moderate or severe food insecurity, forcing them to reduce the quality or quantity of their meals. Central America has been particularly affected, with 34.5% of its population experiencing food insecurity due to poverty, global supply chain disruptions and climate-related food shortages.

Before 2008, Costa Rica's high agricultural tariffs made imported dairy products very expensive. Imported fluid milk faced a 60% tariff, while milk powder had a 34% tariff, driving up prices and limiting affordable options for low-income consumers without access to refrigeration. Recognizing the need for cost-effective dairy alternatives in Costa Rica, two entrepreneurs founded the company in 2007. They developed Interlac, a nutritious powdered beverage made by replacing milk fat with vegetable fat. Interlac costs 40% less than whole milk powder and can be used both in households and industrial applications.

Although agricultural tariffs have decreased over time, consumer demand for cost-effective, nutritious dairy alternatives has remained high, largely due to the region's high rates of food insecurity. After establishing a strong customer base in local markets, InnoVaBlends began efforts to expand into export markets across Central America in 2021.



Execution

In April 2022, Lafise Investment Management (LIM) acquired InnoVaBlends through its CASEIF IV fund with the thesis of strengthening management, increasing operational efficiencies and expanding product lines to prepare for regional expansion.

LIM conducted multiple strategic hires, starting with an experienced general manager, as well as strengthening key leading positions in production, sales, human resources, food technology and quality assurance. By establishing a strong internal team, InnoVaBlends has been able to provide technical advice to industrial clients and customize the formulation of its products depending on client needs.

The company has also implemented a business triangulation strategy, enabling clients within its network to source products from each other. These initiatives have boosted sales, strengthened relationships and driven local economic growth through collaboration.

With support from LIM, InnovaBlends improved its operations by implementing a digital Warehouse Management System (WMS). This system allows the company to trace raw materials throughout production, optimize inventory management and improve order accuracy through digital monitoring. By strengthening its operational capabilities, InnovaBlends has achieved FSSC 22000 and ISO certifications, opening doors to new regional markets and client segments. As of 2025, the company has achieved an average plant efficiency of 96% whilst in compliance with international industry standards.

Based on findings from market studies and focus groups, InnovaBlends developed a new series of powdered beverages to serve groups at risk of malnutrition. These new products include Creciendo, a vitamin-enriched low-cost milk substitute for children aged three and older; Interlac Avena, a milk substitute that includes instant oatmeal flakes; and Interlac Senior Plus, a new formula designed to meet the nutritional needs of both children and the elderly. InnovaBlends aims to leverage these new product lines to boost sales in Costa Rica and Nicaragua, while also expanding to Honduras, El Salvador, Guatemala and the Dominican Republic.

From 2021 to 2024, InnovaBlends expanded its direct client base by 70%, improved gross margins by 17% and increased total revenue by 14%. As of 2024, InnovaBlends distributes its products across the Central America regional network of over 1,000 retailers, distributors and wholesalers, reaching its target segment of low-income households and industrial clients.

Social and Environmental Impact

With support from LIM, InnovaBlends conducted its first greenhouse gas inventory in 2023, implementing energy, waste, water and fuel consumption monitoring systems to help meet reduction targets. Based on the findings, the company took key actions, including replacing seven distribution vehicles with more efficient models, leading to a 27% average reduction in fuel consumption on two major routes. By 2024, InnovaBlends successfully recycled 100% of its waste through partnerships with recycling centers and a waste management program.

In 2024, InnovaBlends launched its first company-wide annual training plan, identifying and addressing key knowledge gaps. This program resulted in 974 hours of targeted training on topics such as occupational health, food safety and technical skills. The company also introduced a salary improvement policy, ensuring that all positions with basic wages receive earnings 5% above Costa Rica's legal minimum. Additionally, LIM supported gender equity initiatives, including gender trainings and hiring a consultancy to improve workplace policies. As a result, by 2024, women represented 34% of employees and held 50% of managerial roles, with a 76.5% talent retention rate.

