

CASE STUDY: LACTIPS SA



Supplier of patented materials and processes around milk proteins to provide alternatives to traditional plastics, by being water-soluble, biodegradable, gas impermeable and edible

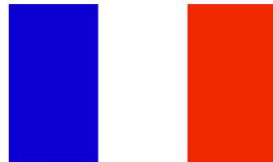
Client



Sector



Geography



Transaction Overview

- Transaction closed in May 2020.
- €13 million funding by SPI (the industrialisation fund managed by Bpifrance Investissement) and Diamond Edge Ventures (the corporate venture fund of Mitsubishi Chemical Holdings).
- Strategic relationship established between Lactips SA and Mitsubishi Chemical.

CleanTech Capital Advisors' Role

- CleanTech Capital Advisors was the exclusive corporate finance advisor to Lactips and was closely involved in all aspects of the transaction, including:
 - Marketing documentation preparation
 - Financial modelling and valuation
 - Due diligence coordination
 - Structuring and negotiation
- CCA leveraged its extensive investor network and in total ~80 industry counterparties were contacted, involving CVC, VC, family offices and impact funds.
- The deal was particularly challenging as the latter stages occurred as the COVID-19 pandemic emerged, the deal closing almost 2 months after France entered full lockdown.

Client Overview

- Lactips SA is a French company making a huge impact on the world's plastics pollution problem, with its unique "ephemeral" plastic material (edible, soluble, compostable, bio-degradable).
- Their materials are based (though not exclusively) on casein, the primary protein found in mammalian milk. Lactips' base formulation is tunable to multiple (huge) end-applications (detergents, single-use, food packaging ...).
- With its first large-scale manufacturing plant under construction, the company's industrial model is ultra-low capital intensity and can rapidly scale globally.
- Prior to this latest round, investors included BASF and Demeter Partners (one of France's leading VCs).

Counterparty Overview

- The SPI fund, managed by Bpifrance, provides equity financing for companies carrying industrialization projects chosen according to their growth potential, the current positioning of the industry and their contribution to the ecological and energy transition.
- Mitsubishi Chemical Holdings operates worldwide in the areas of Performance Products as well as Industrial & Healthcare Materials, based on the three decision-making criteria: "sustainability", "health" and "comfort". Diamond Edge Ventures, Inc ("DEV"), a wholly-owned subsidiary, was created as a dedicated private equity arm of the Group.