

Fortera could raise USD 500m in project financing, USD 150m Series D for green cement tech – CEO

by Deborah Balshem

Green cement manufacturer Fortera plans to launch a Series D later this year for at least USD 150m, said co-founder and CEO Ryan Gilliam.

The San Jose, California-based company has earmarked proceeds for corporate use, Gilliam said. At the same time, it will seek roughly USD 500m in project-level financing to fund the building of five additional manufacturing plants, all expected to be signed up within the next year and built out over the next five years, he added.

The company is considering hiring an advisor to run the capital-raising process, Gilliam said.

The five new plants will each cost around USD 200m-USD 250m to build and will be able to produce up to 400,000 tons of Fortera cement apiece, according to Gilliam. Each 400,000 tons of Fortera cement is expected to generate roughly USD 80m in revenue, he said.

Fortera already has strategic partners contributing to these projects. Eventually, the company should be able to bring down costs to USD 100m-USD 150m per plant, Gilliam noted.

The CEO said he would consider other types of financing agreements to fund new plants, including licensing deals with a royalty component and joint ventures.

Fortera's technology integrates with existing cement infrastructure to capture CO2 emissions and convert them into low-carbon cement. Its green cement is market-ready, meets regulatory standards, and can be blended with or used as a substitute for traditional cement.

Fortera already operates a small commercial plant in Redding, California, that produces 15,000 tons of cement annually and captures 6,600 tons of CO2 in the process.

Earlier this month, Fortera announced a strategic partnership with large global limestone operator Graymont to deploy its technology worldwide. It is seeking similar partnerships with other limestone and cement companies, Gilliam said.

The company is first focused on selling into the US, Canada, and Australia, where there is the most clarity around CO2 regulations and incentives, he added.

Fortera has raised more than USD 150m in capital, most recently closing a USD 85m Series C earlier this month. The company is debt-free and has around 85 employees, Gilliam said.

Investors include Alumni Ventures, Khosla Ventures, Temasek Holdings, Presidio Ventures, Saint-Gobain NOVA (the venture arm of Saint-Gobain, one of the world's largest building materials companies and manufacturer of innovative material solutions), and climate reporting platform Wollem.

The company could be positioned to exit within two years via a sale or an initial public offering, according to Gilliam.

Fortera was founded in 2019 by Gilliam and Chief Science Officer Michael Weiss “after 17 years in the making.” It was formed with the acquisition of intellectual property from Calera Corporation, where Gilliam worked as an executive for 11 years, including as CEO. Gilliam, 43, also previously founded and was CEO of Chemetry Corporation, a clean technology start-up for the chemical industry.

Concrete is the second-most consumed substance on Earth, after water. Cement is “the glue that holds concrete together,” Gilliam explained. Around 60%-70% of cement production comes from China and Southeast Asia, he noted.

Other players in the space, according to Gilliam, include Holcim, CRH, Cemex, Heidelberg Materials, Sublime Systems, Brimstone, and Terra CO2 Technology.

In July, publicly held CRH announced its intent to acquire green cement maker Eco Material Technologies for USD 2.1bn.

Fortera uses law firms Cooley and Vinson & Elkins, and accounting firm Deloitte.

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