Recover closes $100 million minority investment

By Jennifer Braun - June 10, 2022

Materials science company Recover announced on Thursday the closing of a new $100 million minority equity capital investment.

The investment was led by the sustainable investing business within Goldman Sachs Asset Management (Goldman Sachs), alongside majority shareholder Story3 Capital Partners.

Recover is a leading innovator and category-defining business. Its proprietary recycled cotton fiber reduces the carbon and water intensity of the apparel supply chain, addressing the impact of clothing production on the environment. It currently serves retailers, brands and vendors including, among others, Primark, Inditex, C&A, Revolve and Lands’ End.

The company said that it will use the investment to accelerate its global expansion and production capacity. In particular, Recover estimates that the new investment will increase its production to over 350,000 metric tons of recycled cotton fiber per year by 2026, saving up to 5 trillion liters of water annually and allowing for significant reductions of carbon emissions, energy and land use.

As part of the transaction, Letitia Webster, managing director and chief sustainability officer of Goldman Sachs Asset Management Division will join the board of directors of Recover.

"Goldman Sachs is committed to partnering with innovative businesses that help drive sustainability," said Webster. "Recover is a leading disruptor in the apparel and textiles space with much-needed sustainable solutions grounded in materials science. We're excited to invest in Recover’s growth to accelerate scaled production and the continued development of its technologies."

Ben Malka, operating partner at Story3 Capital Partners and executive chairman of Recover, added, "Recover has
perfected the art and science of scaled production of sustainable recycled cotton fiber over more than 70 years across multiple generations of the Ferre family in Spain. Today, Recover offers a solution grounded in proprietary IP that provides cost-competitive, maximum-performance recycled cotton fiber for both rotor and ring-spinning applications."

Recover has experienced rapid growth in recent years. The company has opened new manufacturing hubs in Pakistan and Bangladesh, with additional hubs in Bangladesh and Vietnam due to open in the near term.

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