Investor Pitch Summary: BrightCell Recycling Inc.

Date: October 31 2025
Analyst: K. Patel, CleanTech Ventures
Meeting Held: Oct 29 2025 with BrightCell Recycling Inc. management

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1 Business Overview

BrightCell Recycling Inc. reprocesses end-of-life lithium-ion batteries to recover lithium, cobalt, nickel, and copper using proprietary solvent-extraction chemistry.
Founded 2022; HQ San Jose, CA.
Current facility throughput ≈ 1 000 tons / yr; target 3 000 tons by 2026.

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2 Funding Ask & Use of Proceeds

Company seeks **$18 M Series A** ($5 M lead committed from EcoFrontier Fund).

Use	Allocation (%)	Comment
Plant Expansion (San Jose)	45	Add 2 processing lines (+1 000 t capacity)
R&D – Solvent Optimization	20	Reduce reagent cost by 30 % goal
Working Capital & AR Funding	15	Long receivables from OEM contracts
Sales & BizDev	10	Automotive OEM outreach
Admin & Compliance	10	EPA permits & audit

Pre-money valuation: $60 M (≈ 10 × projected 2025 EBITDA).

> *Analyst note:* Aggressive valuation for a pre-profit recycler; median peer multiple ≈ 6 ×.

3️⃣ Market Opportunity

- 2030 forecast: > 2.4 M tons battery scrap globally (CAGR 21 %).
- OEM recycling mandates in EU/US creating feedstock visibility.
- Pricing volatility: Lithium carbonate down −38 % YTD; Cobalt −22 %.
- Competitors: Li-Cycle (US), Ascend Elements (US), GreenLiTec (KR).

> BrightCell's chemistry avoids pyrometallurgy, reducing CO_2 emissions 45 % vs smelting methods.

4️⃣ Financial Summary (Management Forecast)

Metric	2024 A	2025 E	2026 E	Δ YoY
Revenue ($ M)	6.4	14.2	28.0	+98 %
EBITDA ($ M)	(1.8)	0.9	4.2	—
Gross Margin (%)	41	48	53	+5 pp
CapEx ($ M)	3.7	7.0	2.2	—
Cash Runway (mo)	13	9	> 24 post-raise	—

Assumes feedstock contracts secured through 2026 (70 % locked).
IRR on Series A entry ≈ 23 % per management model.

> *Analyst note:* Assumes metal price rebound +25 % by 2026 — optimistic given current trend.

5️⃣ Strengths / Weaknesses

Strengths

- Proprietary low-heat extraction process (IP filed March 2024).

- Experienced metallurgy team from Tesla & Umicore.
- High recovery yield (93 % Li, 95 % Co) verified by third party.

Weaknesses

- Revenue concentration: 2 OEMs = 78 % sales.
- Feedstock risk: dependent on scrap collection partners (contracts 1 yr renewals).
- Commodity exposure: no hedging policy.
- Valuation ambitious; EBITDA positive only 1 yr forward.

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6 Exit Scenarios (Management Slides)

Exit Type	Target Year	Multiple	Implied EV ($ M)	Comment
Strategic Sale to OEM	2028	8 × EBITDA	160	Requires sustained metal price recovery
IPO (Nasdaq SmallCap)	2029	9 ×	210	Assumes 4 × capacity expansion
Private Equity Recap	2027	6 ×	120	Most likely scenario

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7 Analyst Comments

The company presents a credible technology story and solid execution plan but valuation and macro assumptions are stretched.
EBITDA visibility hinges on metal price recovery outside management control.
Management team is experienced and transparent, but governance structure remains founder-centric (two of three board seats).
