



# What's Wrong with Our Industry's Financials?

**Myles Cohen**  
**Pratt Industries**

## “From Schlock Recycler to trailblazer” Anthony Pratt – RISI CEO of year



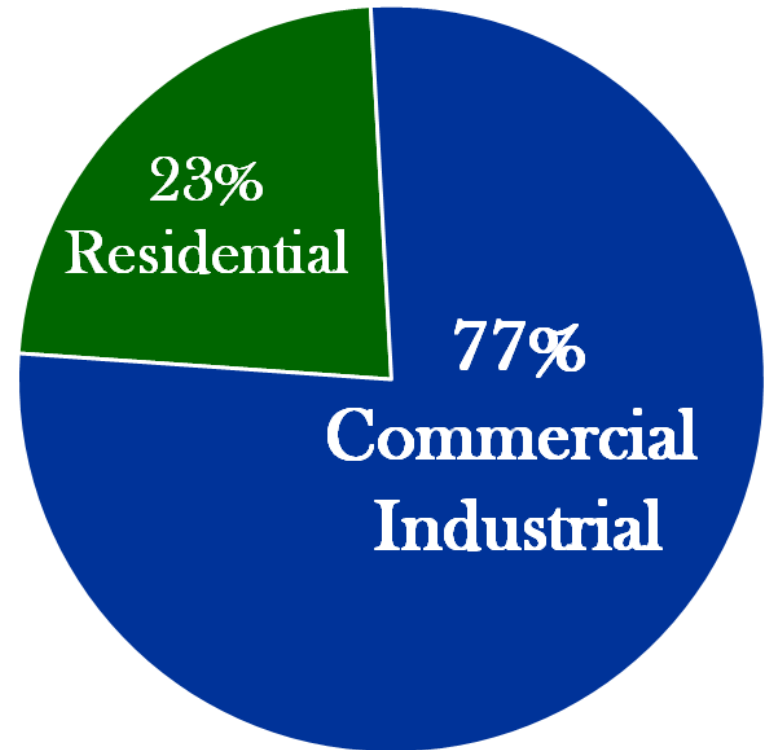
- Largest (\$2.5B) 100% fully integrated Recycled corrugated packaging company in North America
- U.S.A.= 4 – 100% Recycled Paper Mills
  - Largest user of RESIDENTIAL mixed paper in North America
  - Mills CONSUME ~10 million pounds/day of recycled paper
- 5<sup>th</sup> Largest corrugated box company in the U.S.A.
  - 40+ Converting plants – 6,000 green-collar employees
- 17 Material Recovery facilities (MRFs)
  - Majority of which were built during the past decade

# What's Wrong with Our Industry's Financials?

## 1. Imbalance of MRF Infrastructure

- Residential vs. Commercial/Industrial

Where Materials Recovery is Generated\*



\*White Paper – June 2016 – Demystifying Recycling Rates

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## 2. Single-Stream did not exactly work out as planned

- Processing costs underestimated
- Contamination underestimated
- Volume declines worse than expected
- Wear and tear/R&M underestimated (plastic bags, glass, etc.), at MRFs, and rest of supply chain (Mills)
- Commodity price volatility worse than expected



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3. Municipal Contracts did not share pain/gain
4. Weight-based recycling goals had MRF consequences



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**Recent statements (past 30 days) from Recycling Industry CEOs/COOs (not Pratt)**

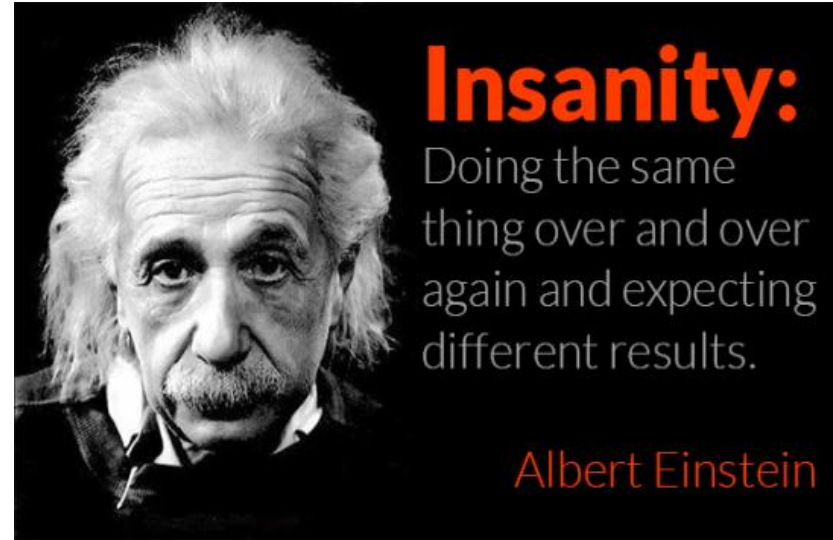
*“...we’re still committed to recycling for customers that are willing to pay...company is being more strategic with its decisions. This includes avoiding long-term contracts with decreasing value over time, closing unprofitable facilities...”*

**AND**

*“...absolutely will never go back to the old style of doing business in recycling as long as I am breathing...”*

# But...Not all Gloom and Doom

- There are lots of things that are right about recycling, and when one door closes, another one opens.
- These past few years have been a great wake-up call, and many best practices of how to do it right!  
*(“When the going gets tough, the tough get going”)*
- Speaking for Pratt...we need the feedstock and are continuously investing to create a better system.



# In the Spirit of Nov 8<sup>th</sup> 2016



**“Make Recycling Great Again”**

**or**

**“Stronger source-separated”**



**It will be over in 32 hours and 46 minutes...**

**HOPEFULLY !!!**