



What's Wrong with Our Industry's Financials?

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“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
- 5th 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

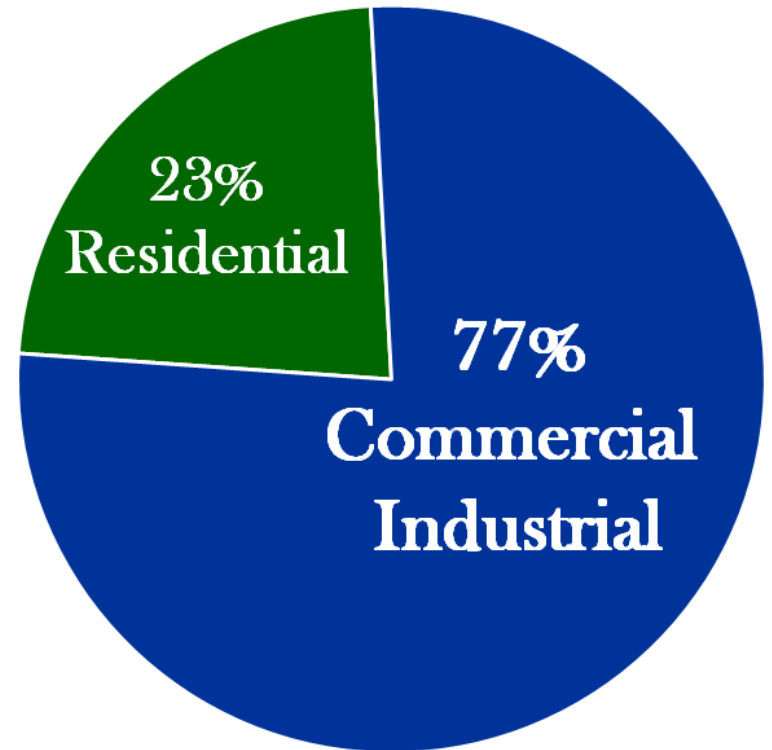


What's Wrong with Our Industry's Financials?

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)

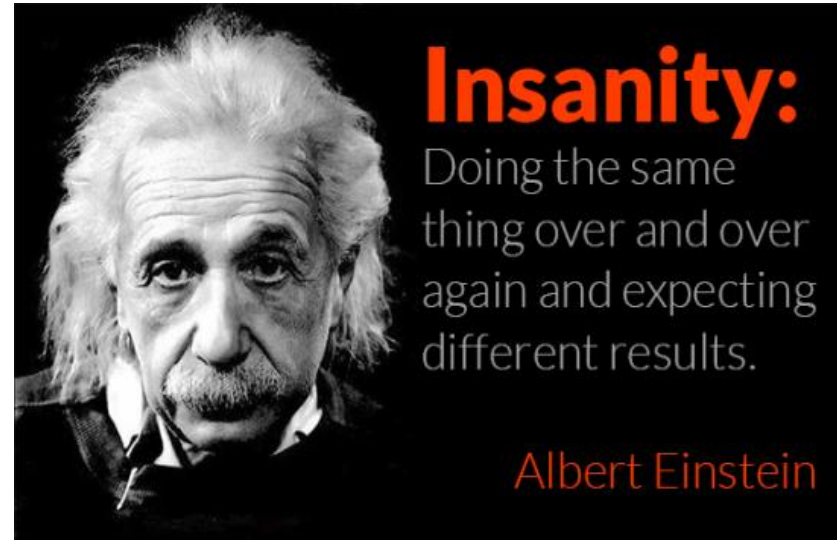
“...we’re still committed to recycling for customers that are willing to pay...company is being more strategic with its decisions. This includes avoiding long-term contracts with decreasing value over time, closing unprofitable facilities...”

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 8th 2016



“Make Recycling Great Again”

or

“Stronger source-separated”



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