



CARPETAMERICARECOVERYEFFORT™

DEVELOPING MARKET-BASED SOLUTIONS FOR THE RECYCLING & REUSE OF POST-CONSUMER CARPET

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Finding end markets and
looking at markets
today.....and tomorrow



Maybe more of fortune...than
of fortune telling.



Lets be very realistic. Without a successful value creation model, we are not going to have a sustainable solution. Developing wonderful Green ideas and projects, such as the CARE concept are necessary and vital. But, it is up to the business leaders, with support from agencies and investors, to move the needle forward and create financial success. Its not magic.....



Issues

- Quality- what is in the polymer, what is on the polymers and what polymers are they?
- Consistency in supply and output
- Volumes
- Geography for freight
- Pricing
- Seasonality
- Mis-information
- Competition other materials, suppliers, etc

MARKETS

This requires that we discuss larger end markets such as fiber, but also specific end market applications and products.

Let's take automotive as an example ; within that broad market , we have fibers, under hood applications- some more critical than others, passenger area, exterior features such as wheel wells, and bumpers, after market products and replacement parts

Each of these requires a different criteria for approvals and testing.....

Marketscontinued

- Textile applications
- Packaging- includes material handling
- Energy....like it or not
- Industrial non critical parts or housings
- Consumer goods and Housewares
- Lawn and Garden
- Building products
- Generic compounds for blending to ?

Some basic market dynamics for Plastics

Many of the typical business school rules don't apply.....such as supply and demand.

In the scrap market, you can quite often sell for more, by providing a larger source of supply

Why? Because you now provide consistent and reliable supply chain. Allows for planning and longer term strategic planning.

More basics

- Commodity Plastics are a global commodity-
“fungibility”
- Scrap plastics are not viewed as fungible
- Scrap materials are not indexed to prime or virgin in a reliable method
- Processing methods can obtain varying results for identical materials
- End use and product sale will greatly influence not just pricing, but ability to use materials at all

\$

The level of quality obtained is directly proportional to the amount of money you want to spend.

It is not for the feint of heart. Being in the business of carpet recycling requires capital and commitment.

It can be highly rewarding from a business and social perspective.....but, money is a vital aspect of this business.

Key drivers to end markets

- Equipment to process and insure quality
- End market channel to insure material offtake
(in other words, does your buyer have the proper markets to absorb THEIR products)
- Credit worthiness of buyers
- Does the market need go beyond “GREEN”
(do you offer value)
- Creativity and Innovation
- Relationships DO MATTER !!!!

Thank you very much!
Know, lets do some Q&A

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