
VPS Program Quarter 2 2018 Review

Q2 2018 VPS Summary

September 21, 2018



Agenda

- Program Update
- Quarterly Overview of Results
- Q3 2018 Forecast
- Financials



VPS Program Update

- 48 CSEs participate in the VPS Program in 2018
 - 30 CSEs requested funds in Q2
 - 31 CSEs requested funds in Q1

- End-market issues in the marketplace persist
 - Limited outlets for all fiber types
 - N66 is only fiber type in demand
 - Processors have decreased demand
 - The demand for PCC has been inconsistent
 - Processors are deselecting PCC in favor of PI
 - Pad prices remain constant
 - Very little fluctuation, but demand can be inconsistent

- AUPs are currently being conducted on 3 CSEs

- All CSEs that requested funds are CARE members in good standing



VPS Summary Results



Q2 2018 Summary Results

- 30 CSEs Requested Funds for Q2 2018
 - 48 CSEs participate in program (63% response rate)

- Output Eligible for Funding: 30,874,536 lbs.
 - Total Output: 48,301,521 lbs.
 - Landfilled: 9,918,921 lbs.
 - Ending Inventory: 7,508,064

- Total \$ Disbursed to CSEs: \$547K
 - One CSE reached cap limit

- Total Q2 Payout(including admin expenses): \$592K

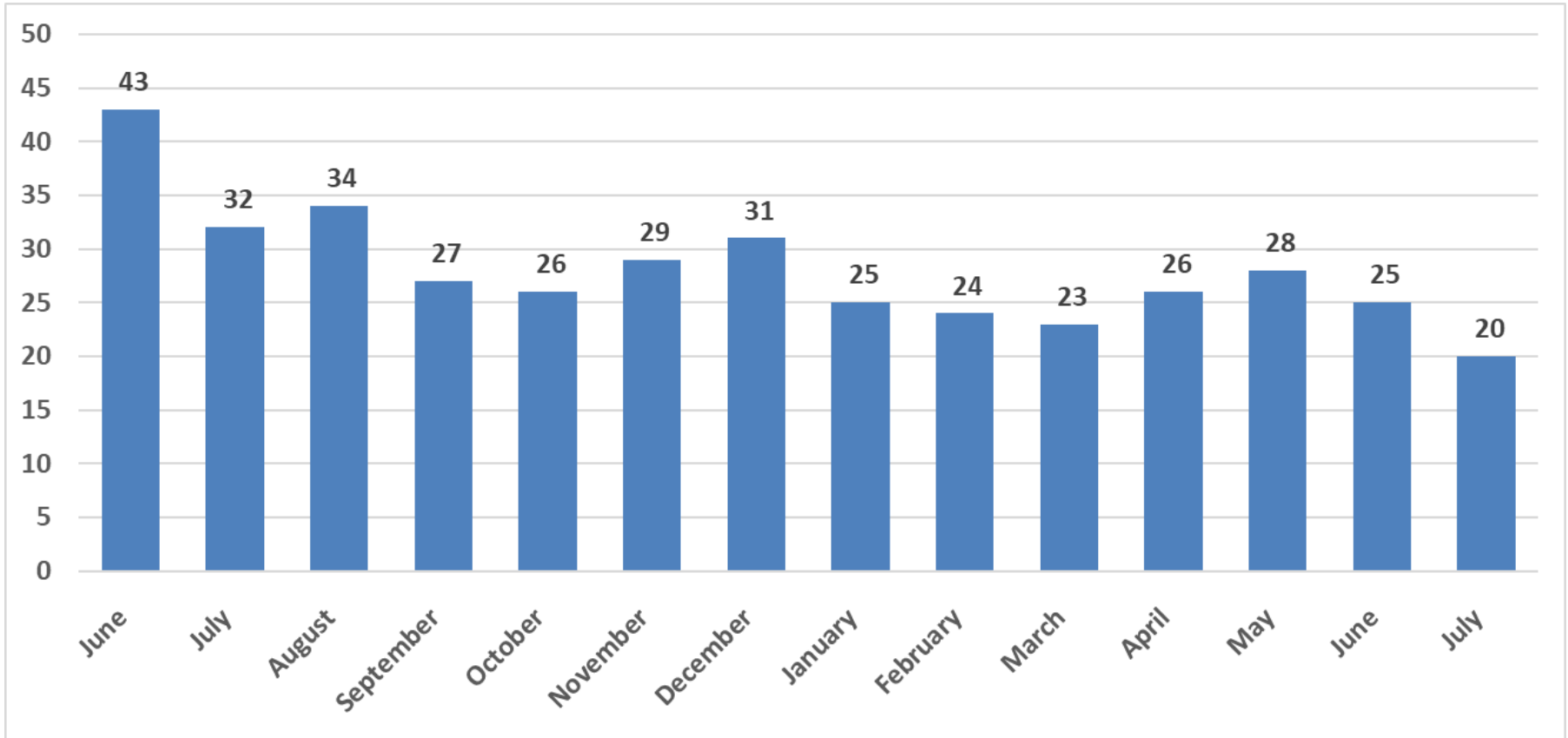


VPS Fund Requests Per Month

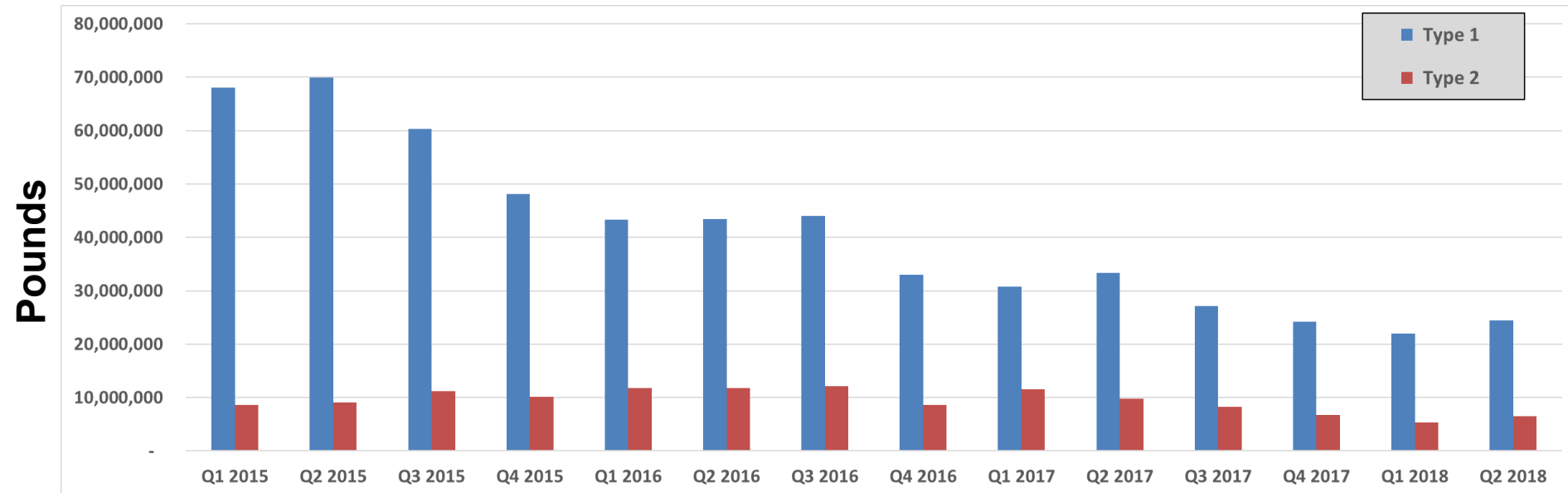
CSE Reports Per Month	
2017	
June	43
July	32
August	34
September	27
October	26
November	29
December	31
2018	
January	25
February	24
March	23
April	26
May	28
June	25
July	20



VPS Fund Requests Per Month



VPS Q2 Output Destinations (lbs.)

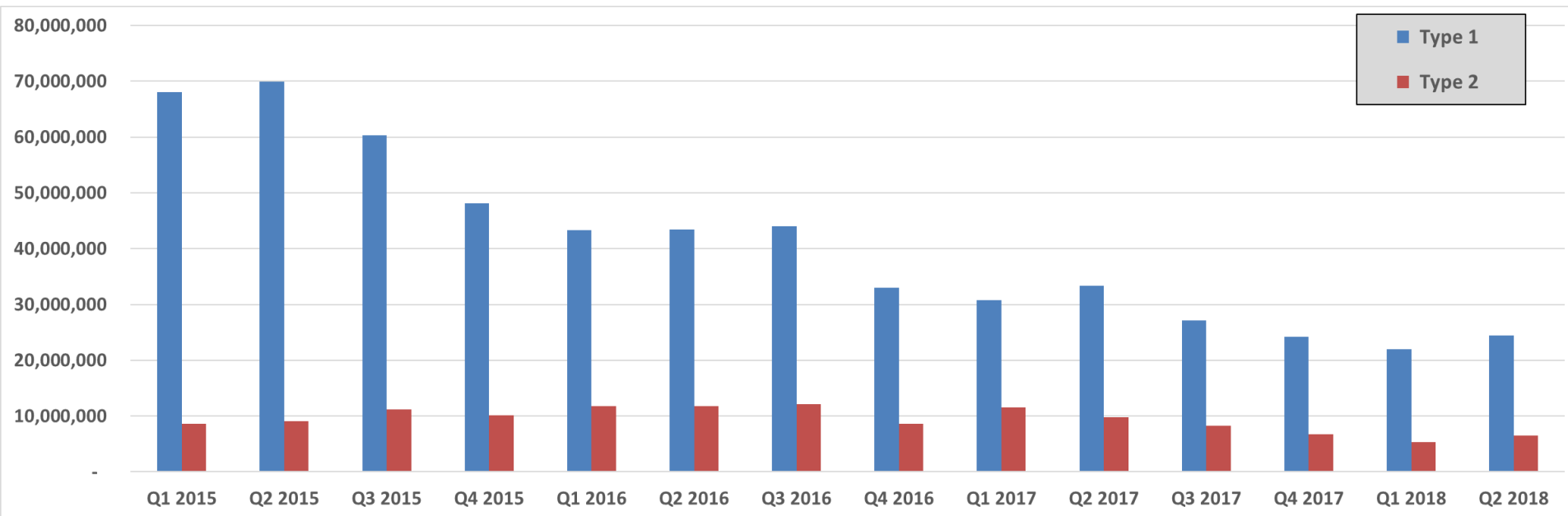


VPS Q2 Output Destinations (lbs.)

Pounds of Output			
	Q1 2018	Q2 2018	% +/- (Q1v.Q2)
Broadloom Re-Used (\$.02)	23,693	24,005	1%
Carpet Tile Re-used (\$.02)	412,236	274,177	-33%
Shipped Internationally (\$.02)	-	-	0%
Shipped inside U.S. (\$.02)	21,582,393	24,081,161	12%
Waste-to-Energy (\$.01)	3,132,066	4,837,375	54%
Pyrolysis (\$.01)	-	-	0%
Cement Kiln (\$.01)	1,199,224	454,062	-62%
CAAF (\$.01)	956,104	1,203,756	26%
Total	27,305,716	30,874,536	13%



VPS Q2 Output (\$s)



VPS Q2 Output (\$s)

Output in \$s			
	Q1 2018	Q2 2018	% +/- (Q1v.Q2)
Broadloom Re-Used (\$.02)	\$ 474	\$ 480	1%
Carpet Tiles Re-used (\$.02)	\$ 8,245	\$ 5,484	-33%
Shipped Internationally	\$ -	\$ -	0%
Shipped inside U.S. (\$.02)	\$ 431,648	\$ 481,623	12%
Waste-to-Energy (\$.01)	\$ 31,321	\$ 48,374	54%
Pyrolysis (\$.01)	\$ -	\$ -	0%
Cement Kiln (\$.01)	\$ 11,992	\$ 4,541	-62%
CAAF (\$.01)	\$ 9,561	\$ 12,038	26%
Total Uncapped	\$ 493,241	\$ 552,539	12%
Cap Correction	\$ (7,951)	\$ (5,531)	
Overpayment Correction			
Grand Total Payout for Total	\$ 485,290	\$ 547,008	13%

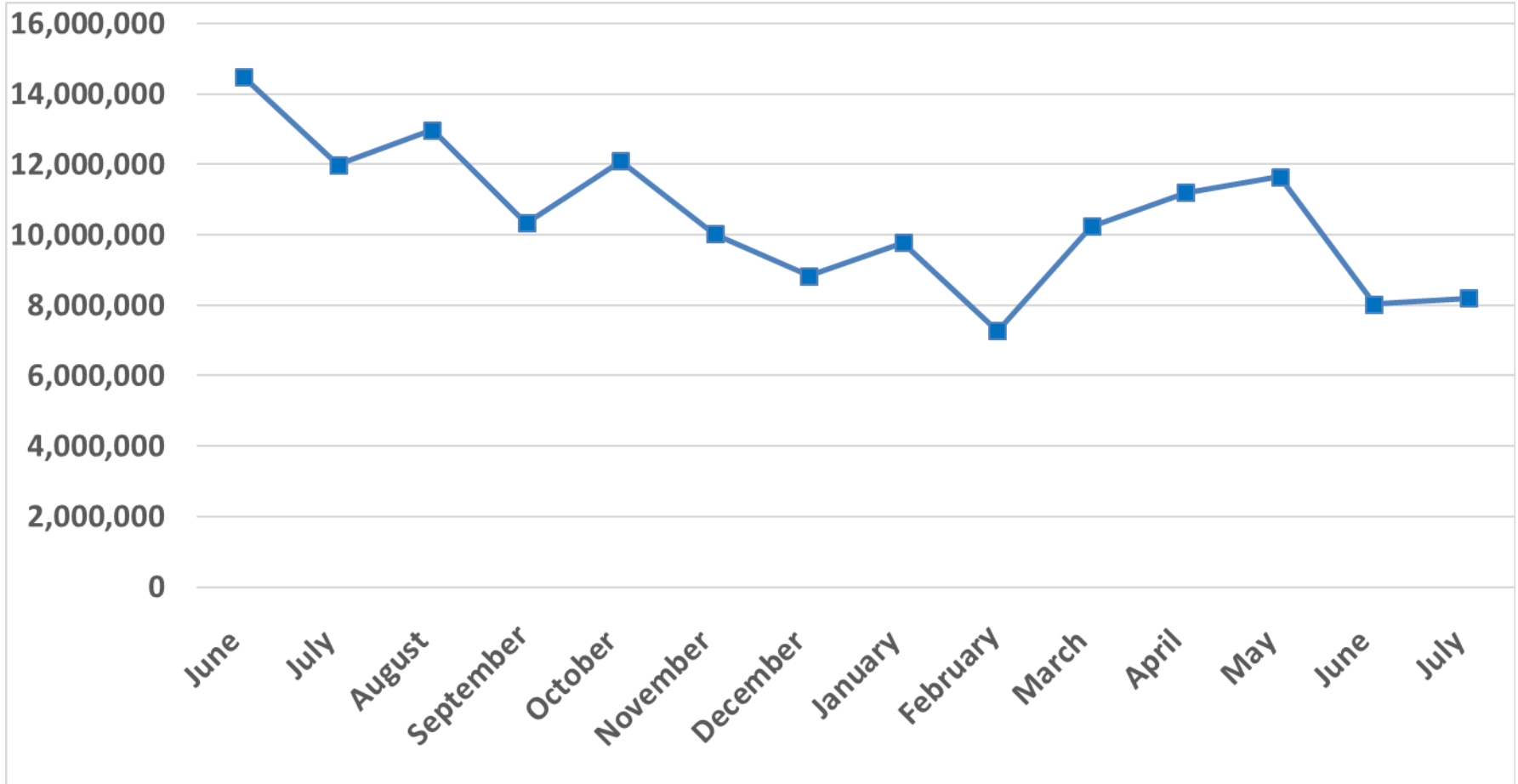


VPS Output Per Month

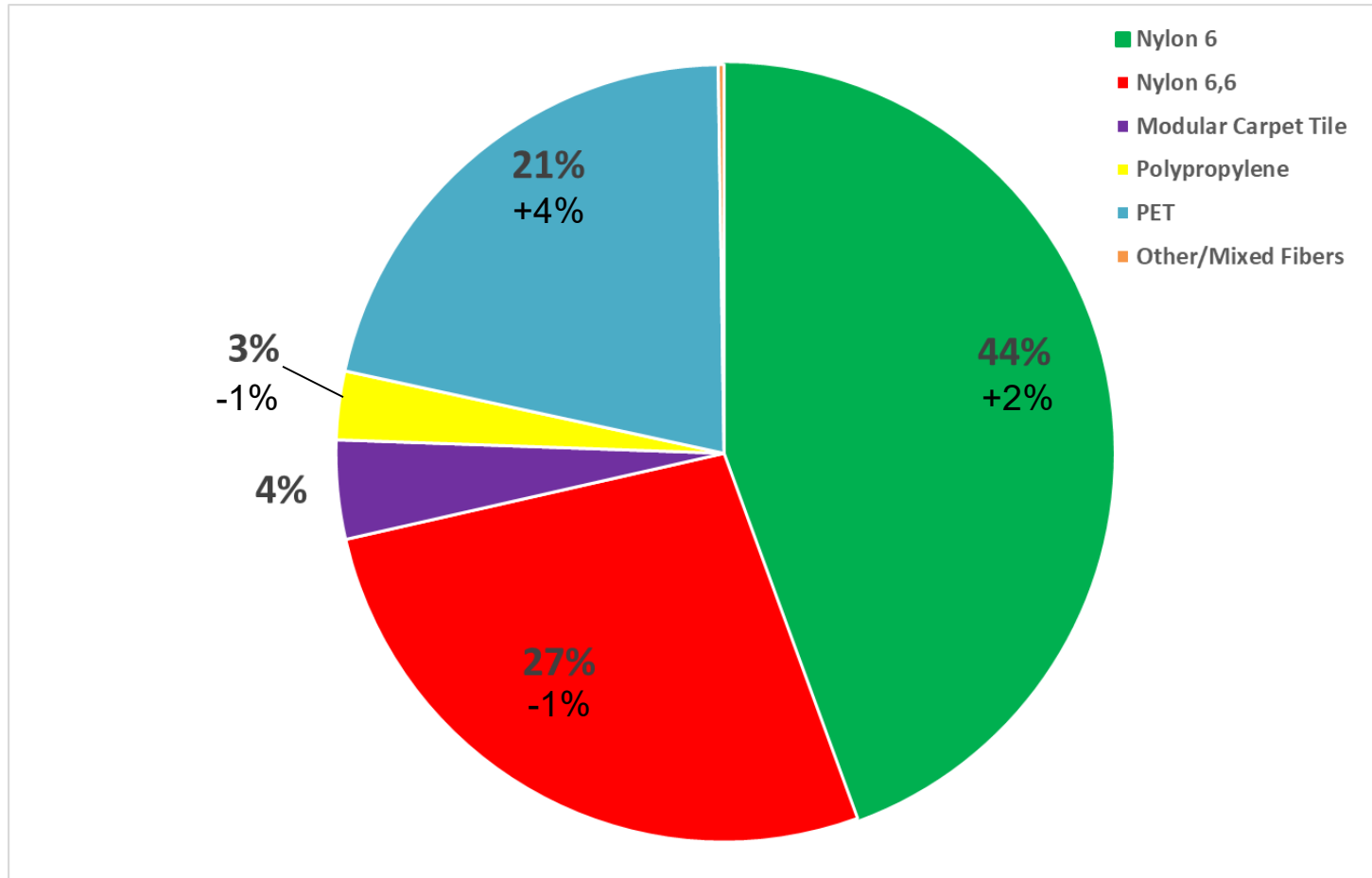
Lbs.	
2017	
June	14,468,649
July	11,990,200
August	12,983,532
September	10,339,006
October	12,094,341
November	10,021,546
December	8,834,750
2018	
January	9,784,309
February	7,276,344
March	10,245,063
April	11,197,511
May	11,641,394
June	8,035,632
July	8,203,747



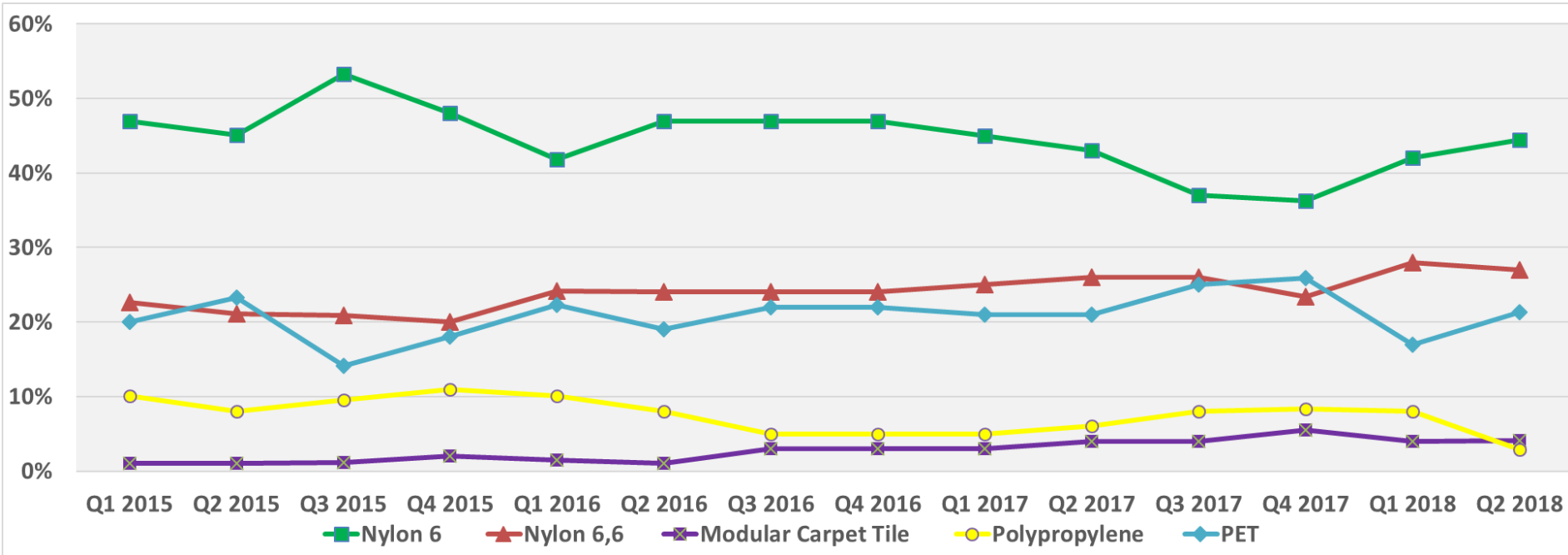
VPS Output Over Time



Face Fiber Breakdown of Sorted Output



Face Fiber Breakdown % - Shipped and Sold

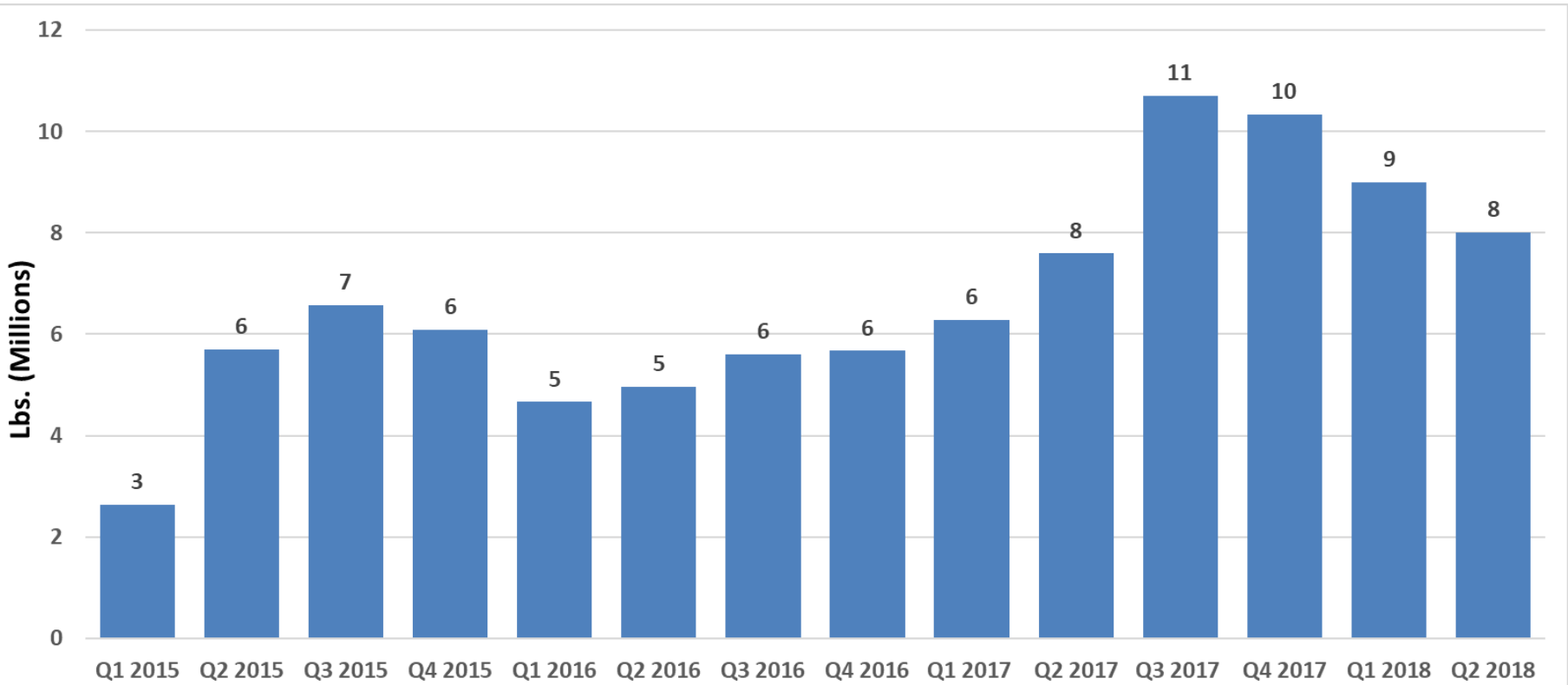


Q2 Face Fiber Breakdown(%)

Face Fiber Breakdown - Shipped and Sold		
	Q1 2018	Q2 2018
Nylon 6	42%	44%
Nylon 6,6	28%	27%
Modular Carpet Tile	4%	4%
Polypropylene	8%	3%
PET	17%	21%
Other/Mixed Fibers	0%	0%



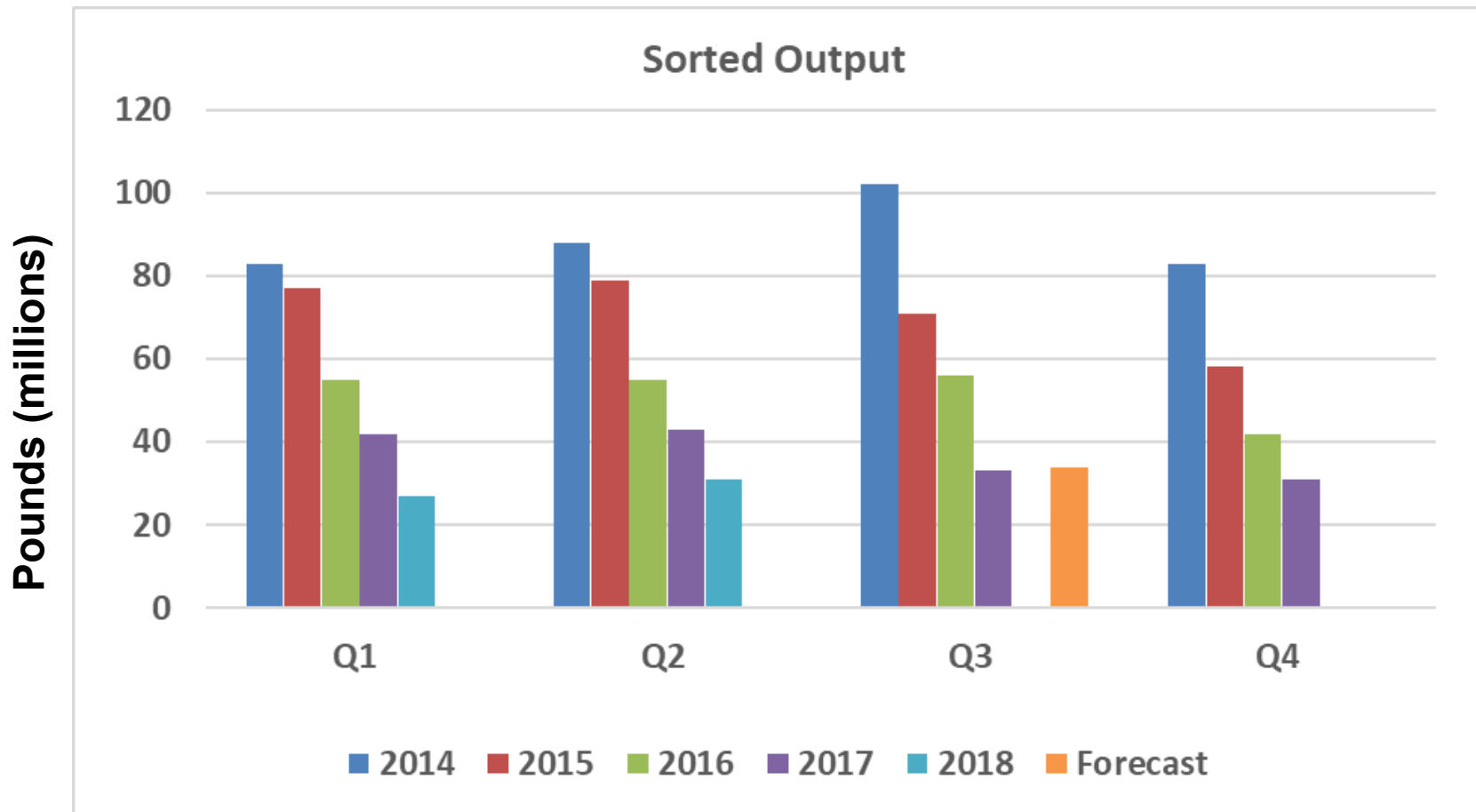
Inventory Levels



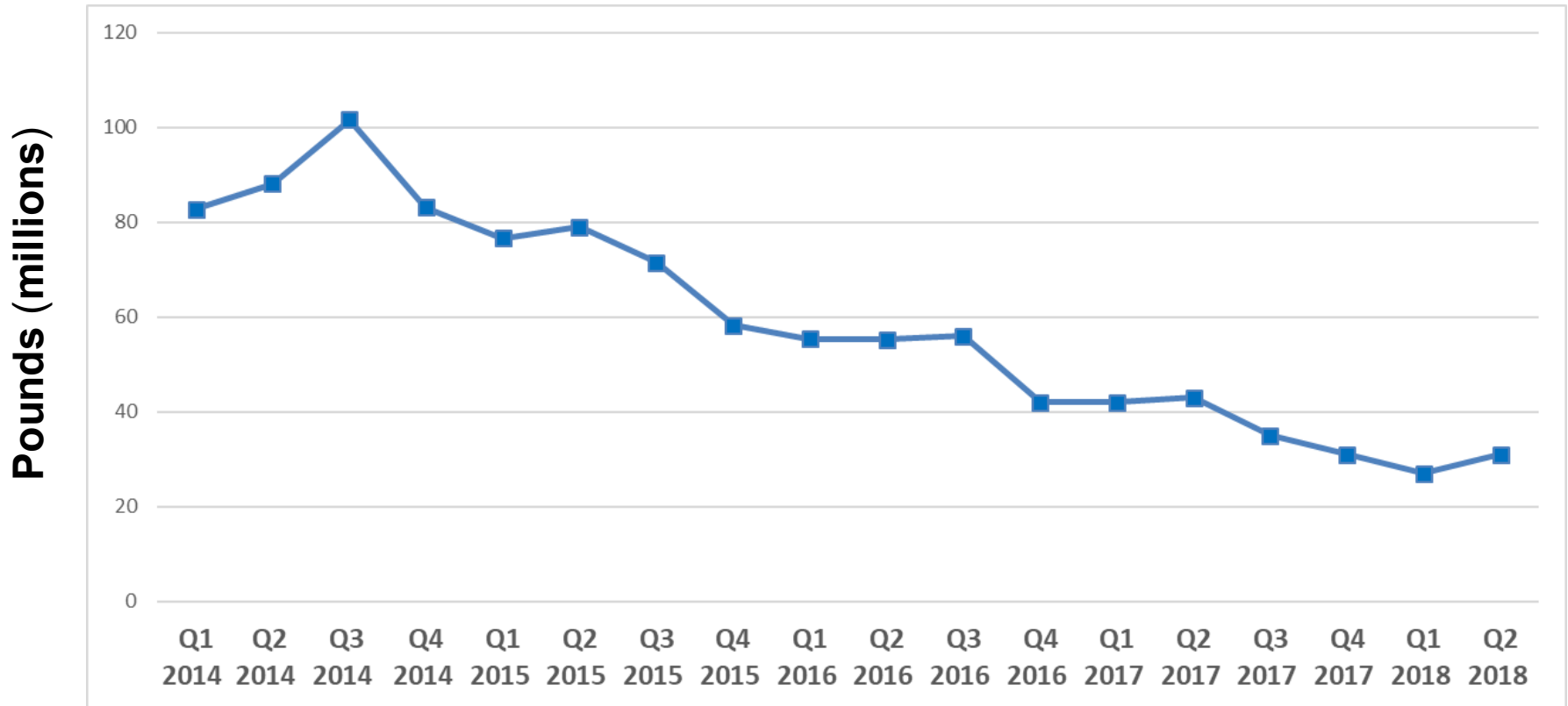
VPS Q3 2018 Forecast



Results and Forecasts



Sorted Output Trend



VPS Financials



VPS AUP Tracking

VPS CSE AUP Tracking			
	Selected	Completed	Note
Q1 2015	3	3	
Q2 2015	3	3	
Q3 2015	3	3	1 finding: Overpayment of \$49K to be paid back to VPS program in instalments.
Q4 2015	3	3	
Q1 2016	3	3	
Q2 2016	3	3	
Q3 2016	3	3	
Q4 2016	3	3	
Q1 2017	3	3	
Q2 2017	3	3	
Q3 2017	3	3	
Q4 2017	3	3	
Q1 2018	3	3	
Q2 2018	3	-	Will be completed soon

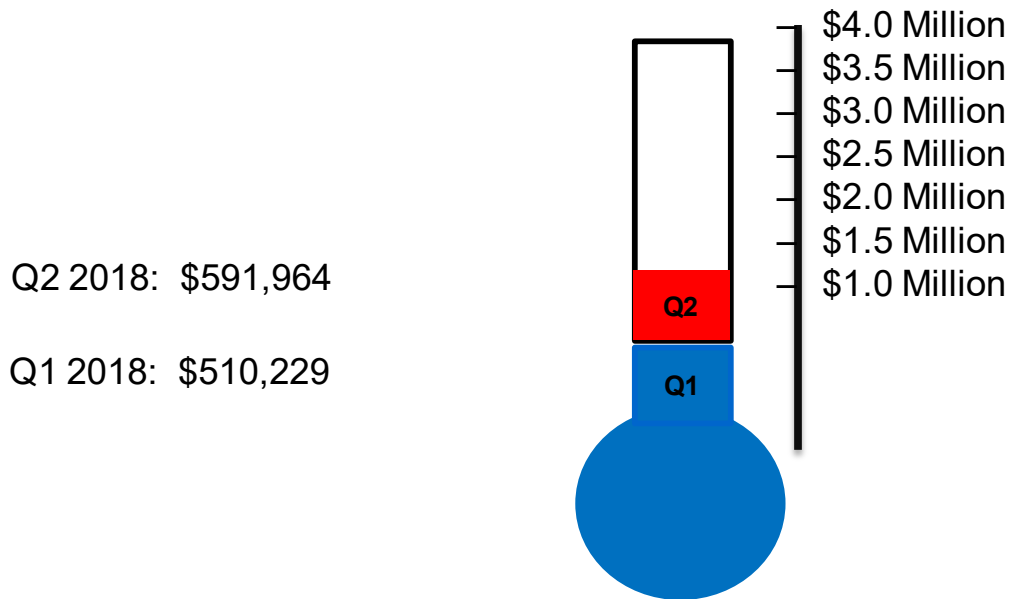


Accounting Details for Quarter

Q2 2018	
April	\$ 200,962.21
May	\$ 234,327.88
June	\$ 156,673.56
Q2	\$ 591,963.65



VPS Payout vs. Budget



- **~\$950K remained from 2017 and was used on the first 2 qtrs. Of 2018**
- **\$3.8 MM remaining for 2018**



End of Review

