
VPS Program Quarter 3 2018 Review

Q3 2018 VPS Summary

December 7, 2018



Agenda

- Program Update
- Quarterly Overview of Results
- Q4 2018 Forecast
- Financials
- ❖ All meetings conducted under Antitrust Guidelines and Roberts Rules of Order



VPS Program Update

- 48 CSEs participate in the VPS Program in 2018
 - 25 CSEs requested funds in Q3
 - 30 CSEs requested funds in Q2

- End-market issues in the marketplace persist
 - Limited outlets for all fiber types
 - 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
 - One finding from Q2

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



VPS Summary Results



Q3 2018 Summary Results

- 25 CSEs Requested Funds for Q3 2018
 - 48 CSEs participate in program (52% response rate)
- Output Eligible for Funding: 24,693,455 lbs.
 - Total Output: 44,049,692 lbs.
 - Landfilled: 12,547,873 lbs.
 - Ending Inventory: 6,808,364
- Total \$ Disbursed to CSEs: \$466K
 - One CSE reached cap limit
- Total Q3 Payout(including admin expenses): \$503K

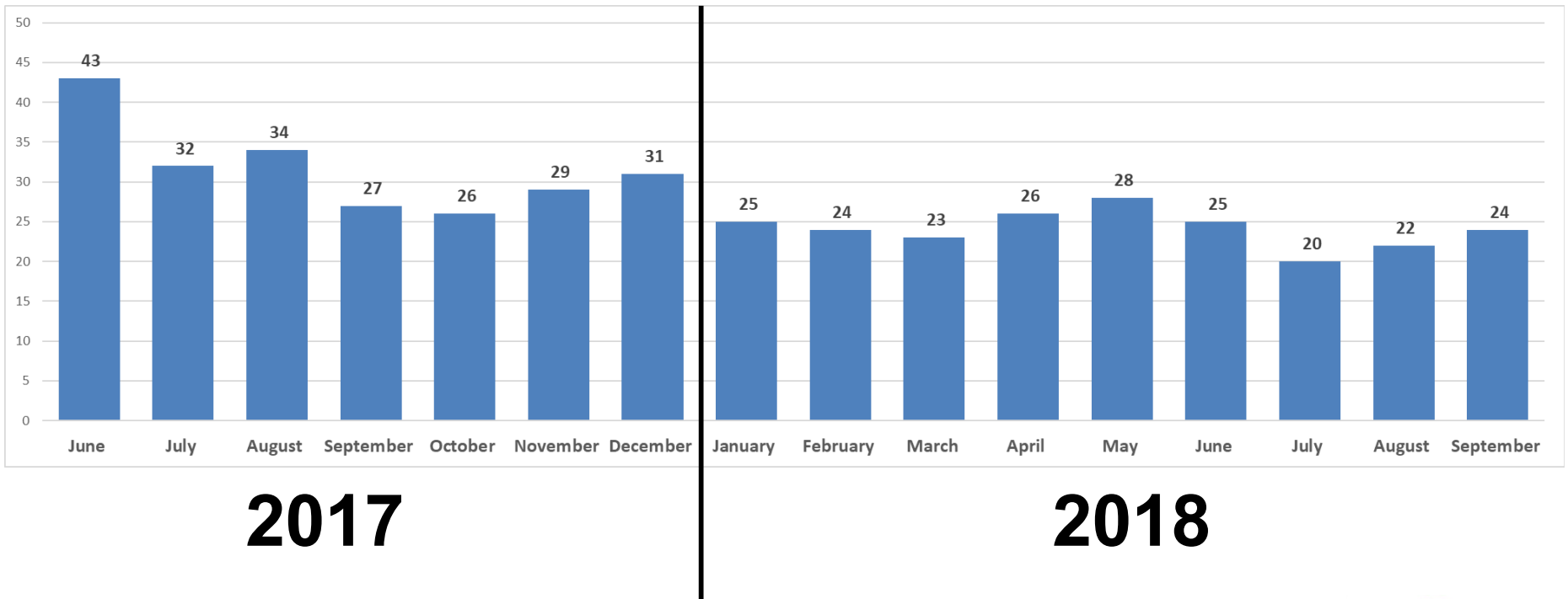


2018 VPS Fund Requests Per Month

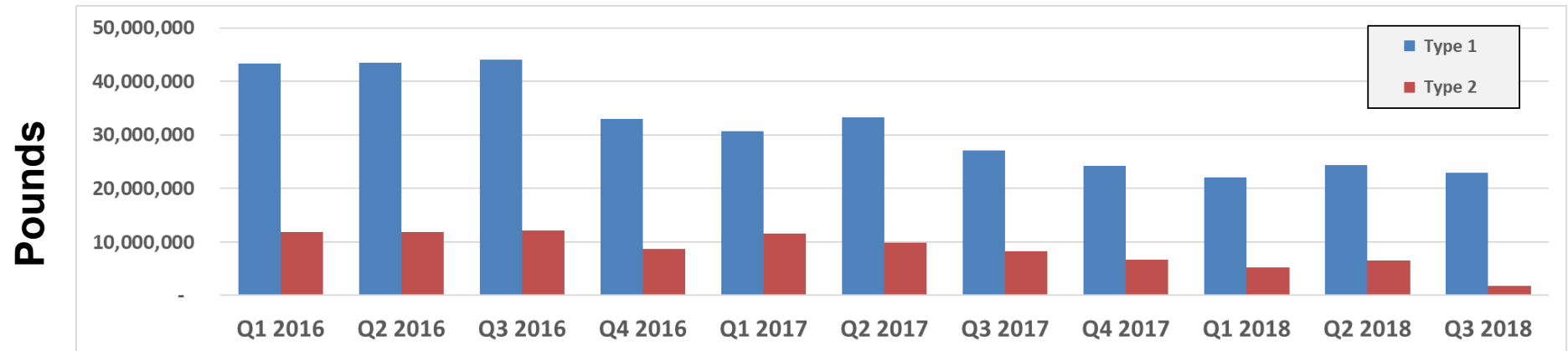
2018	
January	25
February	24
March	23
April	26
May	28
June	25
July	20
August	22
September	24



VPS Fund Requests Per Month



VPS Q3 Output Destinations (lbs.)

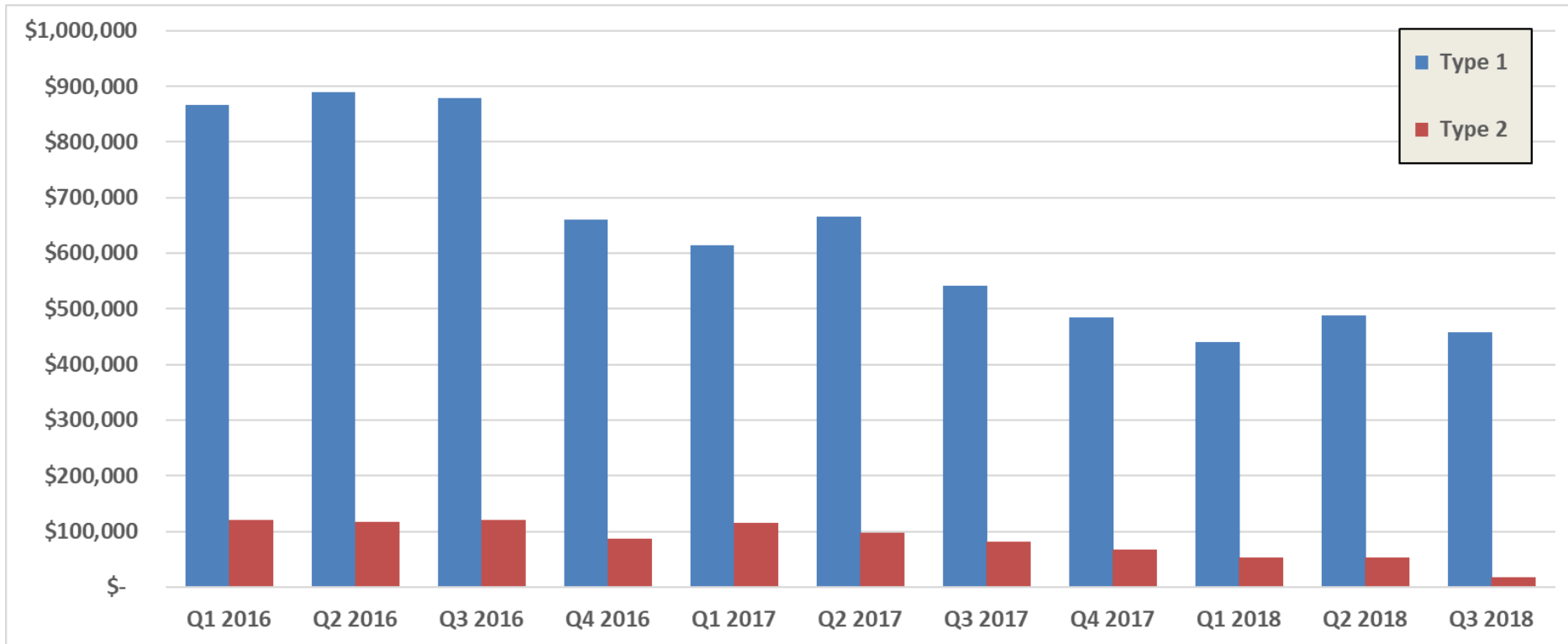


VPS Q3 Output Destinations (lbs.)

Pounds of Output			
	Q2 2018	Q3 2018	% +/- (Q2v.Q3)
Broadloom Re-Used (\$.02)	56,467	68,144	21%
Carpet Tile Re-used (\$.02)	274,177	76,751	-72%
Shipped Internationally (\$.02)	-	259,642	
Shipped inside U.S. (\$.02)	24,048,699	22,537,978	-6%
Waste-to-Energy (\$.01)	4,837,375	1,620,618	-66%
Pyrolysis (\$.01)	-	-	-
Cement Kiln (\$.01)	454,062	130,322	-71%
CAAF (\$.01)	1,203,756	-	-100%
Total	30,874,536	24,693,455	-20%



VPS Q3 Output (\$s)



VPS Q3 Output (\$s)

Output in \$s			
	Q2 2018	Q3 2018	% +/- (Q2v.Q3)
Broadloom Re-Used (\$.02)	\$ 1,129	\$1,363	17%
Carpet Tiles Re-used (\$.02)	\$ 5,484	\$1,535	-257%
Shipped Internationally (\$.02)	\$ -	\$5,193	100%
Shipped inside U.S. (\$.02)	\$ 480,974	\$450,760	-7%
Waste-to-Energy (\$.01)	\$ 48,374	\$16,206	-198%
Pyrolysis (\$.01)	\$ -	\$ -	
Cement Kiln (\$.01)	\$ 4,541	\$1,303	-248%
CAAF (\$.01)	\$ 12,038	\$ -	
Total Uncapped	\$ 552,540	\$ 476,360	-16%
Cap Correction	\$ (5,531)	\$ (27.47)	
Overpayment Correction		\$ (18,201)	
Grand Total Payout for Total	\$ 547,009	\$ 458,131	-19%

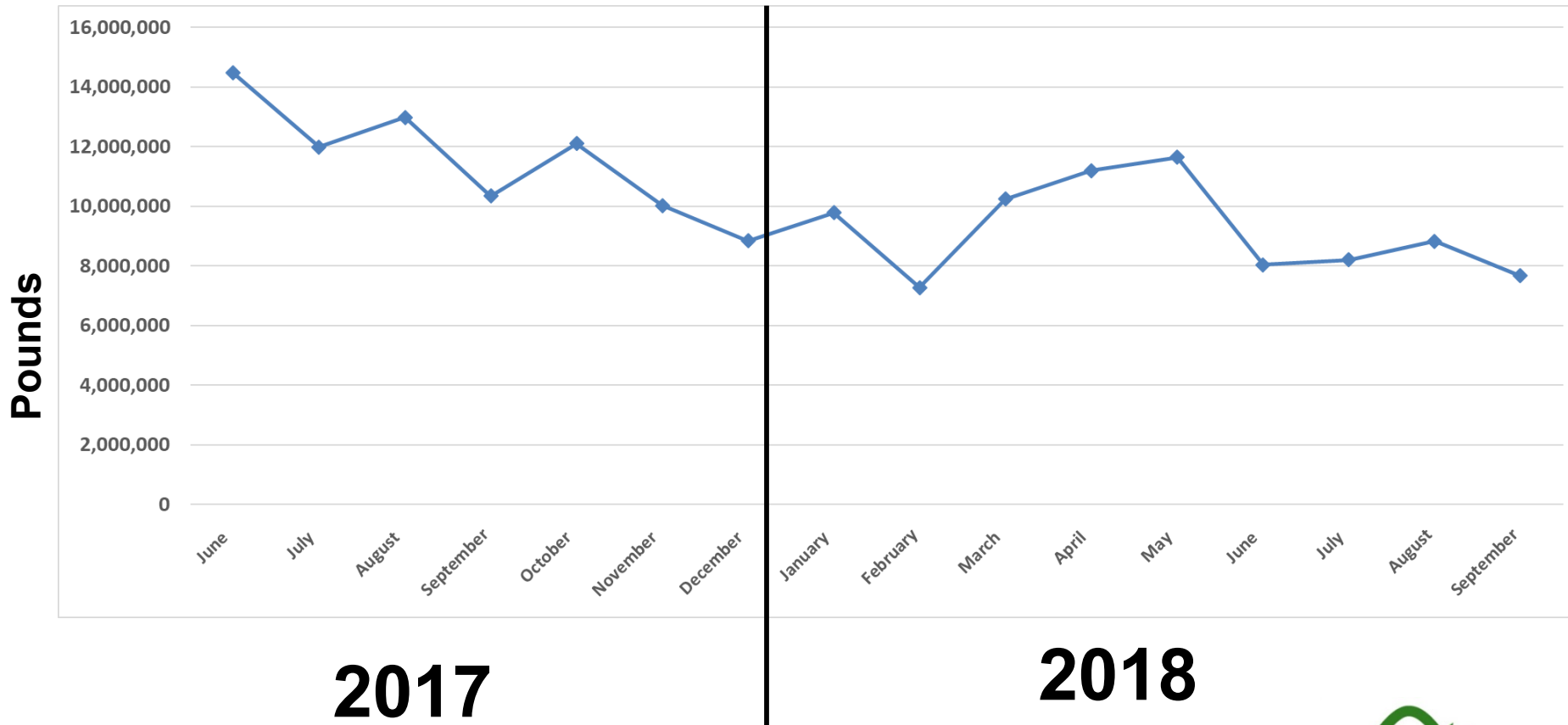


2018 VPS Output Per Month

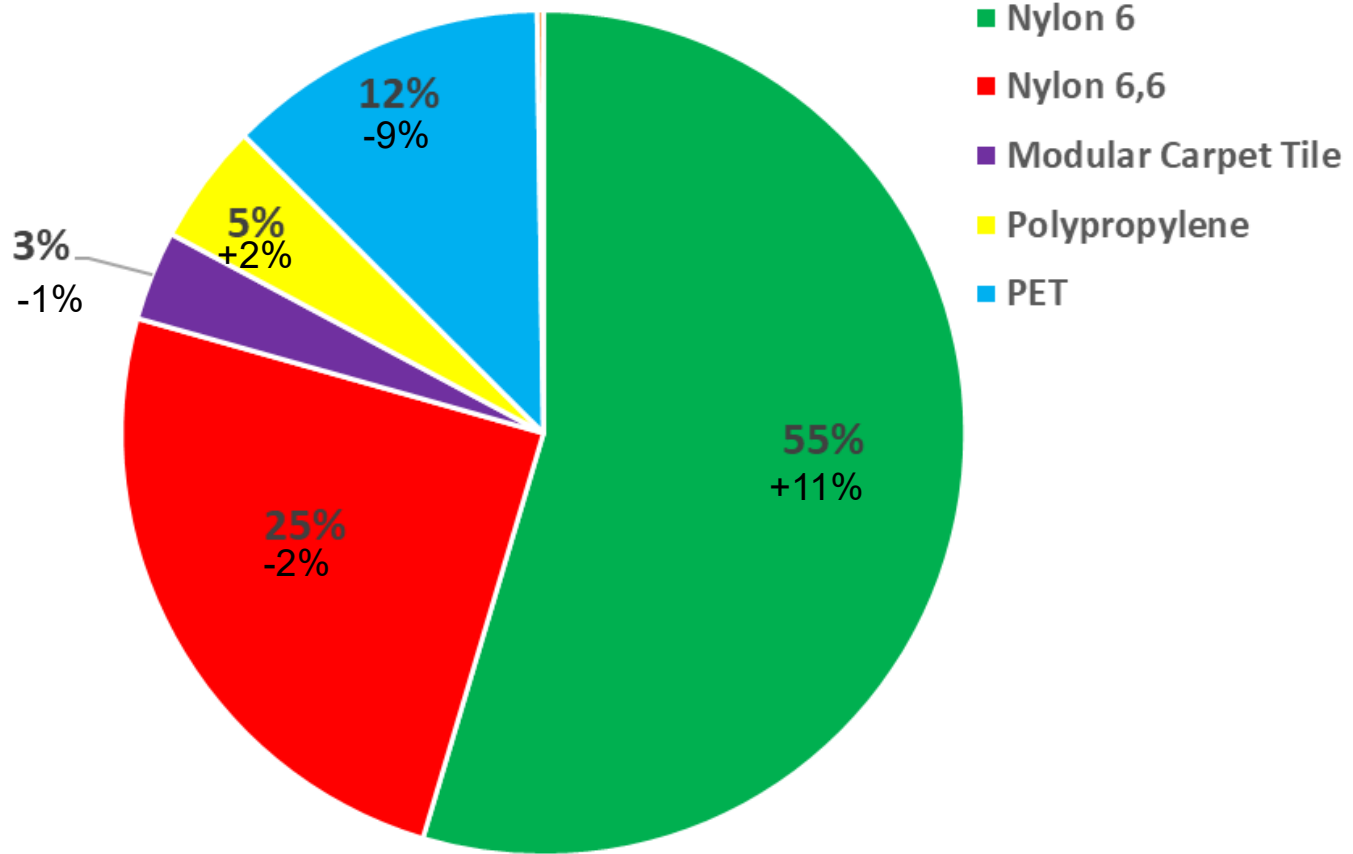
2018	
January	9,784,309
February	7,276,344
March	10,245,063
April	11,197,511
May	11,641,394
June	8,035,632
July	8,203,747
August	8,828,368
September	7,661,340



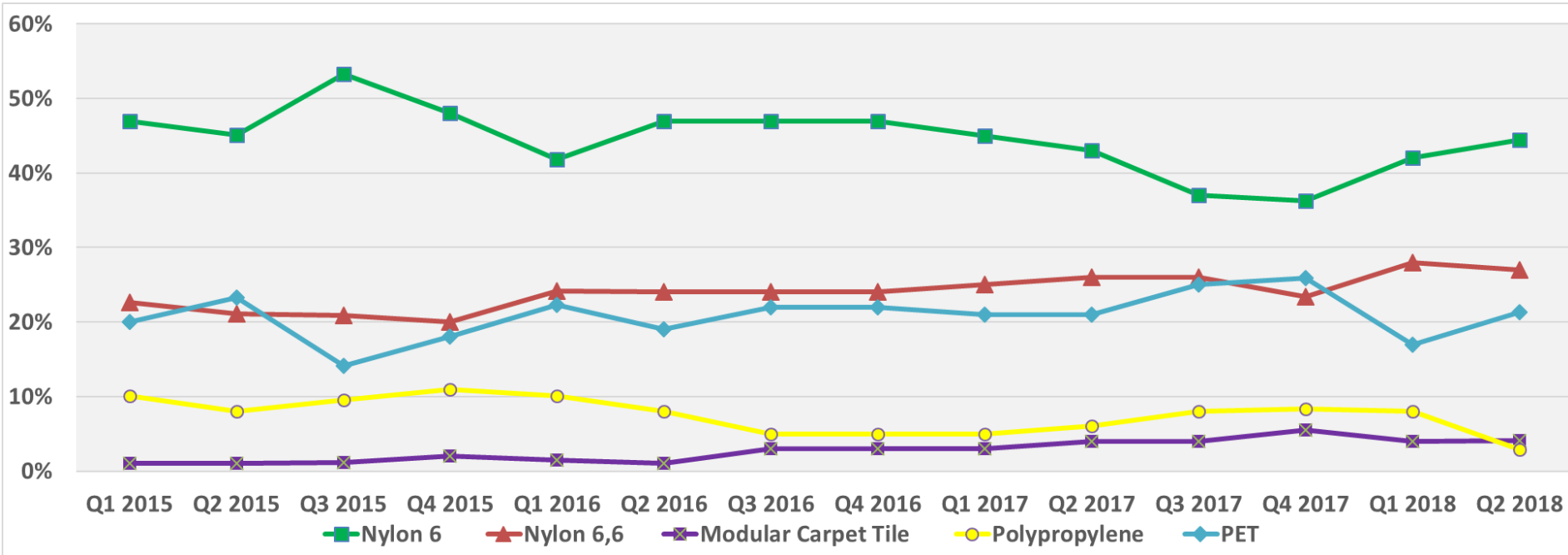
VPS Output Over Time



Face Fiber Breakdown of Sorted Output



Face Fiber Breakdown % - Shipped and Sold

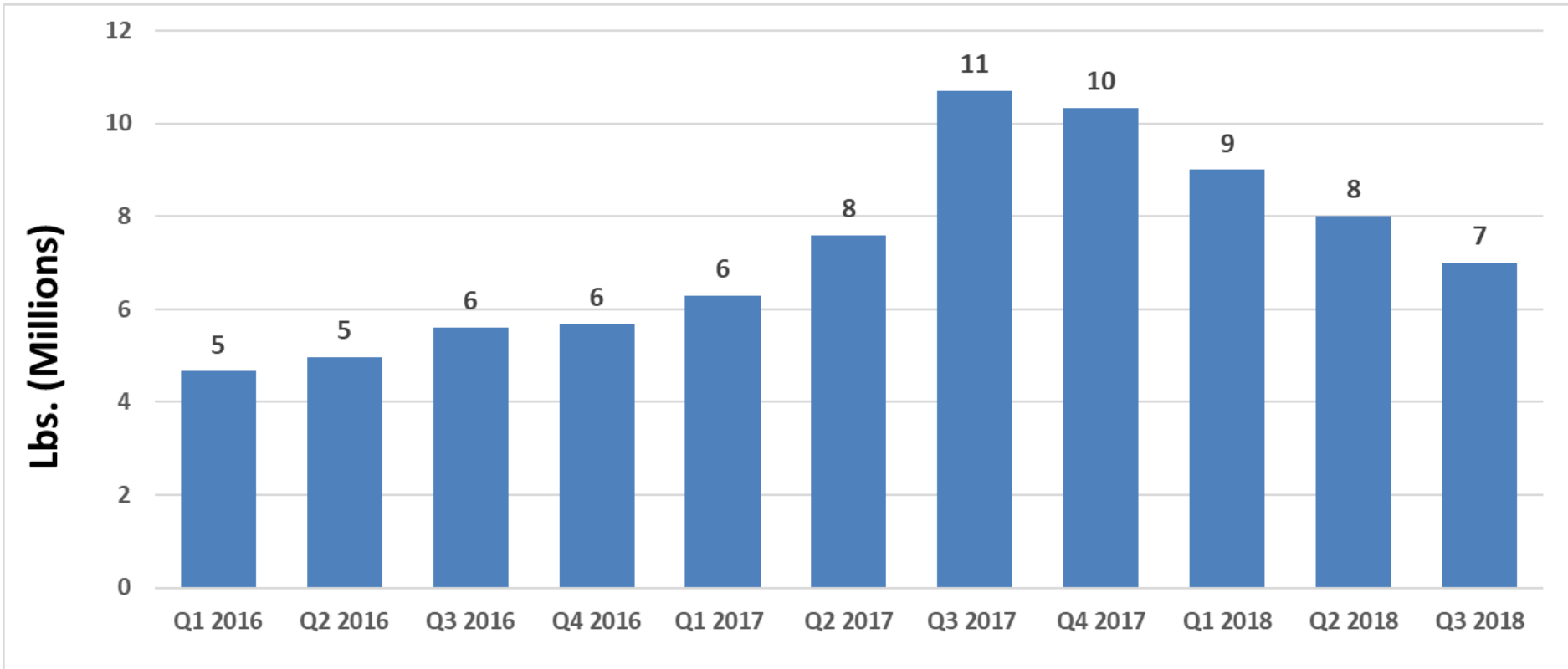


Q3 Face Fiber Breakdown(%)

Face Fiber Breakdown - Shipped and Sold		
	Q2 2018	Q3 2018
Nylon 6	44%	55%
Nylon 6,6	27%	25%
Modular Carpet Tile	4%	3%
Polypropylene	3%	5%
PET	21%	12%
Other/Mixed Fibers	0%	0%



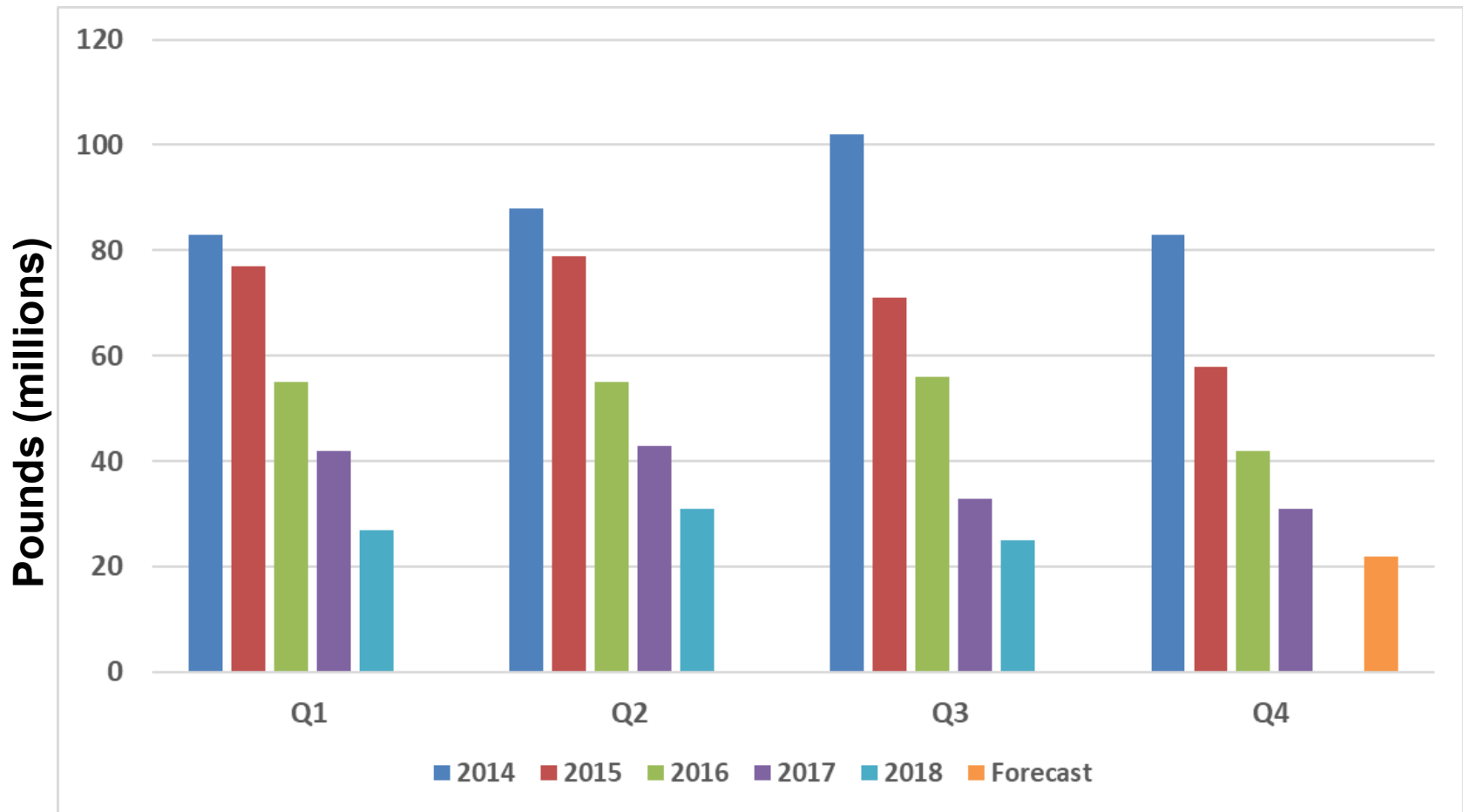
Inventory Levels



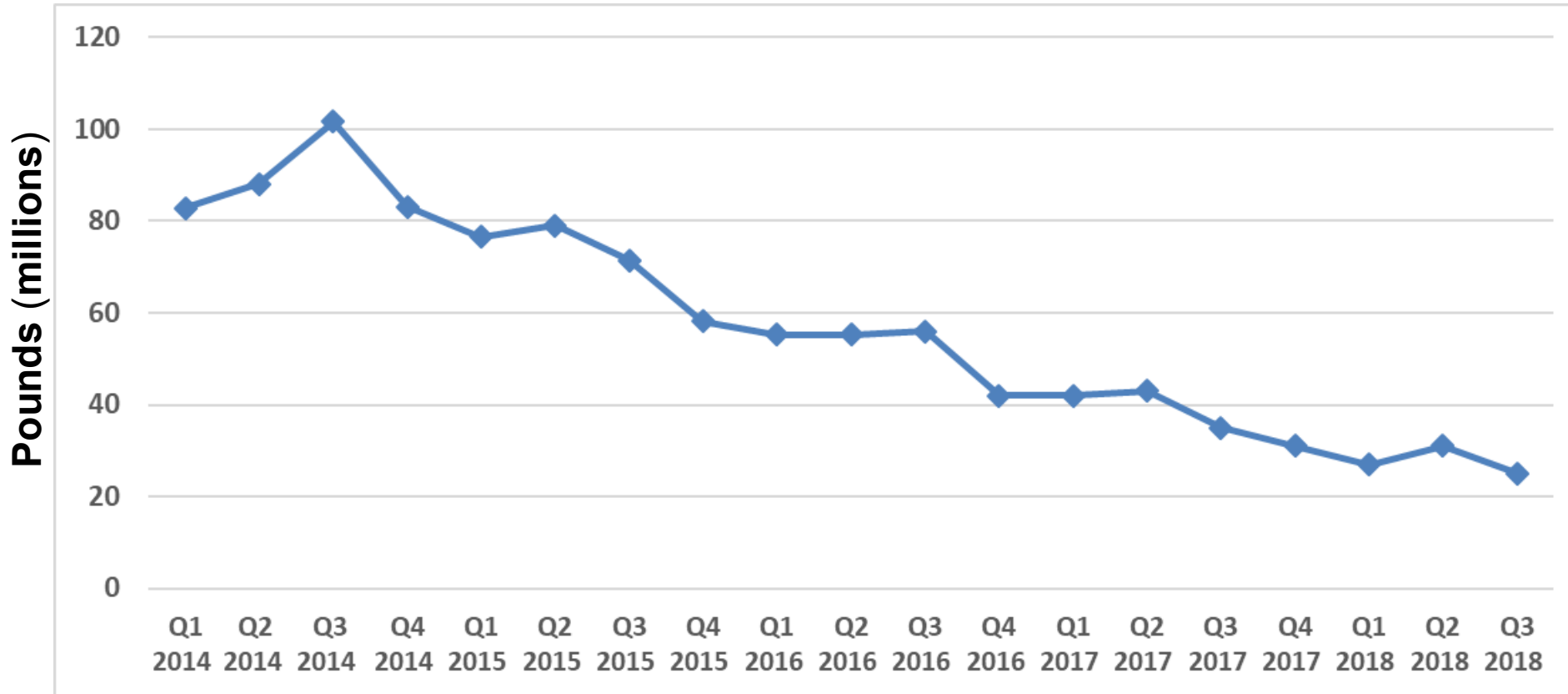
VPS Q4 2018 Forecast



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	3	One Finding: Overpayment for lbs. of PET claimed as sold. VPS Comittee to discuss
Q3 2018	3	-	

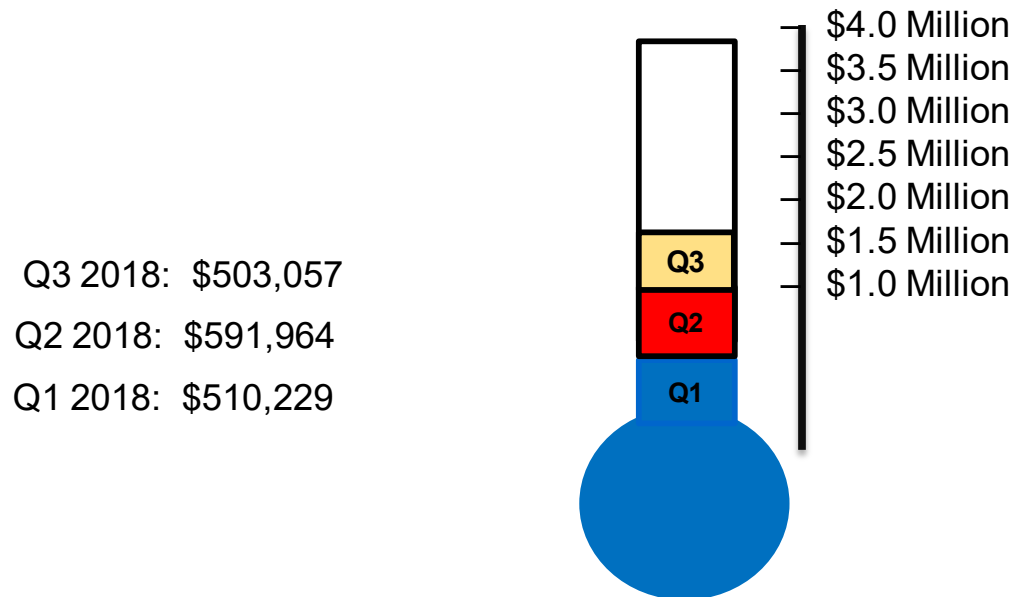


Accounting Details for Quarter

Q3 2018	
July	179,042
August	175,935
September	148,080
Q3	503,057



VPS Payout vs. Budget



- ~\$950K remained from 2017 and was used on the first 2 qtrs. Of 2018
- \$3.3 MM remains committed for 2018
 - Remaining funds after Q4 2018 payments are made will be used to fund 2019 program



End of Review

