
VPS Program Quarter 1 2019 Review

Q1 2019 VPS Summary
Anthony Cline



Agenda

- Program Update
- Quarterly Overview of Results
- Q2 2019 Forecast
- Financials
- All meetings conducted under Antitrust Guidelines and Roberts Rules of Order



VPS Program Update

- 46 CSEs participate in the VPS Program in 2019
 - 32 CSEs requested funds in Q1 2019
 - 32 CSEs requested funds in Q4 2018
 - Added CSEs in April and June

- 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
 - Strong demand for Nylon 6.6
 - Makes up a small percentage of waste stream

- AUPs are currently being conducted on 3 CSEs

- All CSEs that requested funds are members in good standing



VPS Summary Results



Q1 2019 Summary Results

- 32 CSEs Requested Funds for Q1 2019
 - 46 CSEs participate in program (70% response rate)

- Output Eligible for Funding: 21.5 M lbs.
 - Total Output: 42.3 M lbs.
 - Landfilled: 13 M lbs.
 - Ending Inventory: 7.7 M lbs.

- Total \$ Disbursed to CSEs: \$398K
 - No CSE reached cap limit in Q1 2019

- Total Q1 Payout(including admin expenses): \$432K

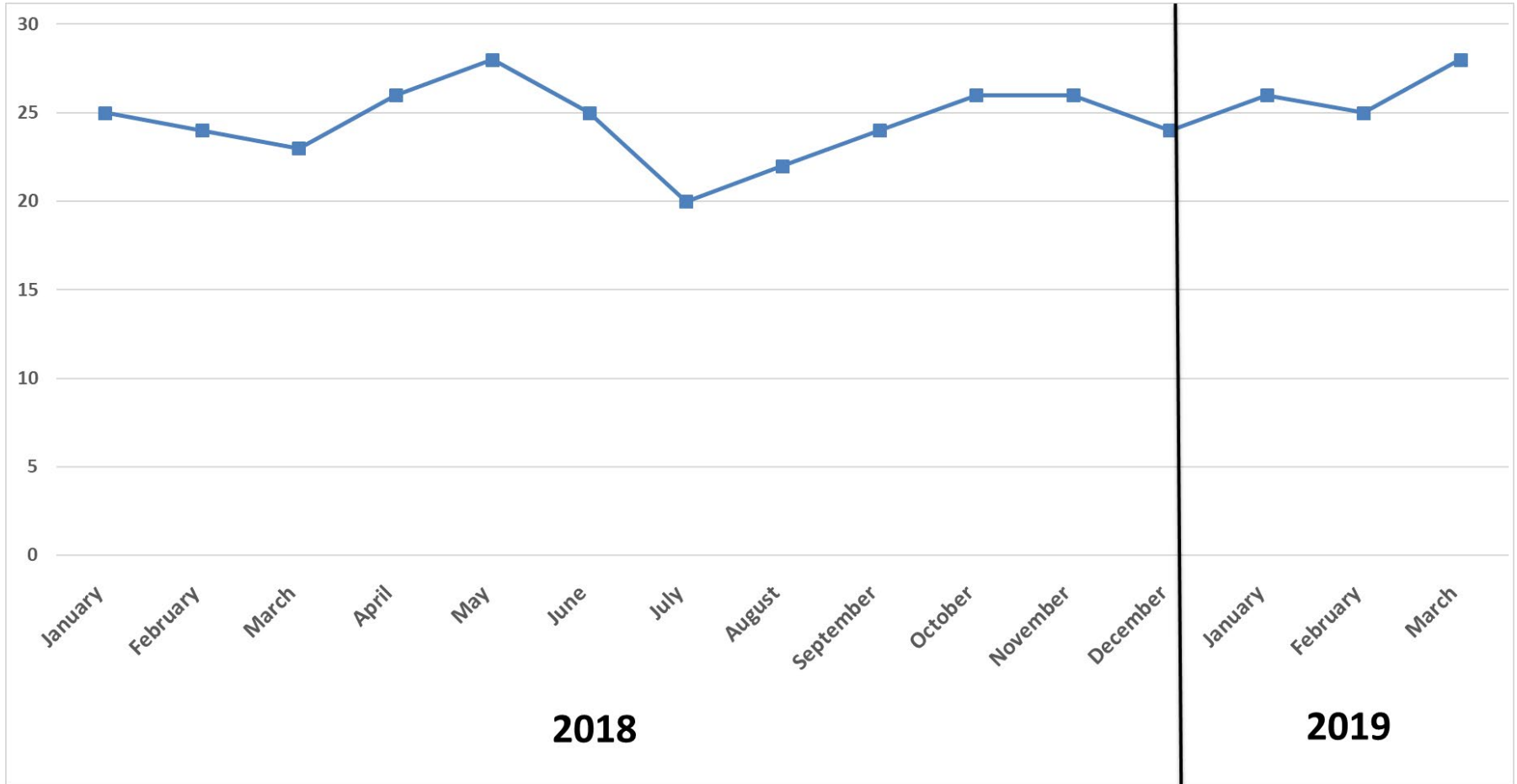


2018 & '19 Fund Requests Per Month

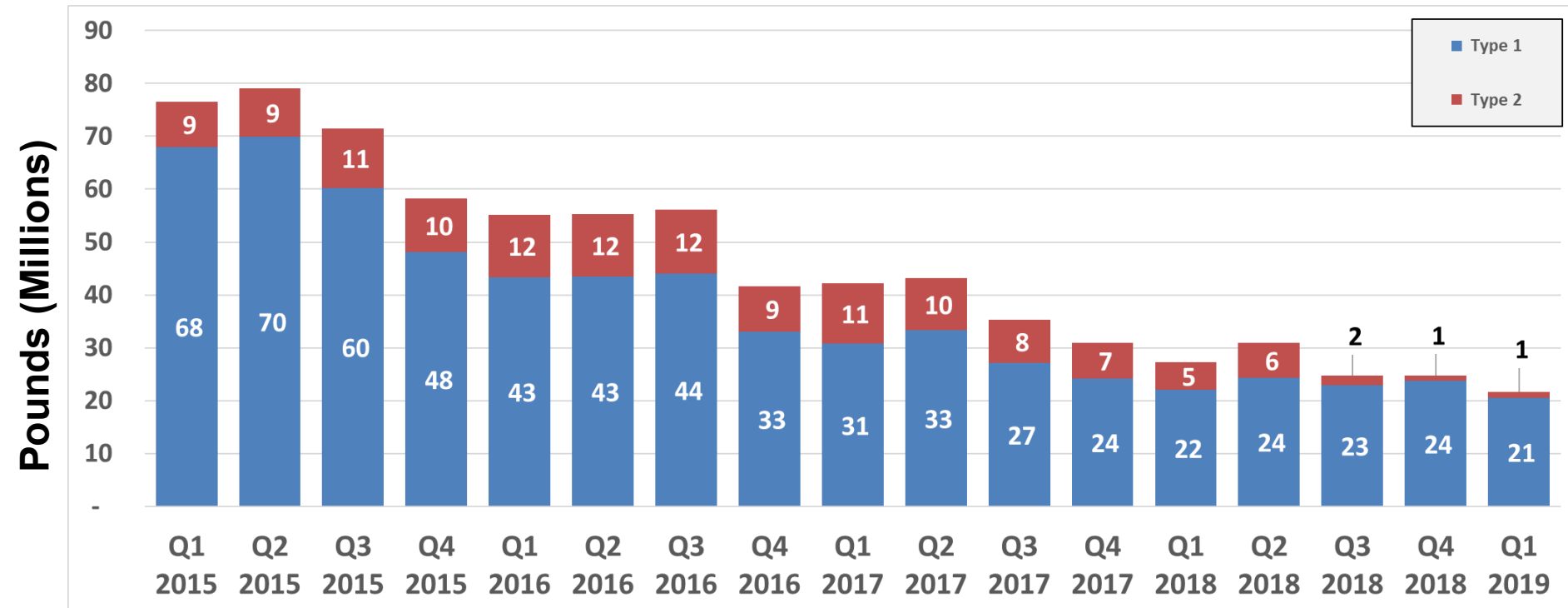
2018	
January	25
February	24
March	23
April	26
May	28
June	25
July	20
August	22
September	24
October	26
November	26
December	24
2019	
January	26
February	25
March	28



VPS Fund Requests Per Month



VPS Q1 Output Destinations (lbs.)

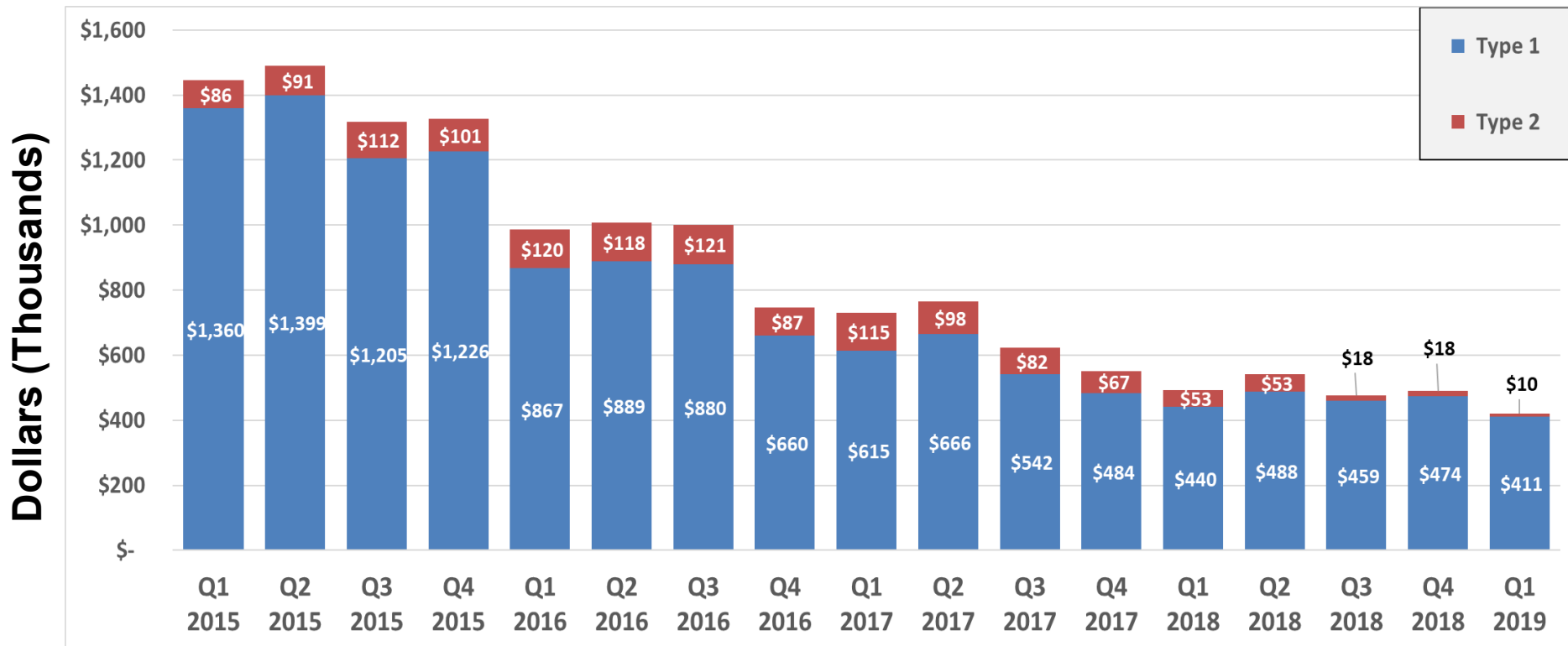


VPS Q1 Output Destinations (lbs.)

Pounds of Output			
	Q4 2018	Q1 2019	% +/- (Q4v.Q1)
Broadloom Re-Used (\$.02)	66,707	66,840	0%
Carpet Tile Re-used (\$.02)	538,584	317,959	-69%
Shipped Internationally (\$.02)	-	1,102,734	100%
Shipped inside U.S. (\$.02)	23,080,689	19,054,700	-21%
Waste-to-Energy (\$.01)	494,636	386,060	-28%
Pyrolysis (\$.01)	-	-	
Cement Kiln (\$.01)	570,459	657,965	13%
CAAF (\$.01)	-	-	
Total	24,751,075	21,586,258	-15%



VPS Q1 Output (\$s)



VPS Q1 Output (\$s)

Output in \$s			
	Q4 2018	Q1 2019	% +/- (Q4v.Q1)
Broadloom Re-Used (\$.02)	\$1,334	\$1,337	0%
Carpet Tiles Re-used (\$.02)	\$10,772	\$6,359	-69%
Shipped Internationally (\$.02)	\$0	\$22,055	100%
Shipped inside U.S. (\$.02)	\$461,614	\$381,094	-21%
Waste-to-Energy (\$.01)	\$4,946	\$3,861	-28%
Pyrolysis (\$.01)	\$ -	\$0	
Cement Kiln (\$.01)	\$5,705	\$6,580	13%
CAAF (\$.01)	\$ -	\$0	
Total Uncapped	\$ 484,371	\$ 421,285	-15%
Cap Correction	\$ (2,142.93)	\$ -	
Overpayment Correction	\$ (24,236)	\$ (23,056)	
Grand Total Payout for Total	\$ 457,992	\$ 398,229	-15%

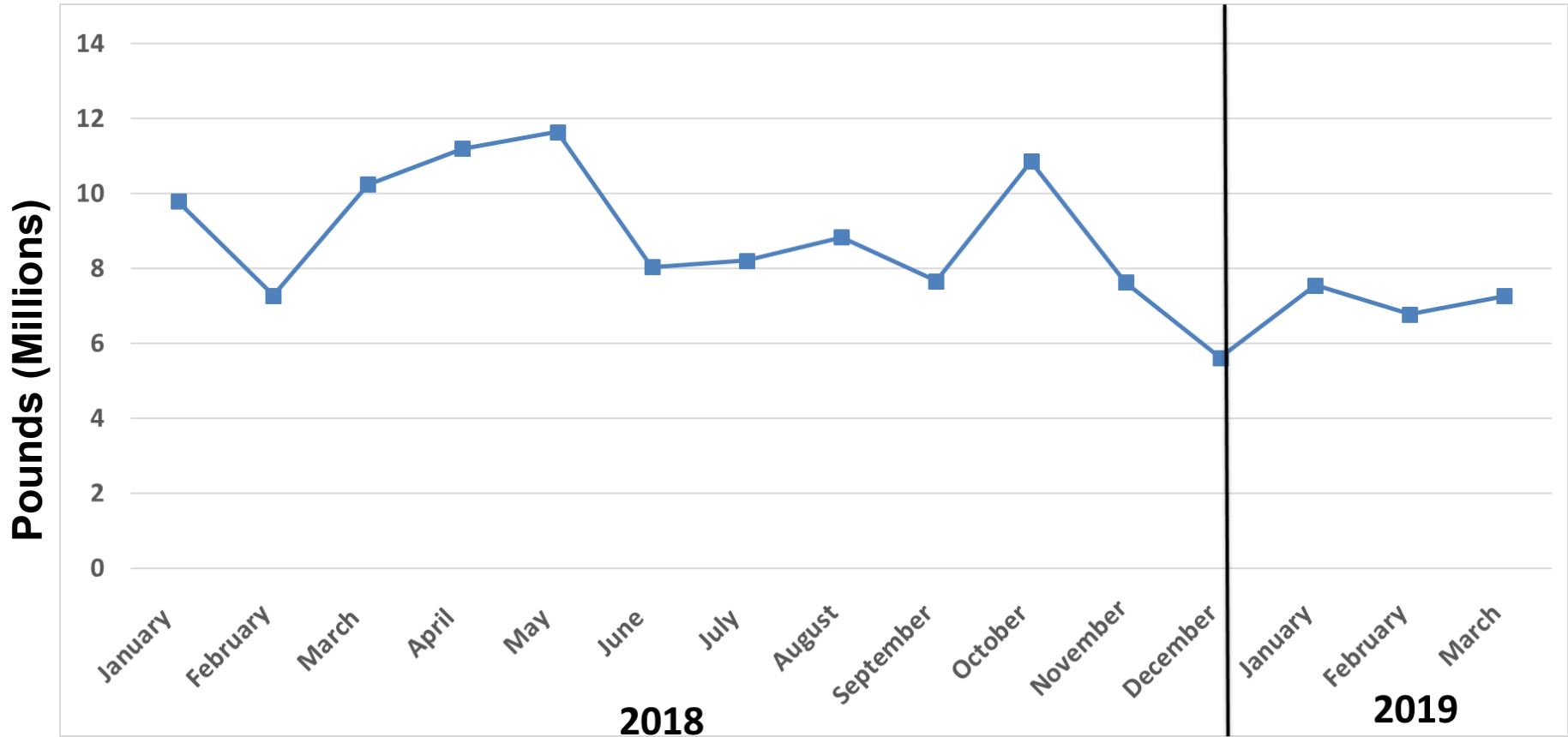


2018 & '19 VPS Output Per Month

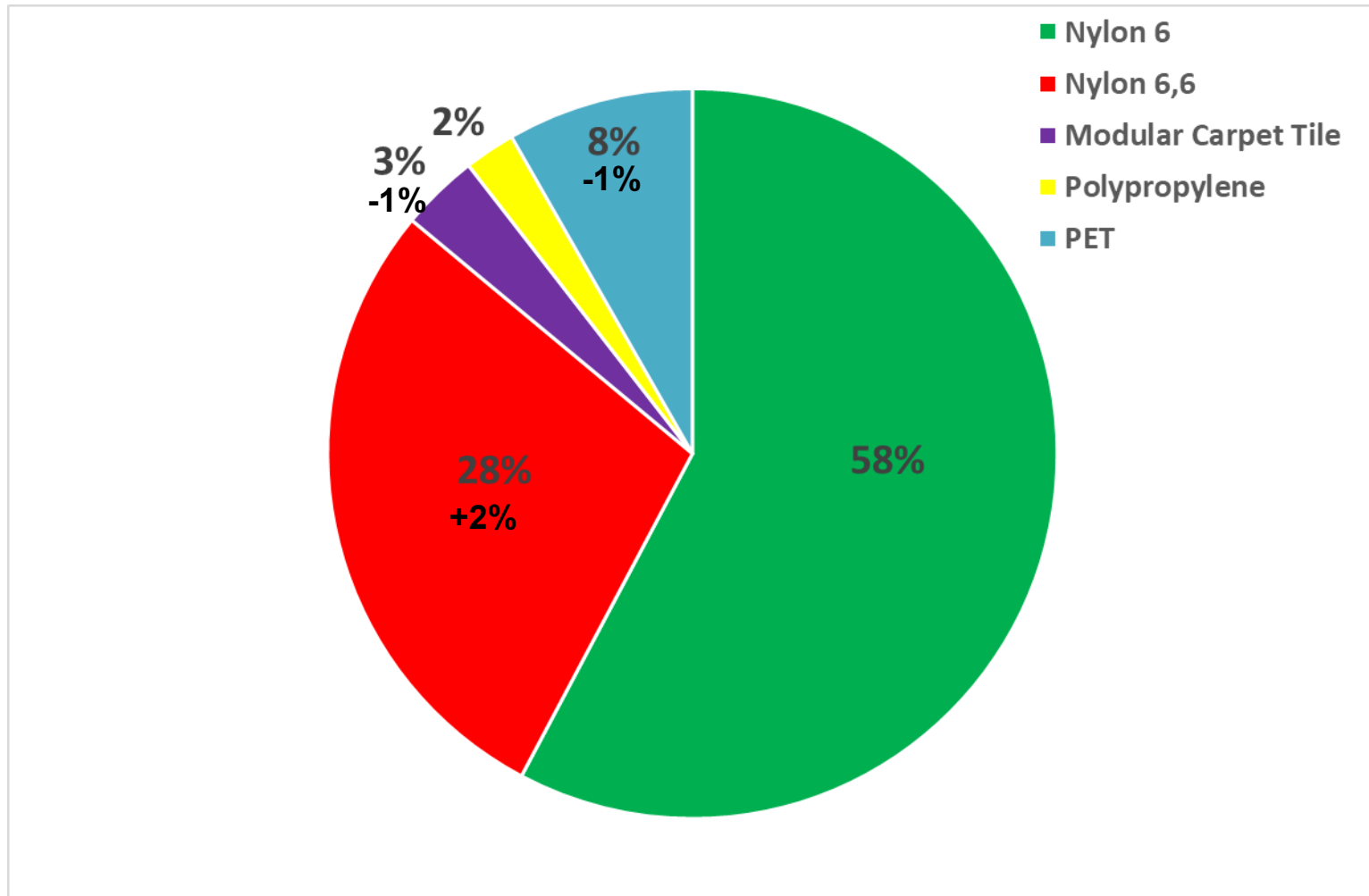
Lbs.	
2018	
January	9,784,309
February	7,276,344
March	10,245,063
April	11,197,511
May	11,641,394
June	8,035,632
July	8,203,747
August	8,828,368
September	7,661,340
October	10,854,311
November	7,631,601
December	5,613,683
2019	
January	7,546,895
February	6,779,361
March	7,260,003



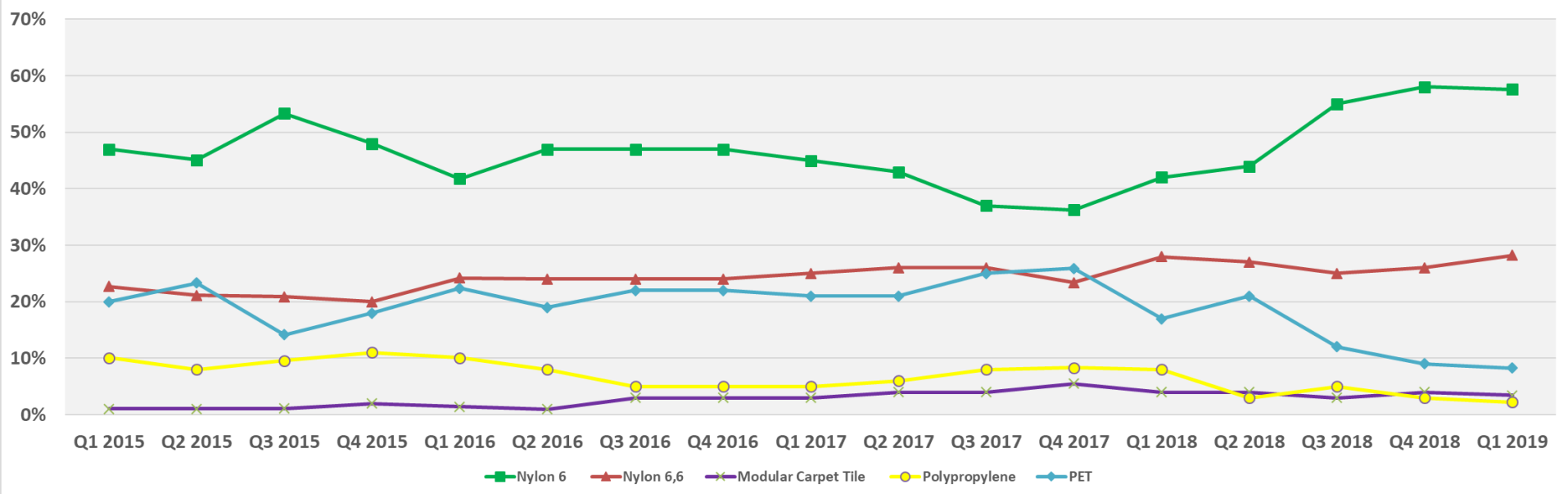
VPS Output Over Time



Face Fiber Breakdown of Sorted Output



Face Fiber Breakdown % - Shipped and Sold

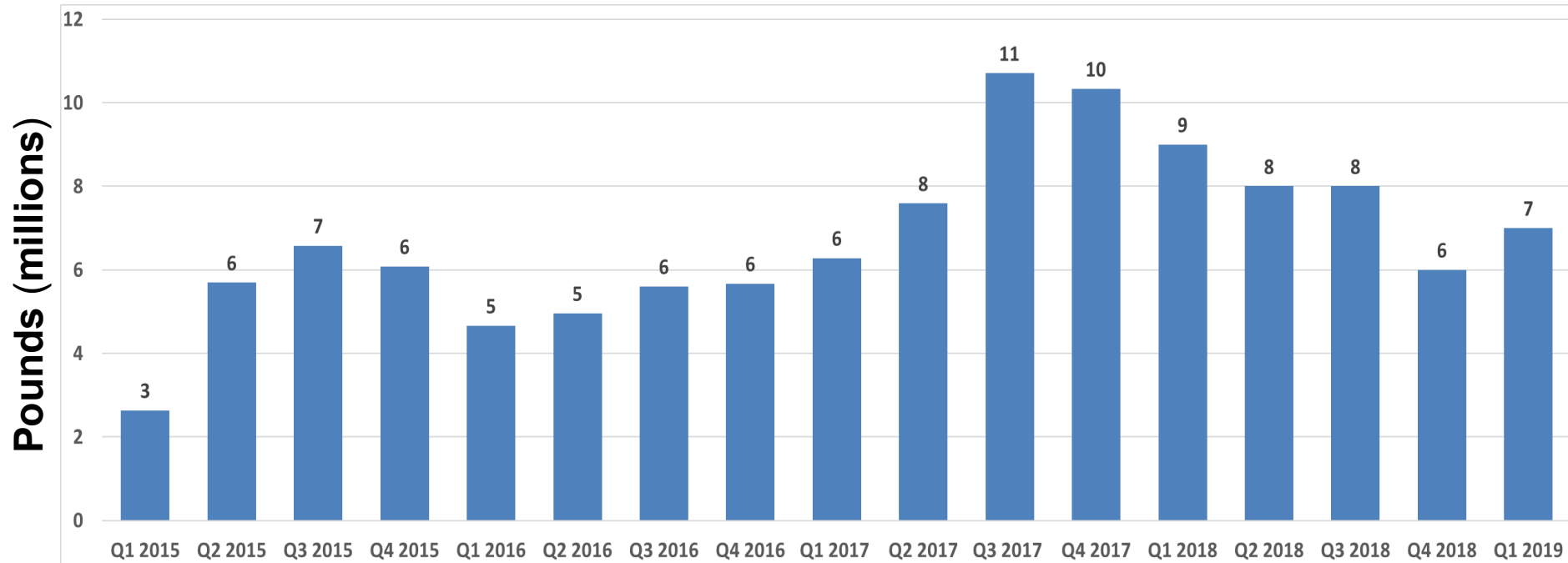


Q1 Face Fiber Breakdown(%)

Face Fiber Breakdown - Shipped and Sold		
	Q4 2018	Q1 2019
Nylon 6	58%	58%
Nylon 6,6	26%	28%
Modular Carpet Tile	4%	3%
Polypropylene	3%	2%
PET	9%	8%
Other/Mixed Fibers	0%	0%



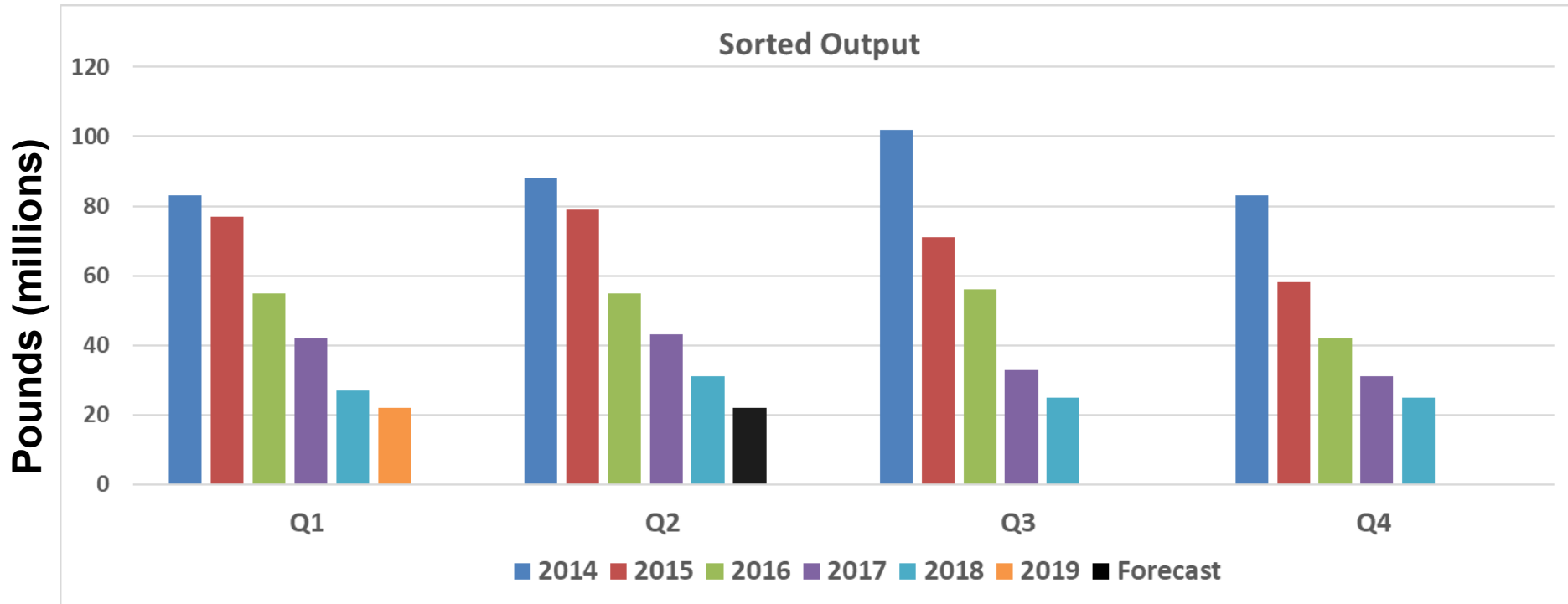
Inventory Levels



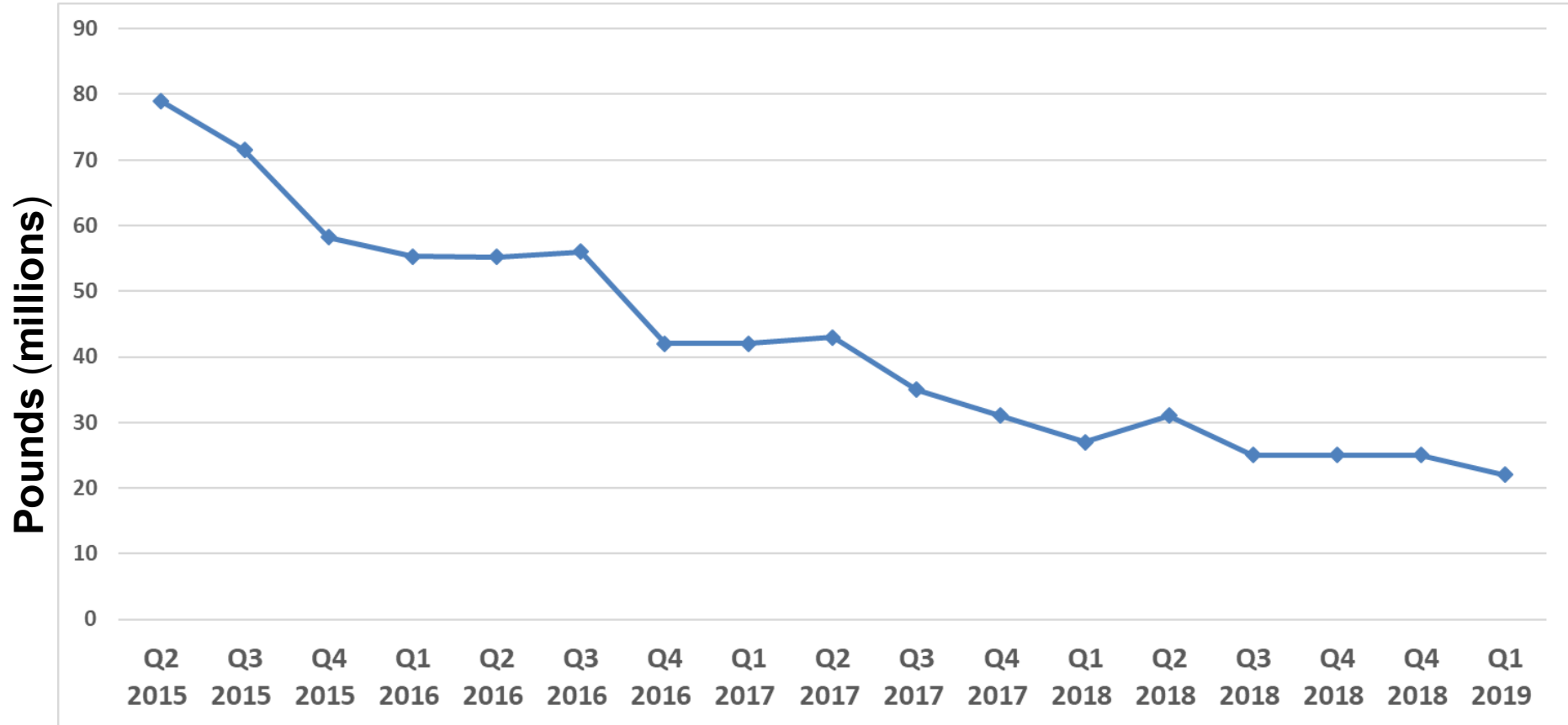
VPS Q2 2019 Forecast



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	One 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. Payback scheduled
Q3 2018	3	3	
Q4 2018	3	3	
Q1 2019	3		



Accounting Details for Quarter

Q1 2019	
January	\$ 146,535.41
February	\$ 139,143.92
March	\$ 146,338.48
Q1	\$ 432,017.81



Detailed Fund Distribution for Quarter

Total \$ Disbursed Q1 2019			
	CSE	Admin	Total
January	\$ 140,850.41	\$ 5,685.00	\$ 146,535.41
February	\$ 124,940.92	\$ 14,203.00	\$ 139,143.92
March	\$ 132,437.48	\$ 13,901.00	\$ 146,338.48
Total \$ Q1 2019	\$ 398,228.81	\$ 33,789.00	\$ 432,017.81



VPS Payout vs. Budget

Q1 2018: \$432,018

