
VPS Program Quarter 2 2019 Review

Q2 2019 VPS Summary
Anthony Cline



Agenda

- Program Update
- Quarterly Overview of Results
- Q3 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
 - 37 CSEs requested funds in Q2 2019
 - 32 CSEs requested funds in Q1 2019
 - 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



Q2 2019 Summary Results

- 37 CSEs Requested Funds for Q2 2019
 - 46 CSEs participate in program (80% response rate)
- Output Eligible for Funding: 25.5 M lbs.
 - Total Output: 43.7 M lbs.
 - Landfilled: 10 M lbs.
 - Ending Inventory: 6.2 M lbs.
- Total \$ Disbursed to CSEs: \$475K
 - 1 CSE reached cap limit in Q2 2019
- Total Q2 Payout(including admin expenses): \$512K

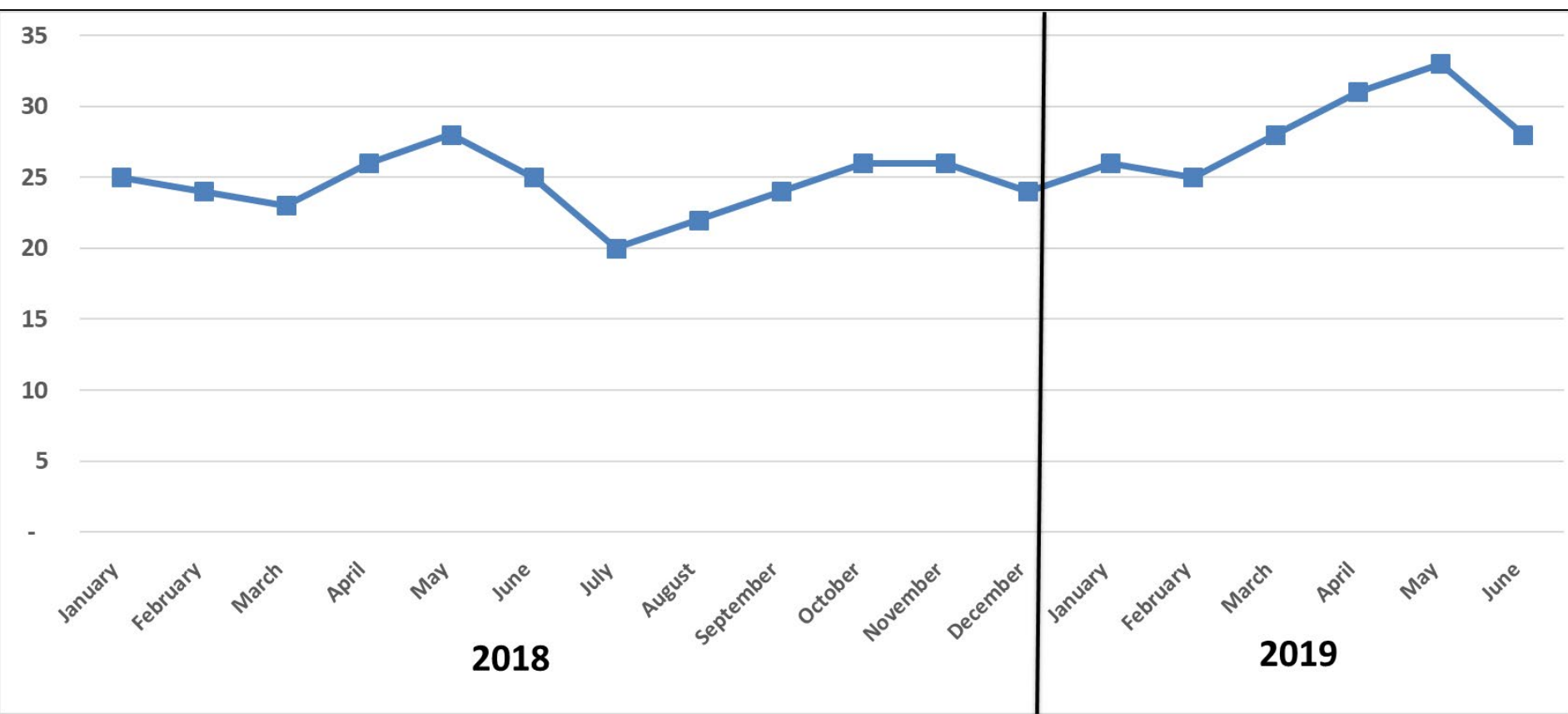


2018 & '19 Fund Requests Per Month

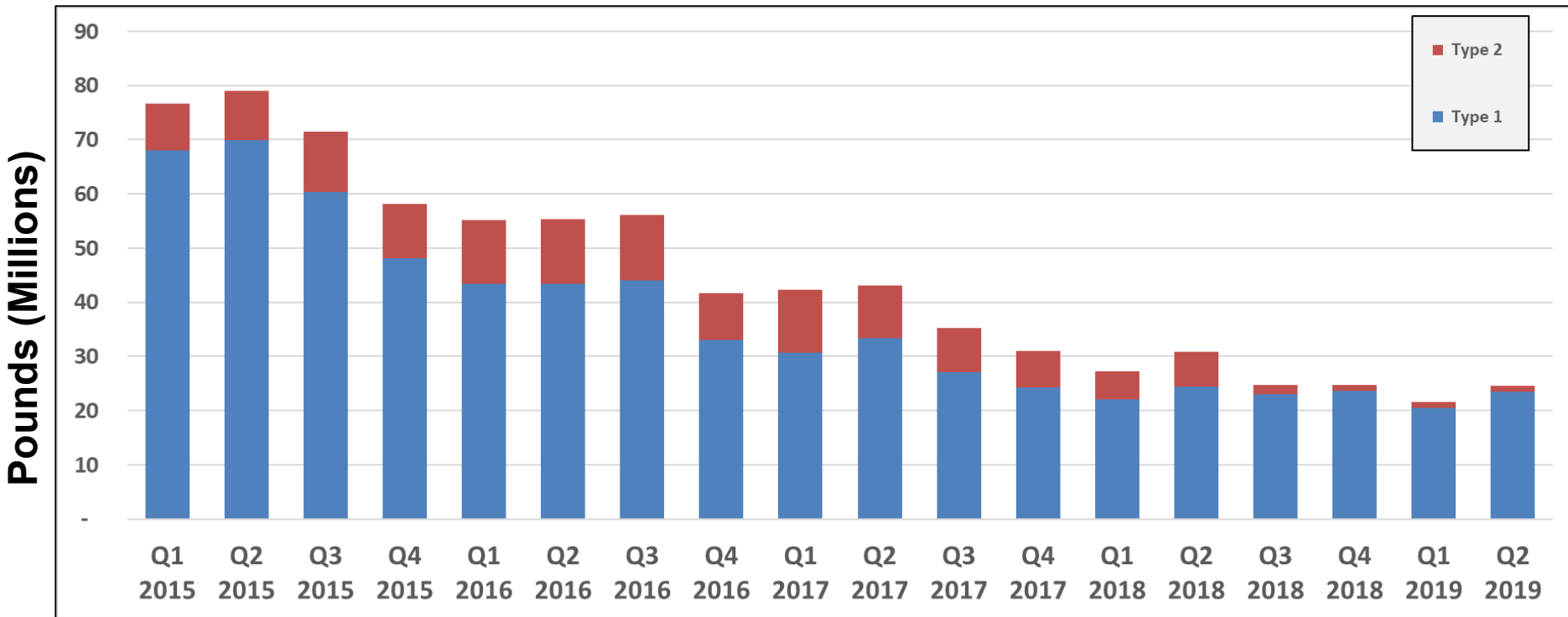
CSE Reports Per Month	
2018	
June	25
July	20
August	22
September	24
October	26
November	26
December	24
2019	
January	26
February	25
March	28
April	31
May	33
June	28



VPS Fund Requests Per Month



VPS Q2 Output Destinations (lbs.)

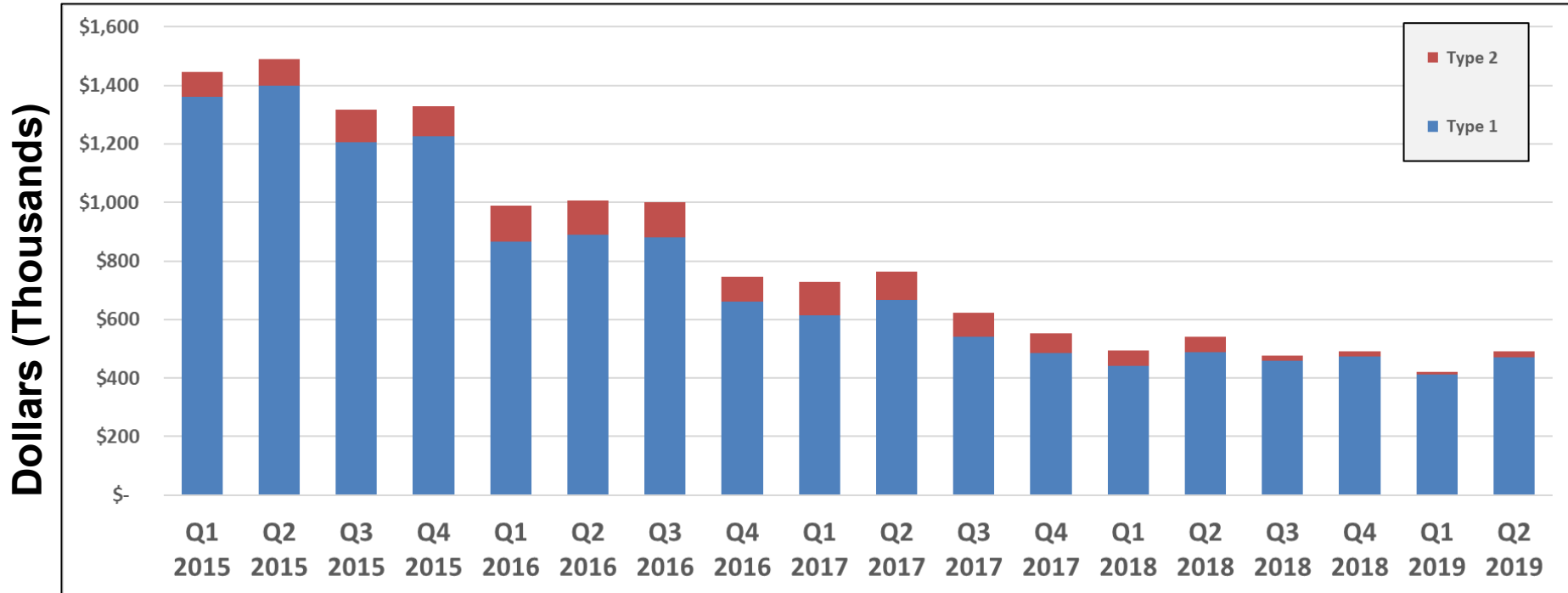


VPS Q2 Output Destinations (lbs.)

Pounds of Output			
	Q1 2019	Q2 2019	% +/- (Q1v.Q2)
Broadloom Re-Used (\$.02)	66,840	43,680	-35%
Carpet Tile Re-used (\$.02)	317,959	347,100	9%
Shipped Internationally (\$.02)	1,102,734	2,916,521	164%
Shipped inside U.S. (\$.02)	19,054,700	20,264,916	6%
Waste-to-Energy (\$.01)	386,060	555,206	44%
Pyrolysis (\$.01)	-	-	
Cement Kiln (\$.01)	657,965	1,353,442	106%
CAAF (\$.01)	-	-	
Total	21,586,258	25,480,865	18%



VPS Q2 Output (\$s)



VPS Q2 Output (\$s)

Output in \$s			
	Q1 2019	Q2 2019	% +/- (Q1v.Q2)
Broadloom Re-Used (\$.02)	\$1,337	\$874	-35%
Carpet Tiles Re-used (\$.02)	\$6,359	\$6,942	9%
Shipped Internationally (\$.02)	\$22,055	\$58,330	164%
Shipped inside U.S. (\$.02)	\$381,094	\$405,298	6%
Waste-to-Energy (\$.01)	\$3,861	\$5,552	44%
Pyrolysis (\$.01)	\$0	\$0	
Cement Kiln (\$.01)	\$6,580	\$13,534	106%
CAAF (\$.01)	\$0	\$0	
Total Uncapped	\$ 421,286	\$ 490,531	16%
Cap Correction	\$ -	\$ (10,367)	
Overpayment Correction	\$ (23,056)	\$ (25,844)	
Grand Total Payout for Total	\$ 398,230	\$ 454,319	14%

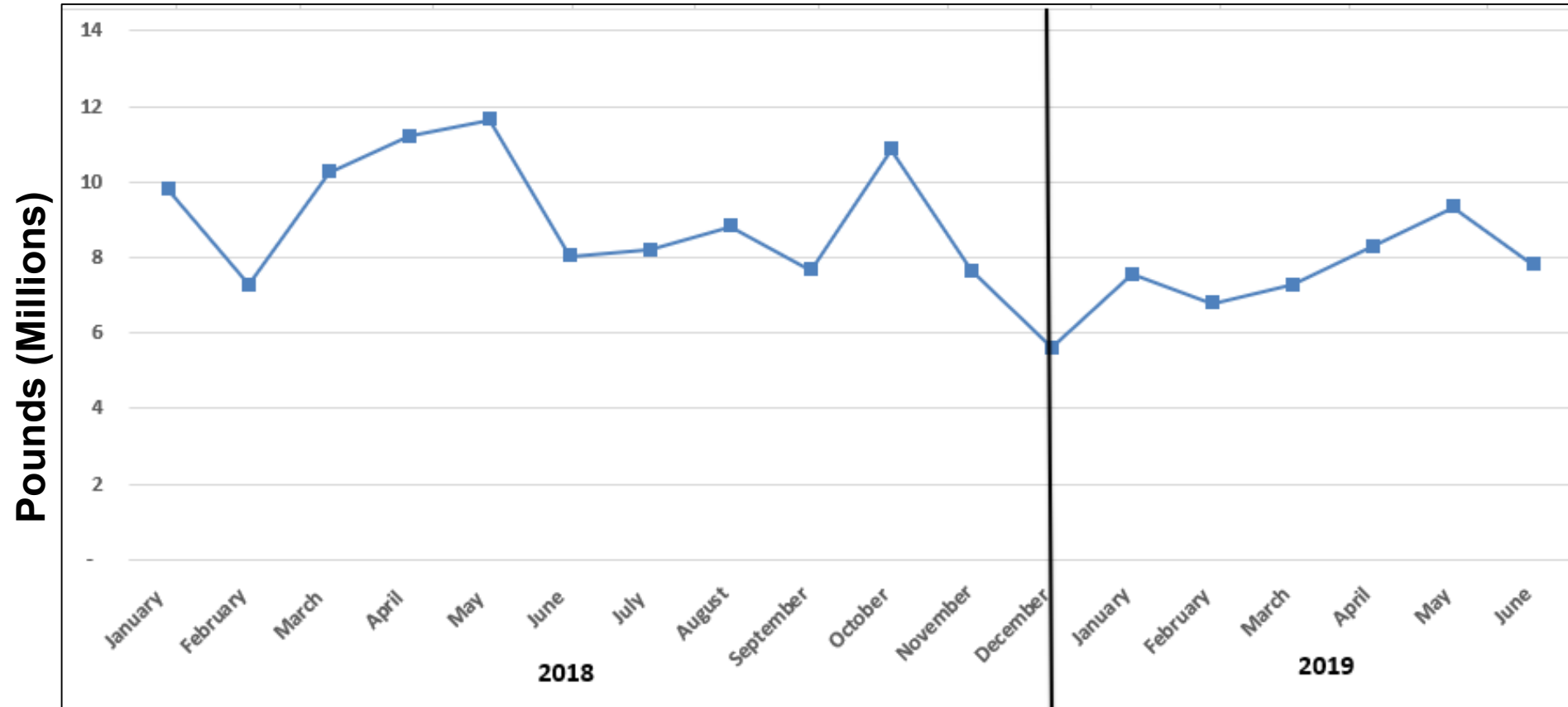


2018 & '19 VPS Output Per Month

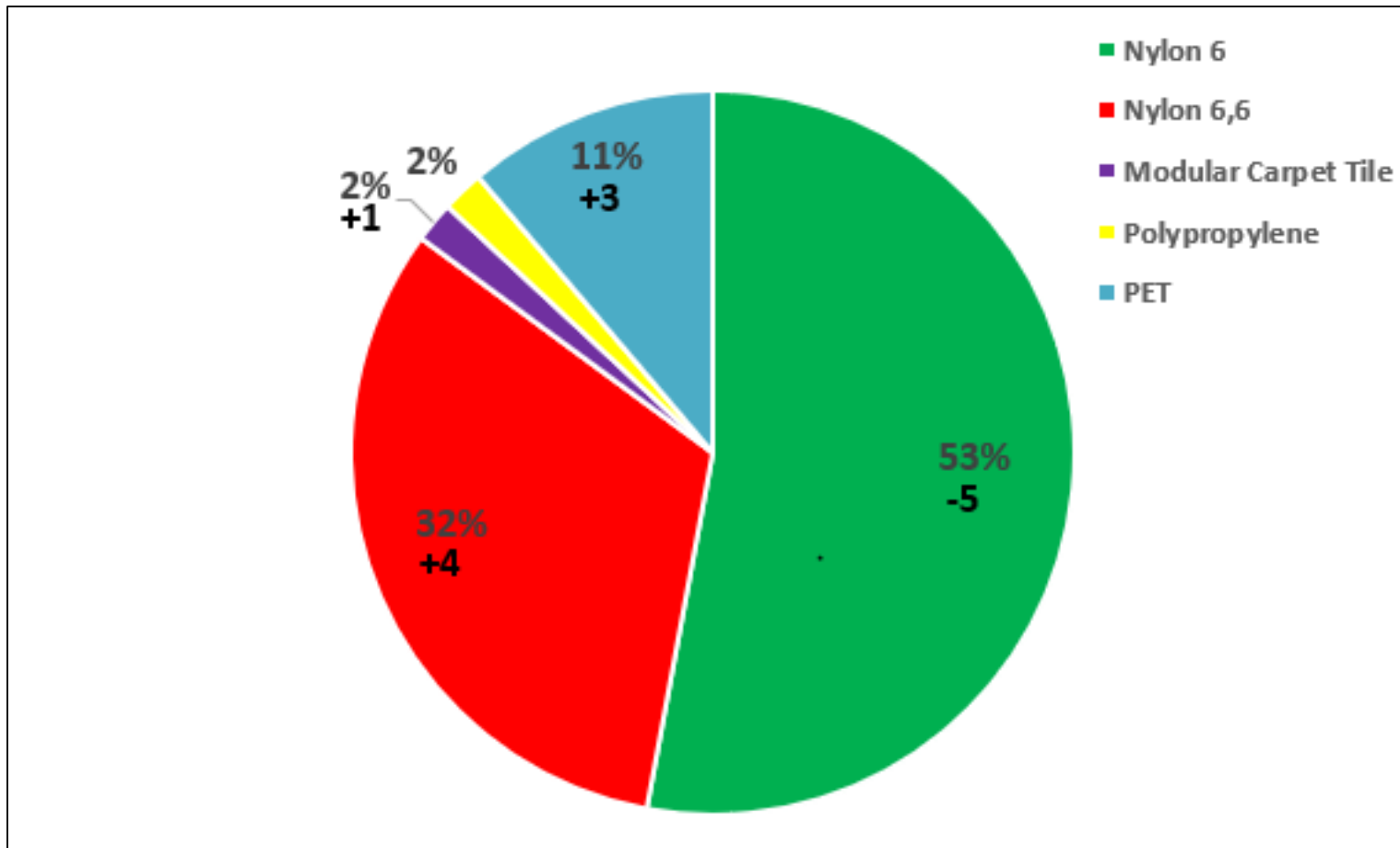
Lbs.	
2018	
June	8,035,632
July	8,203,747
August	8,828,368
September	7,661,340
October	10,854,311
November	7,631,601
December	5,613,683
2019	
January	7,546,895
February	6,779,361
March	7,260,003
April	8,295,711
May	9,332,813
June	7,796,154



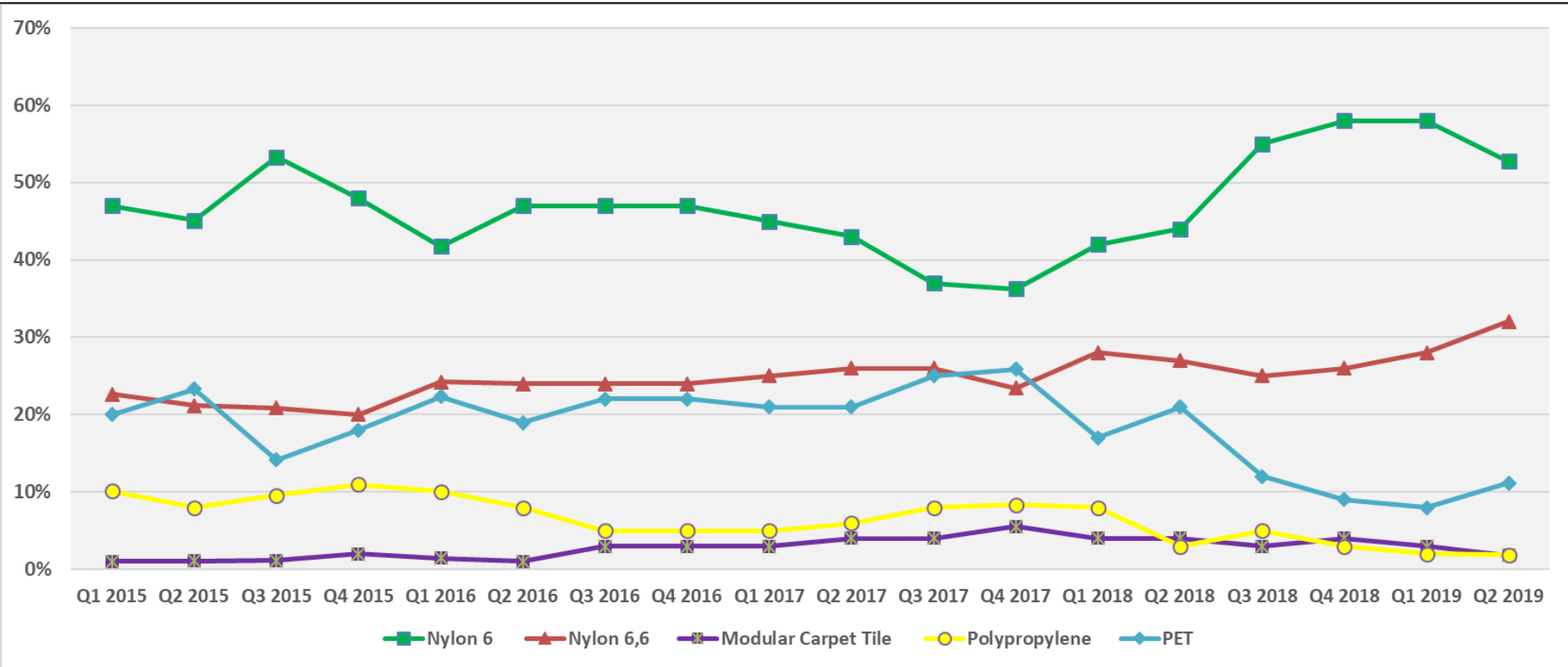
VPS Output Over Time



Face Fiber Breakdown of Sorted Output



Face Fiber Breakdown % - Shipped and Sold

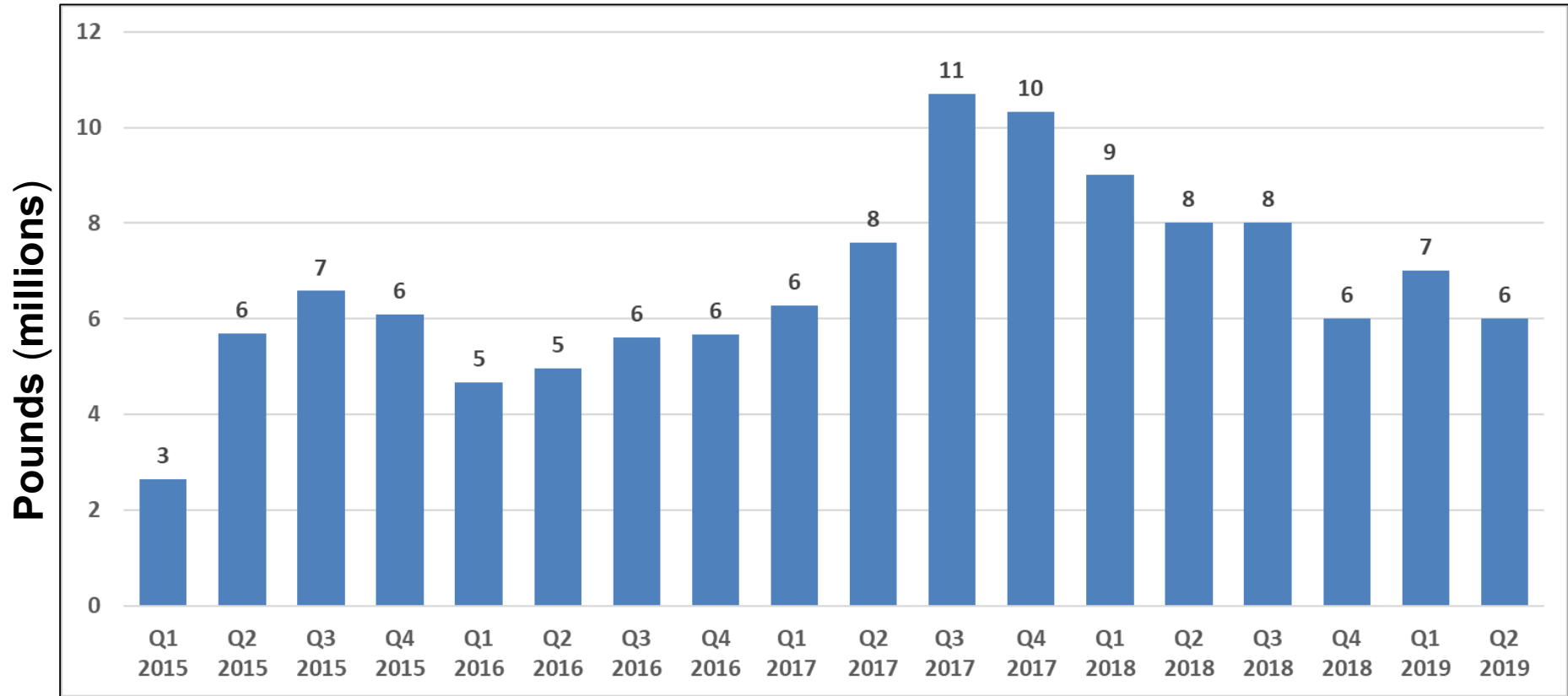


Q2 Face Fiber Breakdown(%)

Face Fiber Breakdown - Shipped and Sold		
	Q1 2019	Q2 2019
Nylon 6	58%	53%
Nylon 6,6	28%	32%
Modular Carpet Tile	3%	2%
Polypropylene	2%	2%
PET	8%	11%



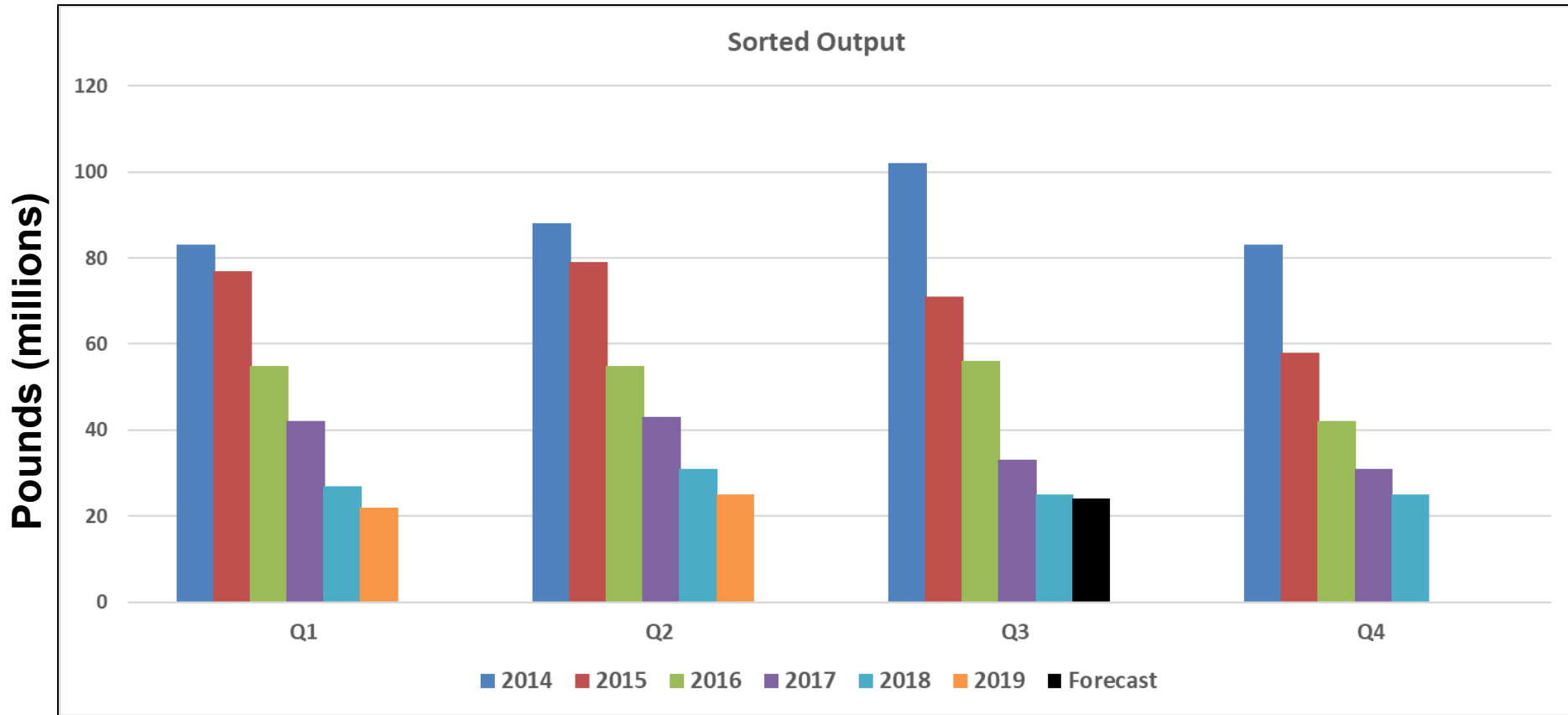
Inventory Levels



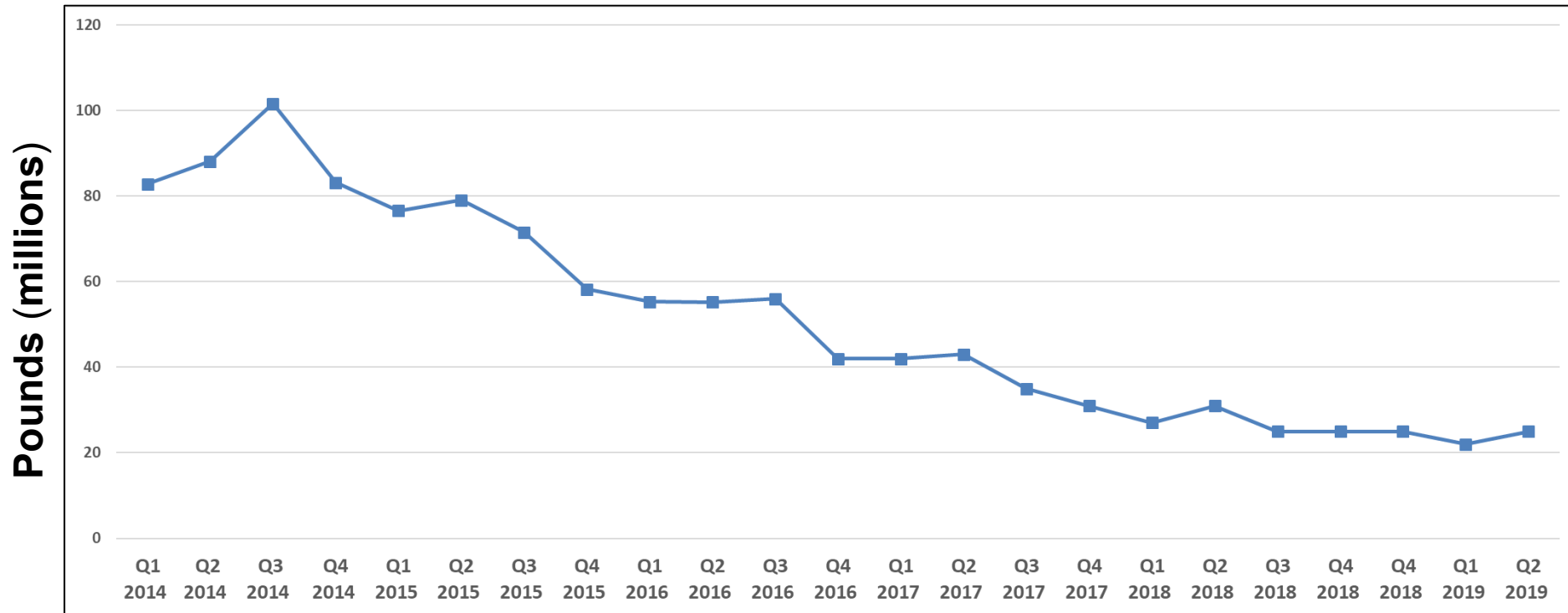
VPS Q3 2019 Forecast



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 agreed to by VPS Committee
Q3 2018	3	3	
Q4 2018	3	3	
Q1 2019	3	3	
Q2 2019	3		



Accounting Details for Quarter

Q2 2019	
April	\$ 155,462.71
May	\$ 179,616.11
June	\$ 177,137.32
Q2	\$ 512,216.14



Detailed Fund Distribution for Quarter

Total \$ Disbursed Q2 2019			
	CSE	Admin	Total
April	\$ 152,043.71	\$ 3,419.00	\$ 155,462.71
May	\$ 174,074.11	\$ 5,542.00	\$ 179,616.11
June	\$ 149,159.32	\$ 27,978.00	\$ 177,137.32
Total \$ Q2 2019	\$ 475,277.14	\$ 36,939.00	\$ 512,216.14



VPS Payout vs. Budget

Q2 2018: \$512,216

Q1 2018: \$432,018

