Commodity Markets

Paul England
Pratt Industries Recycling
Anthony Pratt Pledges An Additional $2 Billion Dollar Investment In The US

Pratt will create 5,000 new high-paying manufacturing jobs. Mainly in the Midwest. Just like we did in Valpo!
Paper Markets

Challenging times
A 4 plus year decline in commodity prices, a short lived up-tick, and now what
– Green Fence / National Sword
– Domestic Demand

Midwest Commodity Market
Historical and Projected
OCC / Mix

Price Per Ton

MW OBM Mixed Paper
MW OBM OCC
Delta
Linear (MW OBM OCC)
OCC 10 Year Trends

Midwest OCC
Average Annual Pricing

What's the outlook?
But we do know what’s affecting change………

- E-commerce
- The “Green Fence”
- Single Stream
- The Millennial Factor
- Technology
E-Commerce Effect

OCC Growing at Curbside

eBay

Amazon

Best Buy

Blue Apron

Moosejaw

Walmart
This is the issue....
The Green Fence

Export Factors

✓ Asia heading towards self-sufficiency (domestic collections)
✓ National Sword (Green Fence)
✓ New Administration (Border Tax)
Single-Stream Distress

Many cities experiencing declines - Ex. Chicago

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2014</td>
<td>11.08%</td>
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<tr>
<td>2015</td>
<td>10.23%</td>
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<tr>
<td>2016</td>
<td>9.09%</td>
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Factors/Trends in Recycling

The Millennial Factor
- Changing Behavior
- Multi Family Housing
- Technology
Technology hurts Paper Generation

Newsprint/Printing & Writing demise
Good News!

Some Pulp/Paper Categories Increasing

Guess What?
The Adult Diaper Market Is About to Take Off

Sales of adult incontinence garments in the U.S. could equal those of baby diapers in a decade.