

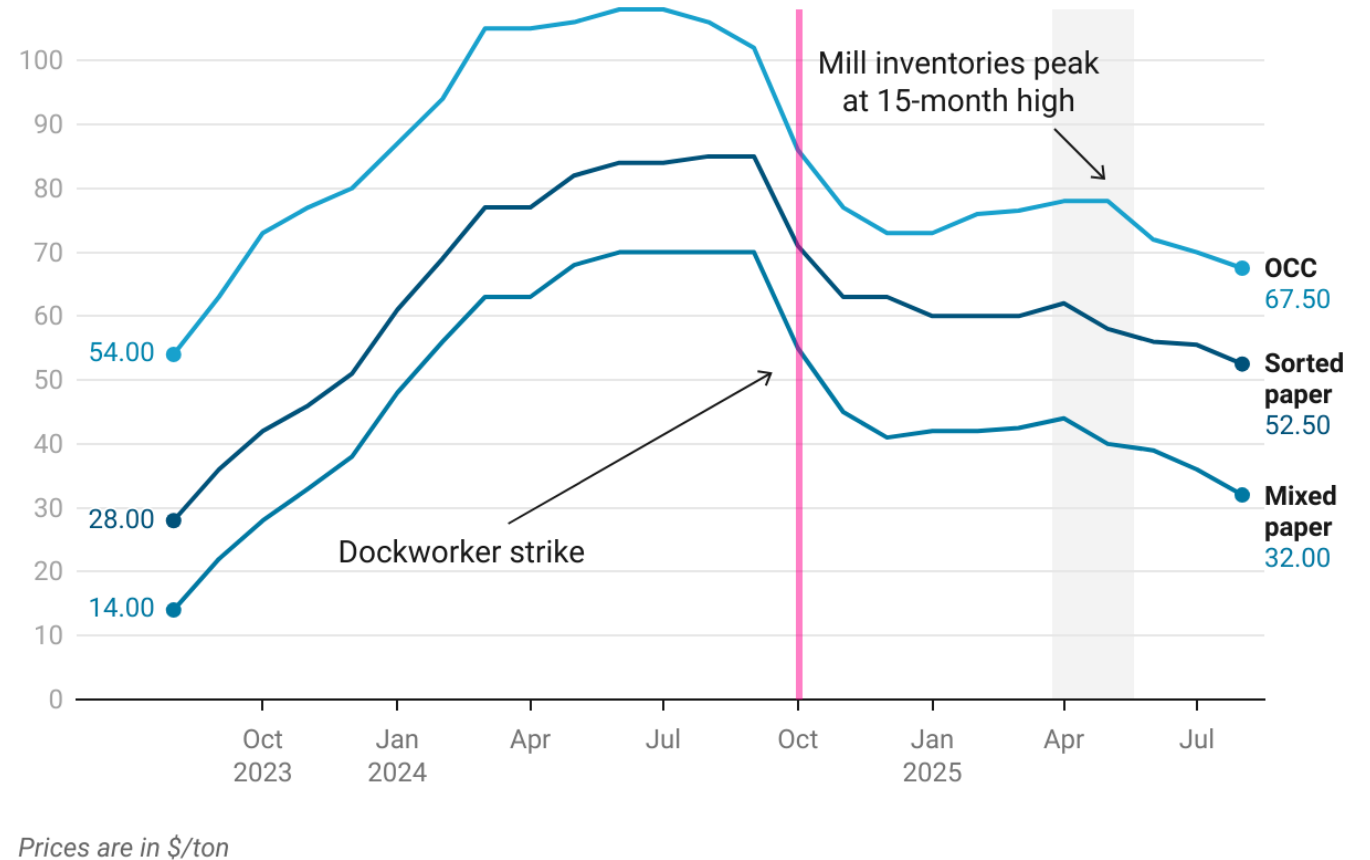
Recycled commodities update

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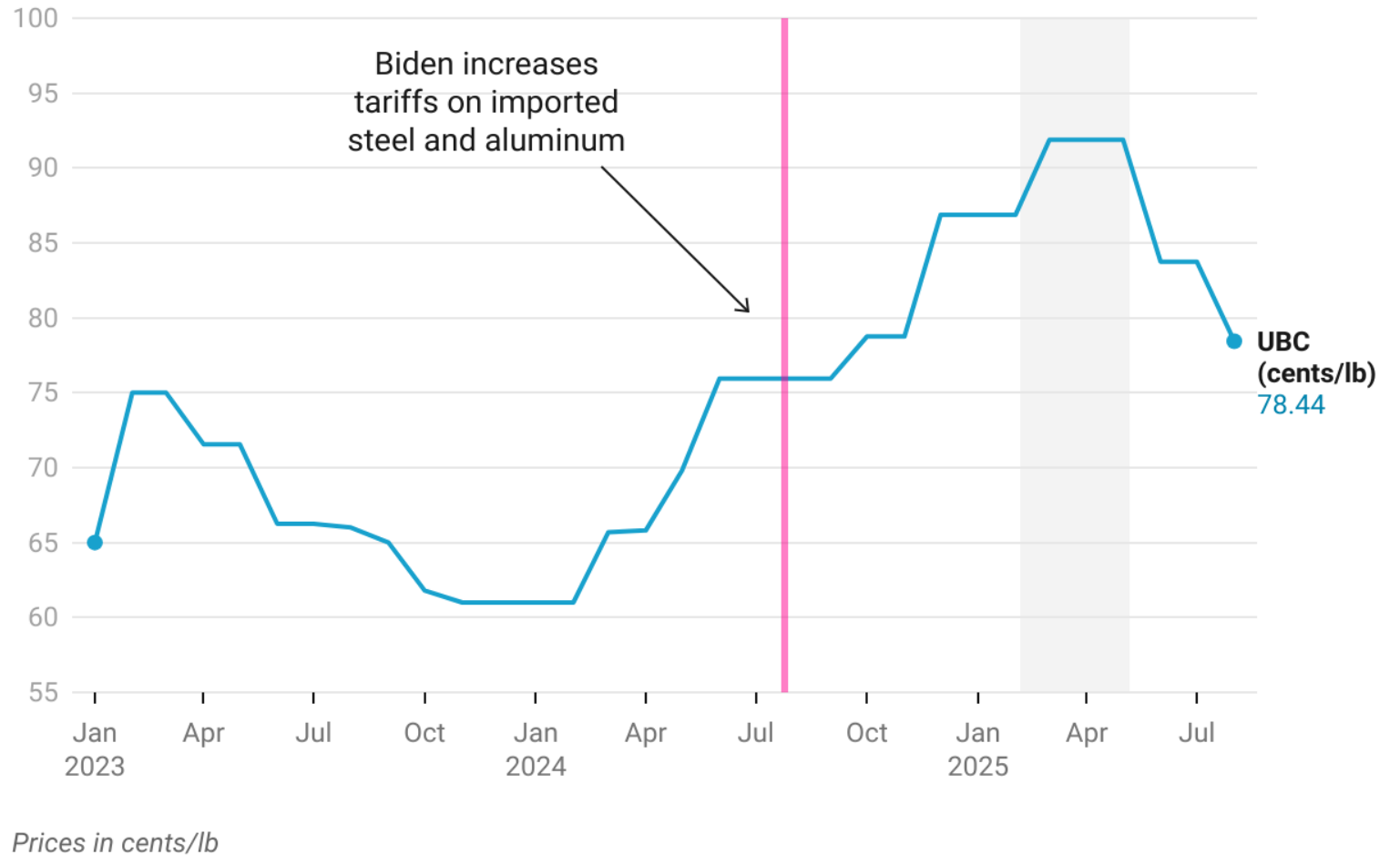
Fiber prices sink throughout the summer

- Q2 containerboard production down 5%
 - Closures represent 6% of capacity
- May mill inventories peak at 15-month high
 - June stocks ease
- Fewer boxes needed at retail level
 - Affects both demand for and supply of OCC



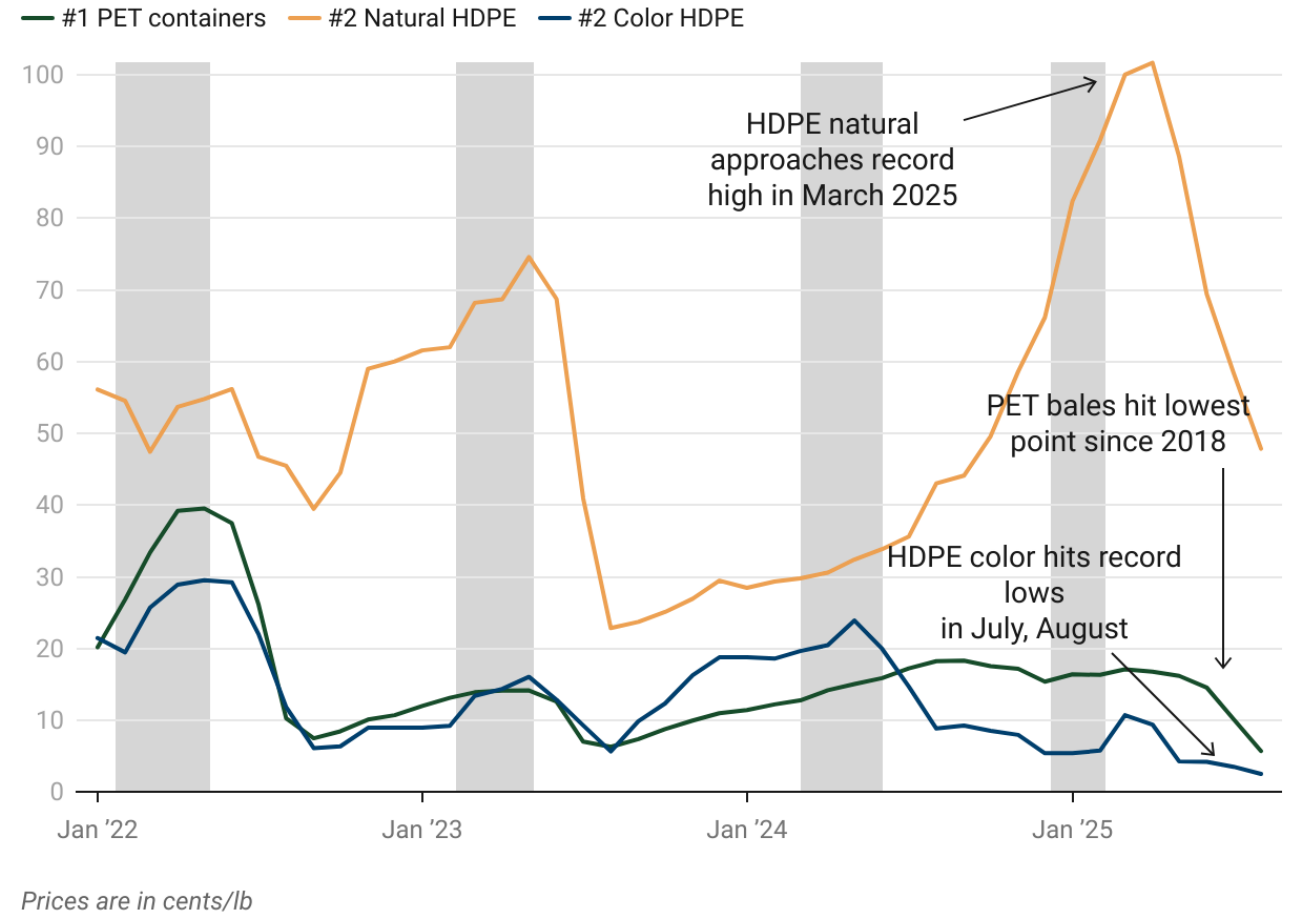
Aluminum prices softening

- Tariffs mostly helping support pricing
- Levels are 3.3% higher than year-ago despite drops
- Younger people drinking less beer than older generations



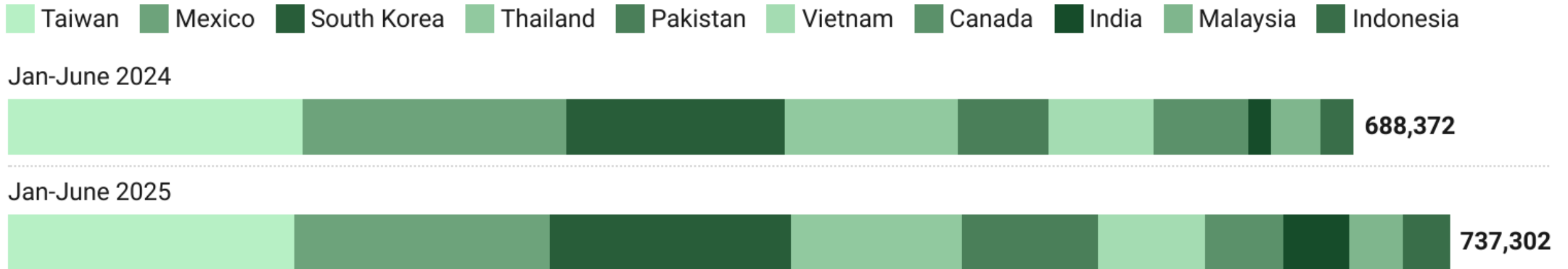
August plastics prices hit historic lows

- Post-consumer bale pricing plummets
- Lowest price for PET bales in 7 years or more
- H1 export volumes drop



Jan-June VPET imports rise by 7% on the year

- Global oversupply of virgin resin
- US is net importer of VPET; structurally undersupplied
- HTS code includes both virgin and recycled PET



H1 2025 PET pricing drivers

- Hesitant consumer spending
 - Bottled beverages consumed during outdoor events, travel
- Tariff-related uncertainty
 - Tariffs do not (yet?) apply to recycled or virgin materials
 - Bale buyers, end users more cautious
- Cheap imports
 - Rose by 7.4% on the year in Jan-June
- Cooler and/or rainy weather also dampens demand for bottled beverages





H1 2025 HDPE pricing drivers

HDPE natural

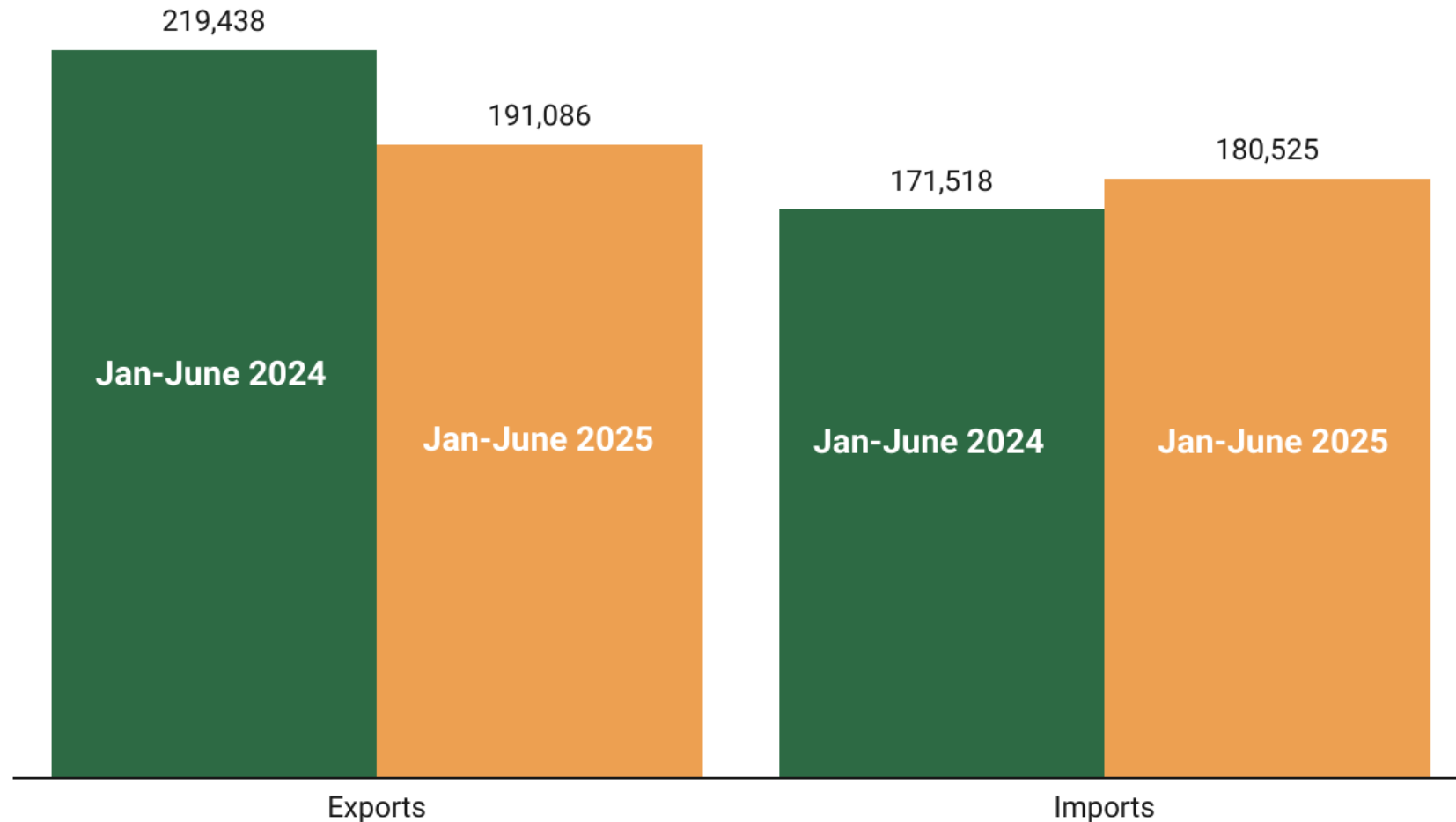
- Oversupply of virgin/off-spec material
- Republic Services buying bales starting July 2024 through March 2025
- Correction after rapid pricing runup

HDPE color

- Weak agricultural market
- Weak export demand for bales due to tariff fears
- Smaller buyers enter the market and push up prices for a month or two, then withdraw

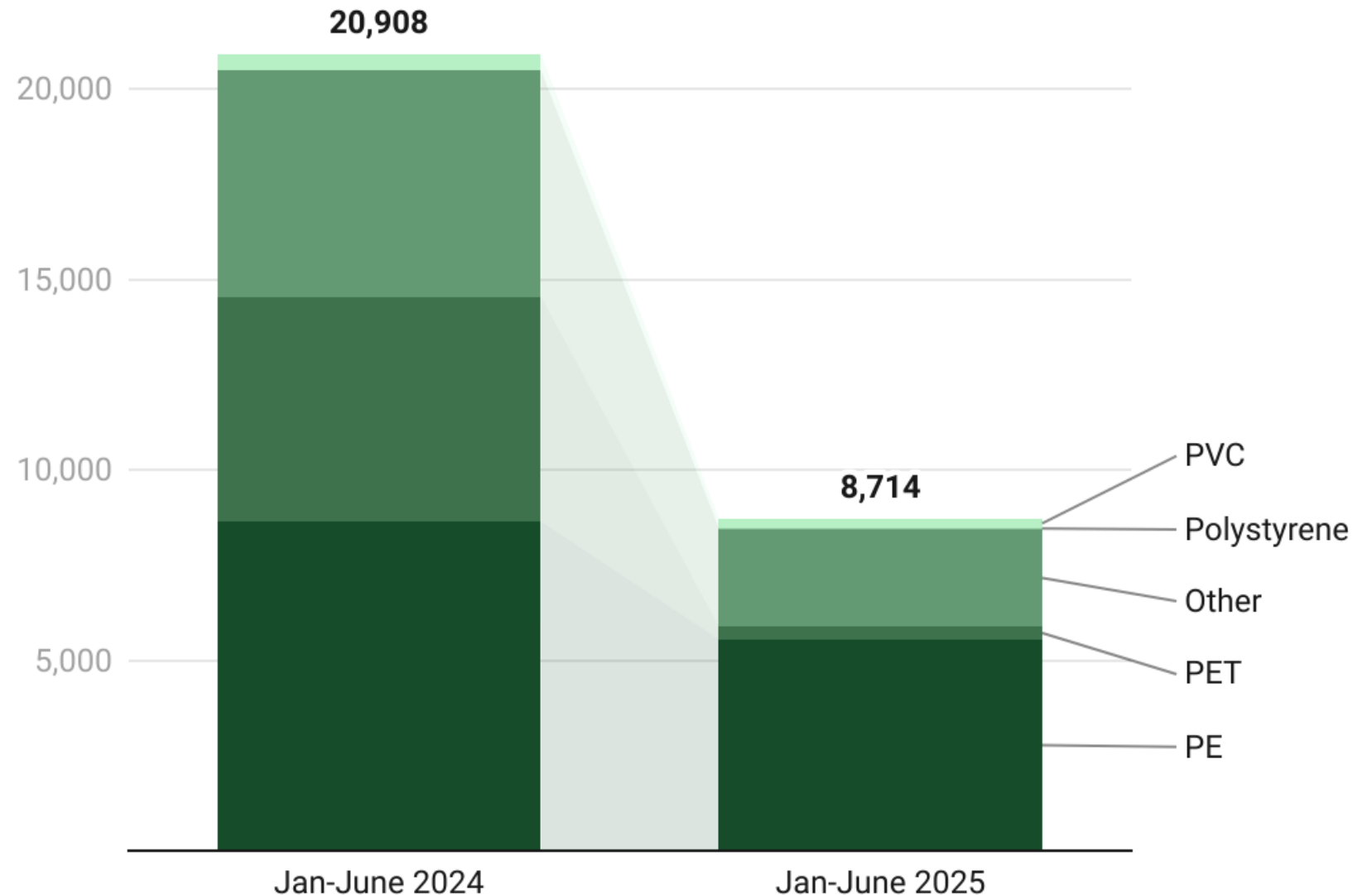
Q1 plastic scrap trade drops amid tariff threats

- YTD exports fall 13%, imports rise 5%
- Longer journey, higher risk for both buyer and seller
- Lower overall demand for consumer goods
- Tightening regulations in Malaysia



The Malaysia effect

- Effective July 1, Malaysia banned non-Basel Convention compliant imports – effectively, U.S. origin
- In 2024, Malaysia received about 9.5% of US plastic scrap exports
- Through June 2025, only received 4.5%



Economic indicators

PET

- June, July consumer spending improved slightly
- Consumer confidence has mostly stabilized since May but still below year-ago; fell in August
- Morgan Stanley Research forecasts
 - Year-on-year growth of 3.7% for nominal spending in 2025
 - Forecast of 2.9% growth in 2026
 - In comparison, 2024 saw 5.7% expansion
 - Cooldown likely to be more pronounced in Q4 2025/Q1 2026

HDPE

- July housing starts **up** 12.9% on year
- July building permits **down** 5.7% on year
- July housing completions **down** 13.5% on year
- Home builder confidence **lower** at 32 in August: pessimism due to higher materials costs
- Mortgage rates remain relatively high, discouraging home buying, remodeling
- Virgin PE exports affected by tariff chaos

What to watch

Shorter/medium term

- Republic Services: third/fourth Polymer Centers siting
 - Allentown, Pennsylvania; bale buying Q3 2026
 - Southeast – early 2026?
- WM building two Ontario MRFs, complete by end 2025
- Retaliatory tariffs yet to come
- Companies, economists have no idea what to expect, forgoing financial guidance

Longer term

- Maryland, Washington pass extended producer responsibility (EPR) bills for packaging
 - So far 7 states have passed EPR law
- PepsiCo, others announcing lower plastics targets
- Reliability of US federal economic data?



See Resource Recycling
publications online



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Thank you!

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