

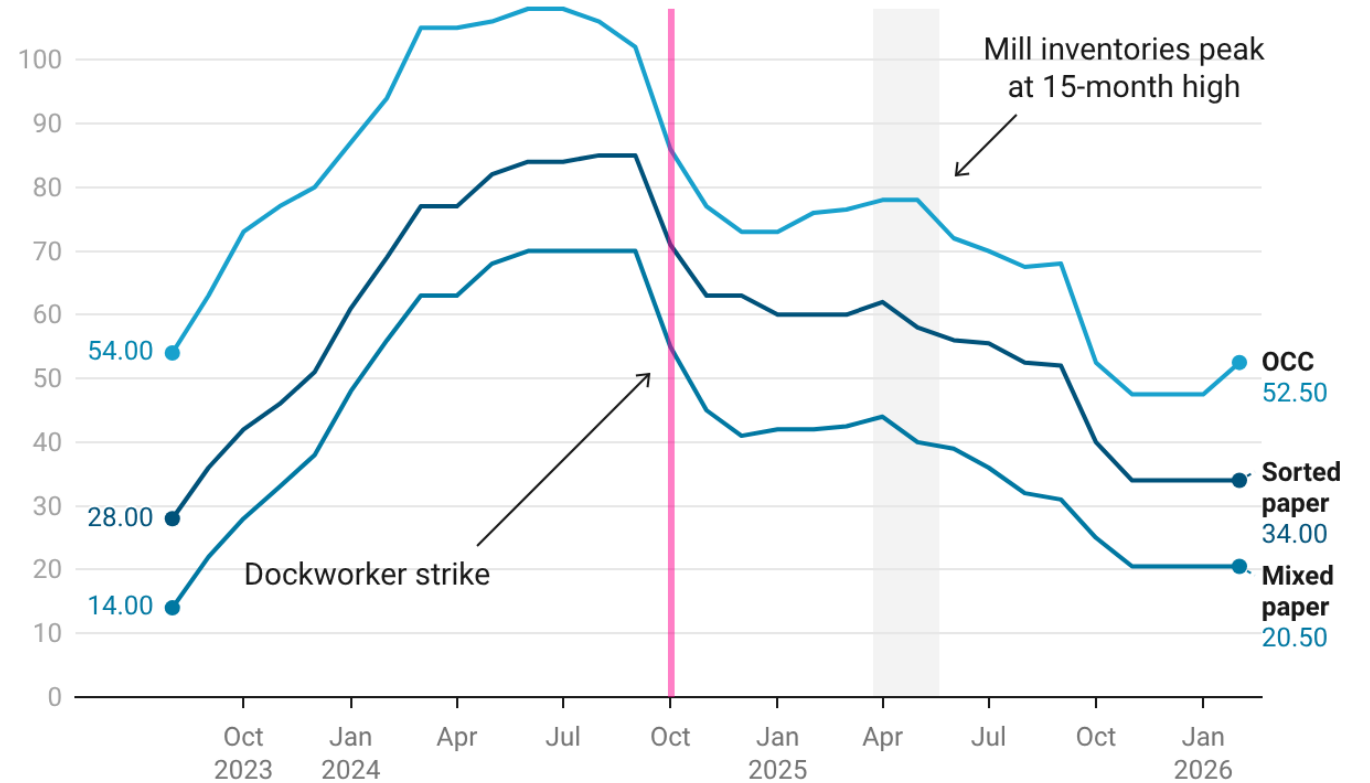
Recycled commodities update

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Fiber prices mostly stagnate seasonally

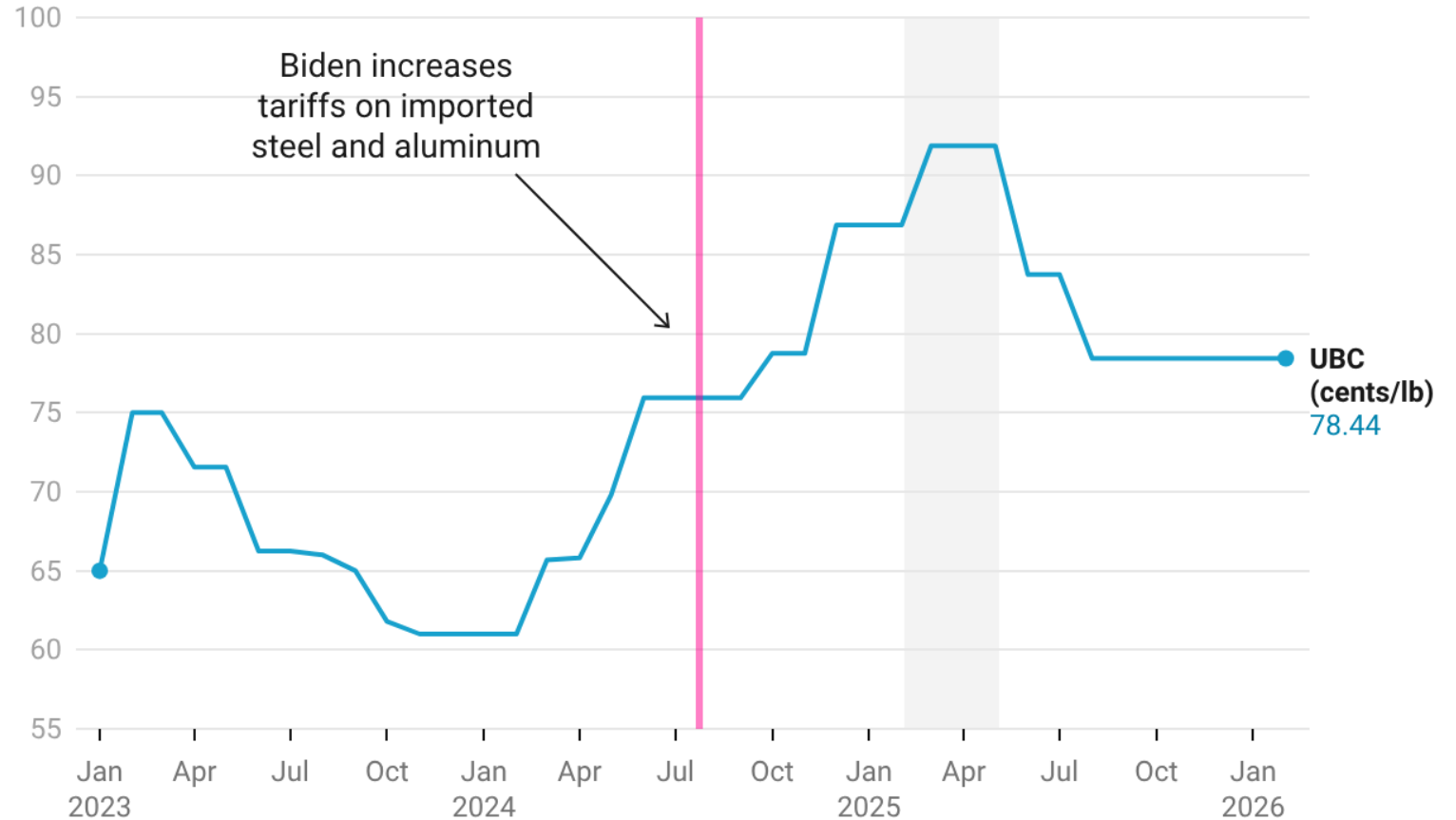
- 2025 containerboard production down 4% YoY
 - Recycled linerboard: down 2%
- 2025 boxboard production down 1% YoY
 - Unbleached kraft and coated recycled boxboard: down 4%
- Mill inventories ended 2025 at highest level since early 2022
 - Plummeted in Oct, increased through EOY
- Mill closures due to newer more efficient plants, weak demand



Prices are in \$/ton

Aluminum prices stagnate

- Tariffs mostly helping support pricing
- Prices are 10% lower than year-ago
- Summer(fest!) likely to increase demand as well as supply

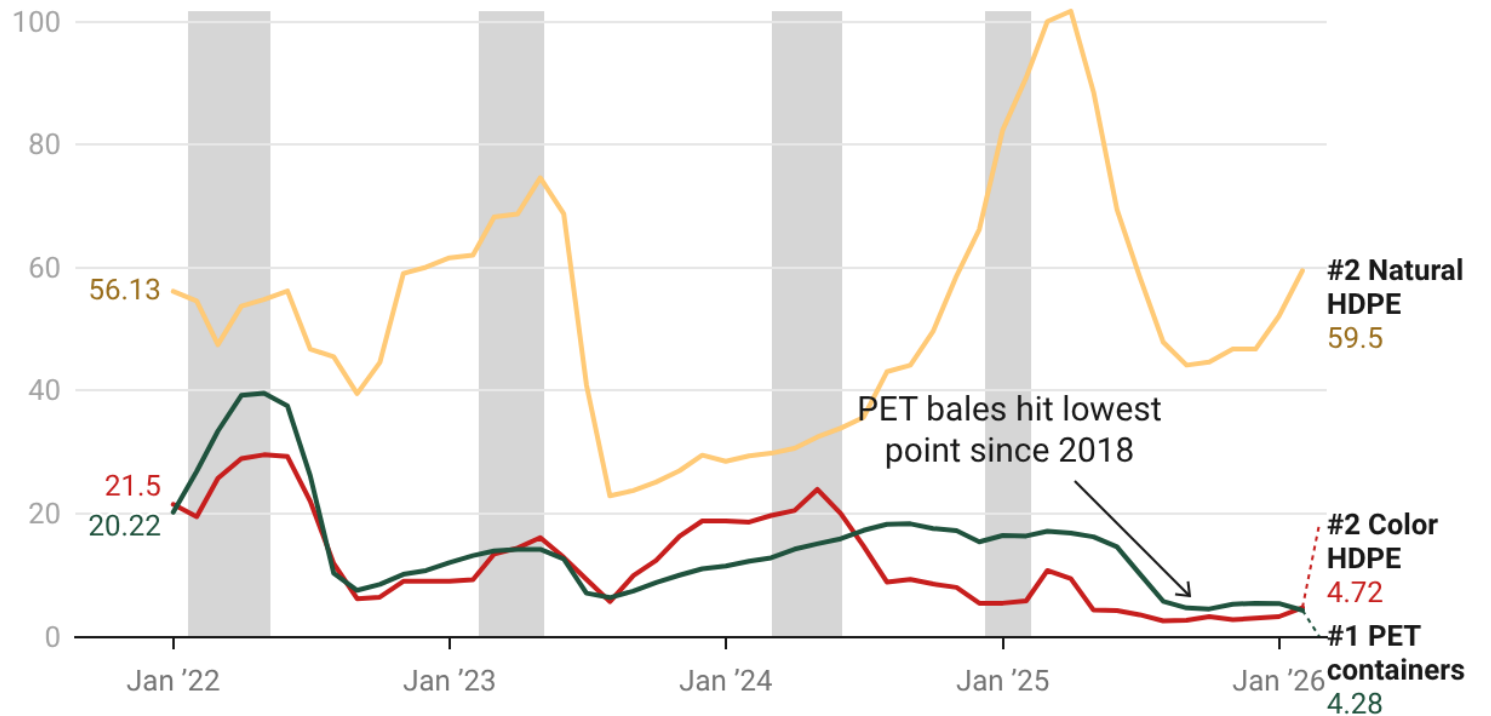


Prices in cents/lb

Winter plastics prices stay near historic lows

- PET, color HDPE bales steady over Q4
- Lowest price for PET bales in 7 years or more
- 2025 plastic scrap export volumes drop

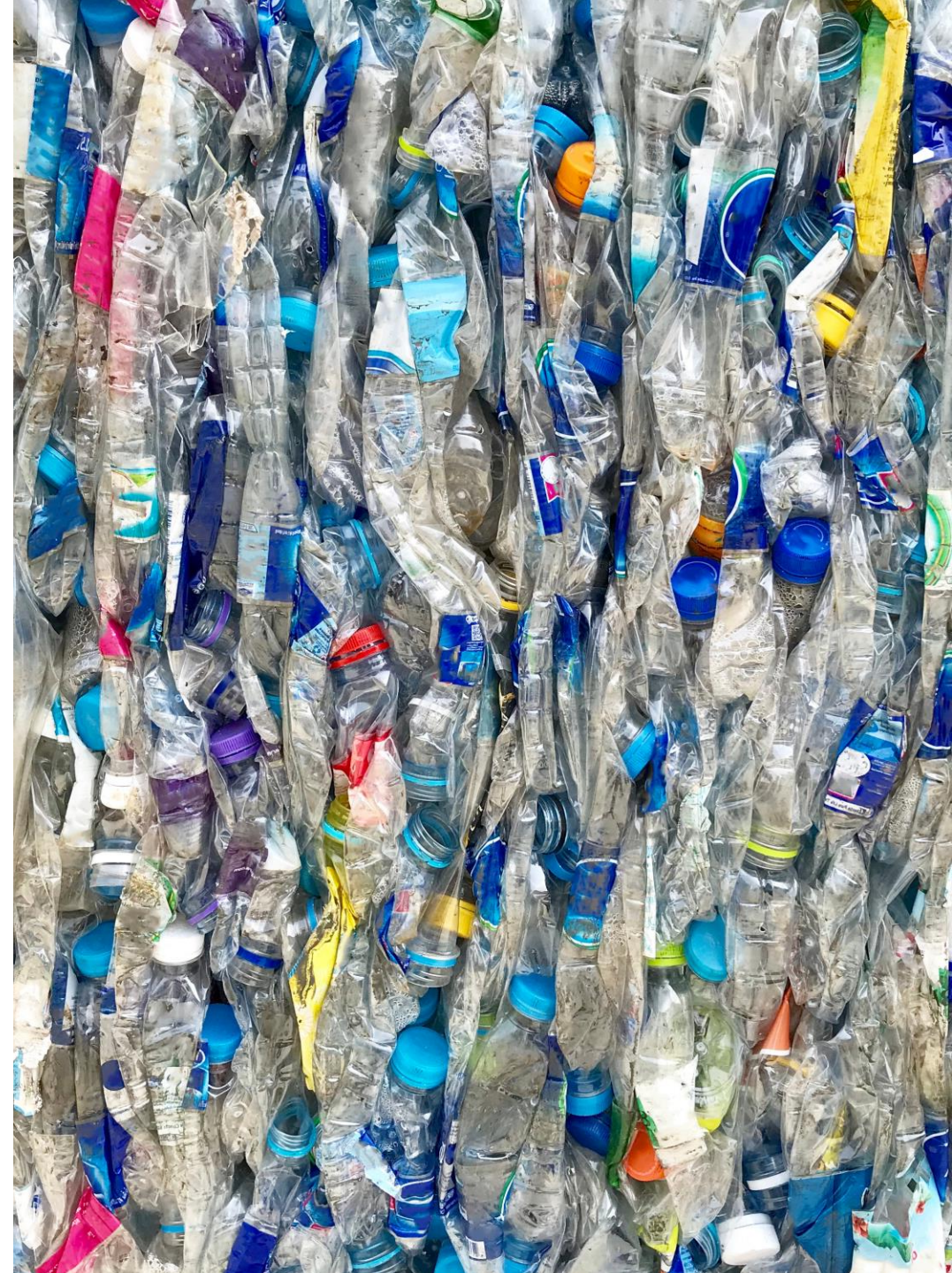
Shaded areas indicate seasonal buying periods



Prices are in cents/lb

H2 2025 PET pricing drivers

- Hesitant consumer spending
 - Bottled beverages consumed during outdoor events, travel
- Tariff-related uncertainty
 - Tariffs mostly do not apply to recycled or virgin materials
 - Bale buyers, end users more cautious
- Cheap PET imports
 - Rose by 3% from 2024
- Cooler and/or rainy weather also dampens demand for bottled beverages





H2 2025 polyolefins drivers

HDPE natural

- Oversupply of virgin/off-spec material
- Correction after rapid pricing runup in H1

HDPE color

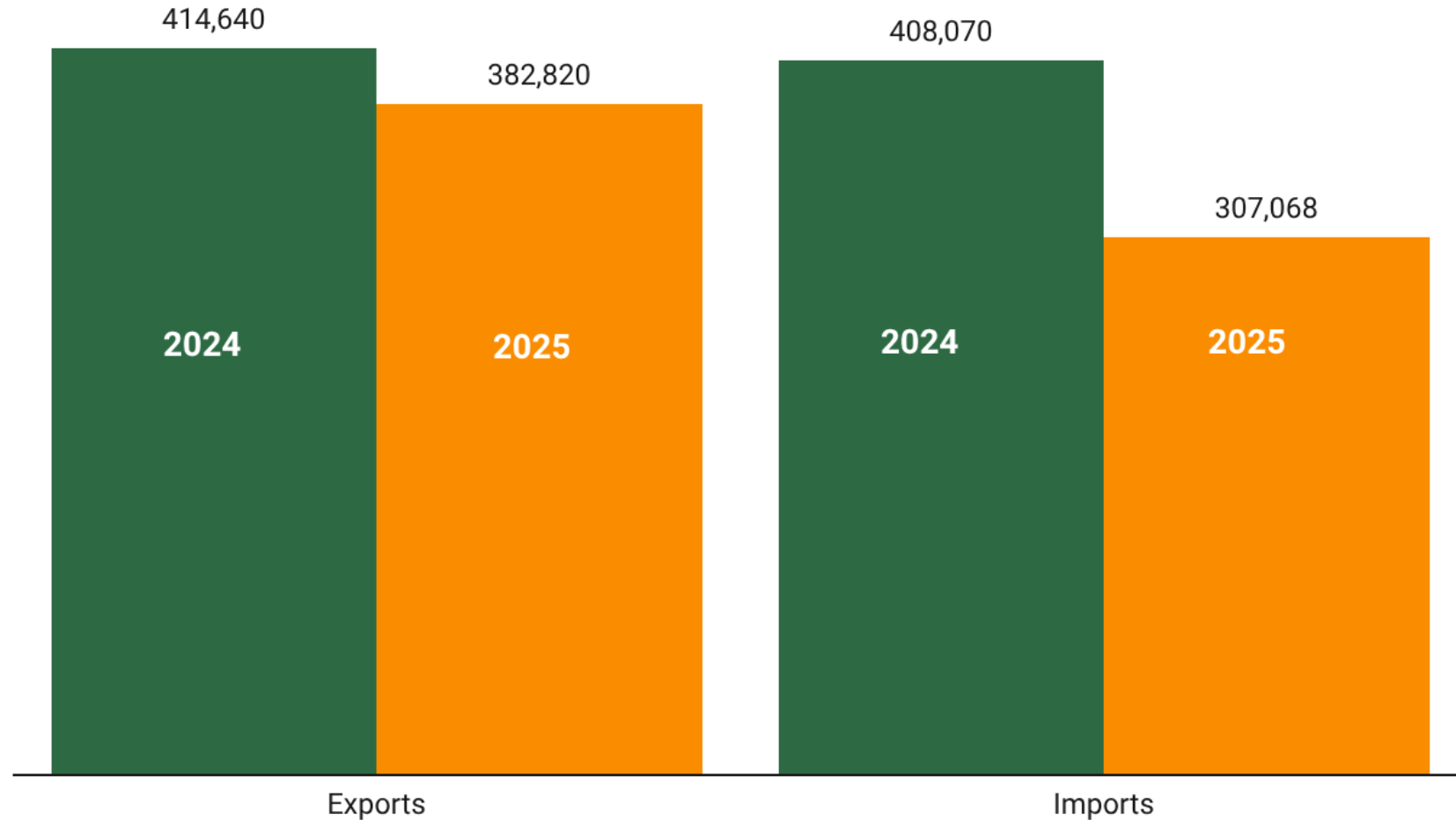
- Weak agricultural market
- Weak export demand for bales
- Smaller buyers enter the market and push up prices briefly, then withdraw

Polypropylene (#5)

- PureCycle in Ohio continuing to ramp up
- Increasing push for food-grade, to replace polystyrene

2025 plastic scrap trade drops

- Exports fall 8%, imports plummet 25%
- Longer journey, higher risk for both buyer and seller
- Lower overall demand for consumer goods



Economic indicators

PET

- December consumer spending **improved** slightly
- Consumer confidence **improved** slightly for February but still skews pessimistic
- Morgan Stanley Research forecasts
 - Year-on-year growth of 3.7% for nominal spending in 2025
 - Forecast of 2.6% US GDP growth in 2026, slightly **higher** due to capex in AI, data centers
 - In comparison, 2024 saw 5.7% expansion
 - Unemployment projected to peak at 4.7% in Q2 before easing to 4.5% by EOY

HDPE

- December housing starts **down** 7.3% on year
- December building permits **down** 2.2% on year
- December housing completions **down** 0.1% on year
- Home builder confidence **low** at 36 in February: 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

- Reclaimers shutting down
- On-again, off-again tariffs
- Severe weather hampers collection / Northeast blizzard(s)
- Republic Services: fourth Polymer Centers siting delayed
- ADS new capacity in Georgia almost complete
- Trex capacity in Arkansas is ramping up

Longer term

- Seven states have passed EPR bills for packaging
 - 6 of 7 have recycled content mandates
 - Responsible end markets
- More collaboration in markets for survival
- Federal recycling legislation?



See Resource Recycling publications online



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Thank you!

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