

# NEW WAVE PLASTICS

*Giving the earth a credit.*

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Proposal

## Executive Summary

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Like Brentwood Industries, New Wave Plastics (New Wave) understands the importance of having driven leaders, dedicated employees and a clear vision for growth. Through the efforts of our passionate, focused and highly skilled team, we have become a high-growth company with a strong reputation for innovation.

Customers commend our ability to provide quality recycled material, superior service and cost-cutting resource conservation solutions in the United States. On average, we annually reprocess approximately 40 million pounds of PVC scrap into a reusable form. One hundred percent of the material we reprocess originates from post-industrial sources. Today, we stand as a leading U.S. producer of PVC compounds and recycler of credit card waste and other types of plastics.

We appreciate your interest in New Wave and are excited to hear more about the experience and capabilities of Brentwood Industries.

### **Sustainable Sales Growth**

We are positioning New Wave to lead the recycled print stock market, providing innovative, sustainable solutions to the credit card industry. In 2013, we reinvested \$2 million into the company to purchase an enterprise resource planning (ERP) system and new processing equipment. We also upgraded current lines and infrastructure.

We expect to end 2014 with close to \$6 million in sales. New Wave is on pace to triple sales volume, growing revenue to \$15 million over the next three to five years.

### **Conserving Resources and Boosting Profitability**

We all know resource conservation is good for the earth and a company's profitability. Yet, card manufacturers, have had no viable domestic solutions for reprocessing trim waste generated from PVC-based cards. That is, until New Wave opened its doors in 2006.

New Wave co-owners T.R. Mitchell and Tony Lotts developed a proprietary technique to separate credit card waste and identify the clean material. Today, we are the largest U.S. recycler to reprocess card waste material and ship it back to the manufacturer to be transformed into new card stock and other PVC compounds ideal for use in building and construction products.

In addition to providing quality recycled products, we also offer for-hire trucking services. We recognize that empty backhauling is considered one of the largest sources of waste in the transportation industry. Our efficient supply chain prevents costly empty backhauls and allows us to decrease fuel costs and reduce our carbon footprint. The efficiency and effectiveness of our for-hire trucking services expands our ability to pick up and deliver products to customers anywhere in the United States.

In response to your request for information, we are pleased to share this company overview detailing our history, expertise and rapid growth over the past eight years. We look forward to meeting with you on Tuesday, May 20, 2014.

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## About New Wave

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At New Wave, we rely on our advanced processing capabilities and knowledge of card waste materials and PVC compounds to offer high-quality recycling solutions in the United States, thereby eliminating the need to export plastics for disposal.

We have provided recycling services to the card market since opening our doors in Medina, Ohio in 2006. After just five years, we outgrew our 20,000-square-foot facility in Medina and purchased 120,000 square feet of space in Cleveland. Our new facility boasts 20 cranes and 200,000 pounds of lifting capacity in its main bay, allowing us to reprocess, package and ship all sizes and shapes of post-industrial materials – scrap, off-spec parts, defects and out-of-use equipment. At New Wave, we aggregate, load and build value on quantity and quality – a sustainable business practice.

### Our Launch Story

Tony Lotts met T.R. Mitchell for lunch in 2006 to discuss launching a venture in plastic exports. After extensive research, Tony and T.R. discovered that while the plastics export market was flooded, card manufacturers had no domestic solutions for recycling waste.

Tony and T.R. launched New Wave with a scalable business model and a proprietary recycling technique uniquely designed for the card market. Drawing from T.R.'s business development skills and Tony's extensive industry experience and longstanding relationships in the credit card sector, New Wave has become the largest player in the credit card recycling market.

### Positioned for Growth

Having scalable processes and customer solutions is critical to the growth of our business. We now complement our recycling solution with innovative techniques to transform card waste into various products such as window profiles, siding and our highly popular recycled print stock sheets. We have sold recycled print stock sheets to American Express, Disney World, Hilton Hotels, Starbucks and Subway. New Wave is the first and only company to have a recycled card stock product approved by American Express and MasterCard.

We plan to launch several new products in response to market demand; these include:

- A transferable, metalized graphic
- Custom-recycled PVC compounds
- Make-ready sheets
- Tri-core card stock

We anticipate the transferable, metalized graphic and tri-core stock will each produce \$5 to \$7 million in sales over the next three to five years. We expect to exceed \$7 million in sales for custom-recycled PVC compounds and make-ready sheets over the next three to five years.

**A Driven, Passionate Team**

New Wave’s success is backed by a highly experienced and talented team. We have included an organizational chart below, highlighting our key team members.



Please see below for brief summaries highlighting the skills and accomplishments of our leadership team.

### T.R. Mitchell

**T.R. Mitchell** co-owns New Wave and serves as the company's CEO. In this role, he facilitates the company's business development efforts and creates innovative customer solutions that align with New Wave's growth strategies.

T.R. has extensive experience as an entrepreneur, launching his first business, Fat Billy's Grille & Pizzeria at the age of 18. He grew the pizzeria franchise to seven stores before selling the business in 2005. He transitioned from the consumer retail market to plastics recycling in 2006.

A self-taught business executive, T.R. brings to New Wave advanced skills in business development, contract negotiations and budgeting. He also is adept at developing strategies to earn high returns with small amounts of money. T.R. is a member of the International Card Manufacturing Association (ICMA) and sits on the Green Task Force for the ICMA.

He focuses on empowering his staff to suggest ideas and processes to improve and grow the company. T.R. believes in giving every member of his team "the opportunity to fail as well as succeed."

### Tony Lotts

**Tony Lotts** co-owns New Wave and serves as the company's president. In this role, he oversees accounting and manages customer and vendor relationships. Tony also evaluates production functionality during the pre-market phase.

He has 14 years of experience in the plastics industry. Tony worked in the equipment manufacturing sector for 19 years and previously served as a sales engineer and vice president of marketing & sales for the printed circuit board and credit card sectors.

Tony attended Cleveland State University and has completed coursework for a variety of disciplines including accounting, marketing, management information systems, and information science and technology. He is a member of the ICMA and Vistage International, a CEO organization.

**Doug Coates**

**Doug Coates** serves as executive vice president and director of sales & marketing. In this role, he manages and trains all members of the sales team. A mutual friend introduced Doug to T.R. and Tony in 2008 and, within the same year, he joined the New Wave team.

Doug brings to the position an extensive knowledge of the plastics industry and longstanding relationships with leading plastics vendors. He also has a proven track record of developing high-performance sales teams.

Doug entered the plastics industry in 2003. A long-time entrepreneur, he currently owns Center-West Plastics, a plastics brokerage company. Prior to launching Center-West, Doug spent 27 years in the consumer packaged goods sector. He has held executive-level positions in sales and marketing for several large consumer products companies.

Doug earned a bachelor's degree in business from Cleveland State University. He has also completed graduate-level business courses and has participated in various leadership programs.

**Tim Fisher**

**Tim Fisher** serves as technical sales engineer and is responsible for buying and selling PVC. He is excited about New Wave's growth potential and is proud to be a member of such a dynamic and driven team.

Tim offers more than 20 years of experience in the plastics industry and brings to the position an extensive knowledge of the business and technical aspects of the market. His background includes management-level positions in product development, sales and marketing. Tim has owned and operated two successful plastics brokerage firms prior to joining the New Wave team in 2009.

He earned a Bachelor of Science degree in chemistry from the University of Florida. Tim has also completed graduate-level courses in business administration and polymer science.

**Ken Whipkey, Jr.**

**Ken Whipkey, Jr.** signed on as New Wave's first employee in 2006 and currently serves as operations manager. In this role, Ken oversees the Quantus ERP system and uses his longstanding knowledge of the company to mentor and train new manufacturing employees.

He is particularly skilled at managing people and plan execution. Prior to joining the company, he worked in the construction and manufacturing industries. Ken loves his job and appreciates having the opportunity to see the company expand from a three-person organization to a 30-person team.

**Paul Mikolaj**

**Paul Mikolaj** joined the New Wave team in 2012 and currently serves as logistics manager. He organizes the dock and driver schedules and oversees the company's for-hire trucking services. Paul brings to the position advanced analytical skills.

He started his six-year career in logistics after graduating from the University of Toledo with a Bachelor of Science degree in statistics.

**Mark Powell**

**Mark Powell** started his career with New Wave in 2011 and currently serves as logistics & safety compliance manager. He oversees various logistics tasks such as dock and delivery schedules. Mark also writes plant safety and compliance policies and procedures.

He brings to the position 26 years of experience in the credit card industry. Prior to joining New Wave, Mark held roles in production and printing management for a large credit card manufacturer. He enjoys his position at New Wave and feels valued, respected and empowered to propose process improvement strategies.

## Competing in the Market

Our quality control process and strategic recycling approach sets New Wave apart from competitors. Our team understands the materials we process, allowing us to offer innovative solutions that meet our customers' needs.

### Industry Focus

New Wave is targeting the construction industry, specifically businesses that develop window profiles. Focusing on the construction market will increase our supply of waste product and improve our formulations. The card industry will remain our core niche.

### Sales Strategy

Our highly skilled sales team conducts on-site visits with prospects and customers. We offer complimentary waste assessments to help prospects evaluate opportunities to reduce their carbon footprints and save money.

We also use other standard marketing tactics such as distributing marketing materials, word of mouth referrals, Web marketing and social media.

## The Future of New Wave

Since opening our doors in 2006, we have remained focused on our mission to provide quality domestic solutions and superior service.

As we move into the next phase of our growth, we will maintain our deep roots in producing PVC compounds for a variety of industries, which generates 80 percent of our current revenue. While we will continue to expand our market share in the card industry, we are working to diversify our revenue stream by targeting other sectors such as construction. This along with the introduction of new products will afford us the diversification needed to boost growth and solidify New Wave's position in the market.