



Project Odyssey

Description

Ravina Capital is representing the sale of Re-Poly LLC, a recycler of post-consumer plastics specializing in difficult material streams, including large mixed rigid plastic (MRP).



Located in St Louis MO, the plant operates as a polyethylene and polypropylene reclaimer. The plant utilizes a proprietary process that is specifically designed to shred, wash, sort, and granulate a mixed material intake and can also process materials with high levels of metal contamination. Other mainstream shredding processes employed in the industry are unable to handle the same input stream without sustaining significant machinery damage.

The unique shredding process sufficiently prepares the material input for mechanical sorting, which is accomplished over a series of steps that includes magnetic, sink / float, optical, and electrostatic separation, along with several stages of washing to remove soluble contaminants.

The plant's maximum processing capacity is 11,000 pounds of MRPs per hour, equating to more than 250,000 pounds per day. The facility is currently processing upwards of 155,000 pounds per day.

The Company's feedstock comes from an extensive network of domestic suppliers, with whom it maintains strong working relationships. Much of this network consists of Materials Recovery Facilities (MRFs) that prefer to make the more liberal grade of MRPs that Re-Poly can uniquely handle.

Re-Poly provides a consistent and low-cost supply of post-consumer product for its customers. The Company's executives are industry leaders in developing downstream markets for post-consumer resin (PCR). The facility currently converts feedstock into the following plastic re-grinds: PP, PE injection grade, PE low melt, and mixed olefins. However, the sorting system is entirely dynamic and can be modified to suit a broad range of customer requirements.

Recent Distress

Over the past few years, Re-Poly has been expending resources to improve the plant, further develop its proprietary process, and focus on growing PCR markets. The Company has also been saddled with a large amount of legacy debt incurred while expanding Plastic Recovery Facilities to multiple geographic markets. During this growth stage, The Company's balance sheet accrued significant liabilities and endured limited liquidity.

Despite significant cost restructuring and consolidation, the unforeseen market conditions of this year caused temporary losses and forced the Company into a receivership proceeding. As of Oct. 2020, the Company is cash flowing and continuing operations as potential acquirors review the prospects of the business.



Opportunity

The court-appointed receiver has retained the services of Ravina Capital in order to conduct an orderly sale of the Company's underlying assets as a going concern. This sale will convey the assets free and clear of all pre-existing debt obligations and leave those assets poised to perform profitably.

The Receiver has selected a stalking horse bidder of whom submitted an asset purchase agreement available for review for potential competing bidders. In addition, an auction notice and bid procedures is available describing the planned auction of November 6th, 2020.

If you desire additional information and access to the virtual data room, please reply with: (a) an executed copy of the enclosed Confidentiality Agreement; and (b) information on your company's primary contact.

Please direct inquiries to:

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