

D Re-package product

Situation you may face

- You need overflow or specialized packaging capacity
 - Customer requires unique or specialized packaging that you are not set up to do efficiently
 - Excess demand for packing out product that exceeds internal capacity

Solution

- Ancos has deep expertise in packaging solutions, and is able to scale packaging operations in a way that is often lower cost than you can do internally
- Ancos offers a comprehensive set of receiving and packaging options
 - Receive materials by: truck, rail, tanker, sea bulk
 - Packages: bags, drums, super sacks (bulk bags), lever packs and bulk

Value creation

- Value creation per pound of product could be anywhere from 3-10x greater than the investment in marginal incremental tolling fees
 - Prevent lost orders due to specific customer requests
 - Prevent lost orders due to internal turnaround time or inefficiencies
 - More efficient and lower cost packaging than internal operations
- Additional benefits
 - Enhanced customer service and ability to offer comprehensive package options to customers
 - Ability to manage working capital and inventory

Example Ancos customer

- Large advanced materials company has a customers with specific pkg needs
- Highly inefficient and costly for materials company to run small batches in their internal packaging operations
- Customer does not have comprehensive pkg options (e.g. bags, boxes, rail)
- Customer sends product to Ancos and Ancos re-packages
- Without Ancos, customer would lose business or face high internal

Value creation: add'l pkg. capabilities

- Cost avoided = >\$500k
- Tolling investment >\$150k
- Return on investment > 3x

Value creation: unique pkg request

- Incremental margin saved = ~\$45k
- Tolling investment ~\$1.5k
- Return on investment > 20x





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