Issue 2: ITAD Gains Momentum on Strong Demand, Tight Supply.

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Our Take

In this second edition of the IntelliTAD newsletter from Compliance Standards LLC, for the week ending August 12, 2025, we reaffirm that enterprise refresh volumes remained high and are expected to accelerate, driven by AI-enabled infrastructure rollouts and ongoing hyperscale buildouts, with direct implications for all other IT infrastructure, including endpoint devices.

This week, enterprise refresh indicators stayed hot, backed by filings and sector updates that included Iron Mountain reporting >30% year-over-year growth in Asset Lifecycle Management on record Q2 results. That's reflecting sustained enterprise decommissions and refreshes. Upstream supply tightened further, with Aurubis and Umicore flagging shortages in high-grade e-scrap and increased competition from OEM takeback programs, brokers, and smelters. Commodity pricing remained favorable, supporting resale margins, while secondary market demand for refurbished enterprise and consumer devices showed no sign of cooling.

On the compliance side, regulatory developments pushed in the same direction. The ISO storage security committee advanced language explicitly requiring certified media sanitization prior to disposal. NIST published the Initial Public Draft of SP 800-88r2 on July 21, 2025, keeping data sanitization at the center of regulatory expectations. Trend Micro's 2025 risk research continued to document residual-data exposure in decommissioned

assets, underscoring the need for verifiable erasure.

Meanwhile, hyperscale investments from Meta, Google, and Equinix point toward multi-year hardware turnover - a pipeline of future remarketing and recovery opportunities for well-positioned ITAD operators.

This newsletter and its analyses draw on public company filings, targeted secondary research, and direct industry intelligence from analyst networks.

Current Situation

Inside the ITAD Industry

Ongoing activities across the ITAD competitive landscape signal an acceleration in capacity building, facility expansion, and strategic positioning with compliance-heavy clients. While most operators remain privately held, visible moves, from new R2v3 facilities to platform launches backed by private equity, suggest a sector bracing for higher processing volumes and tighter client expectations. The emphasis on automation, ESG credentials, and multi-region coverage is a direct response to corporate buyer demands for scale, verifiable compliance, and reduced logistics risk. Operators aligning on these fronts are more likely to capture enterprise refresh contracts and large-scale decommissioning projects.

Notable developments this period include:

- **Iron Mountain** - Lifted FY guidance on record Q2 results; Asset Lifecycle Management revenue grew >30% YoY from enterprise refreshes and data center decommissions.
  . Impact on ITAD: Positive, confirms robust demand for enterprise-scale ALM contracts.
- **Techbros** - Launched R2v3-certified ITAD/e-scrap facility in Arizona with AI-driven automation.
  . **Impact on ITAD: Positive** - adds compliant capacity and throughput.
- **Paladin** - Private-equity-backed ITAD platform formed via acquisitions; leadership includes former SK tes and PedalPoint executives.
  . **Impact on ITAD: Positive** - boosts M&A and operational scale.

- **Achieve Capital, Vantage Point ITAD** - Capital infusion from Achieve Capital's Industrial Fund I to expand footprint, upgrade technology, and strengthen operations.
  . **Impact on ITAD: Positive** - strengthens position in the healthcare vertical, while education and government contracts remain low-margin and operationally challenging.
- **Corporate E-Waste Solutions (CEWS)** - Expanding with new facilities in Phoenix, AZ, and Olathe, KS. Positive - positions for downstream demand from Arizona's hyperscale and AI data center boom and strengthens Midwest logistics reach.
  . Impact on ITAD: Positive - it reinforces the trend of proactive capacity building to capture future enterprise refresh and data center decom demand.
- **Marketing Activity** - Prominent vendor participation in the ITAD Summit event reinforced their strategic positioning, best practices, sustainability commitments, and compliance alignment to meet buyer ESG screening requirements.
  . **Impact on ITAD: Neutral** - Industry conferences in ITAD do not engage external stakeholders but help industry players assess each other's capabilities.

Market Signals

1. Adjacent Sector Earnings: The recycling and environmental services

The recycling and environmental services sector maintained strong financial performance in Q2, as evidenced by the steady inbound volumes and favorable commodity prices. The consistency of results across major players suggests a resilient demand base for recycling services and a continued willingness among industrial and municipal clients to invest in diversion programs.

For ITADs, this translates into stable downstream partnerships and a commodity environment that supports resale margins. Elevated recycling EBITDA margins also signal the operational benefits of efficiency gains, many of which parallel the automation moves being adopted in ITAD processing.

Some of the data confirming these trends include:

- **Waste Management (WM)** - Q2 revenue $6.43B; strong Recycling and

Renewable Energy segments. WM's 2Q performance is remarkable because even as recycled commodity prices declined by nearly 15%, the recycling segment's operating EBITDA grew by 17% year over year. This performance was attributed to a combination of operational efficiency, disciplined pricing, and strategic investments in its sustainability platform, a combination that ITAD companies should explore. **Impact on ITAD: Positive** - recycling margins support downstream ITAD profitability.

Other companies in the sector:

- **Waste Connections** - Q2 revenue $2.407B; guidance reaffirmed. **Positive** - stable recycling operations indicate healthy commodity demand.
- **GFL Environmental** - Q2 revenue $1.68B (+5.9% YoY) with record margins. **Positive** - operational efficiency improves downstream viability.
- **Casella Waste Systems** - Q2 revenue $465.3M (+23.4% YoY). **Positive** - expansion indicates strong recycling service demand.
- **Perma-Fix Environmental Services** - Hazardous waste intake surged. **Positive** - regulatory enforcement trend could increase certified destruction demand.

These results are evidence of the ability of top-tier companies to generate strong profits even in the face of commodity price volatility, with some of these leading firms able to decouple profitability from market fluctuations by focusing on enhancing efficiency.

2. Commodities & Downstream Processors

The performance of metals and precious-materials processors could be seen both as a blessing and a challenge for ITADs. The sector reported tighter availability of high-grade e-scrap and increased competition from smelters, OEM takeback programs, and brokers.

On the positive side, this market environment is a sustained trend that directly benefits the ITAD sector. This is because the rising value of materials like gold, silver, and platinum, all recoverable from e-waste, could transform retired IT assets into a high-value resource. But this situation also creates a more challenging procurement environment for ITAD operators reliant on open-market sales to downstream buyers. Those with locked-in offtake agreements or direct refinery relationships will be better insulated from cost pressures.

Some noteworthy releases:

- **Aurubis** - Reports tightening in copper concentrates and complex recycling materials, including e-scrap; strong demand in EU/US. **Negative** - higher acquisition costs for ITADs without secure supply.
- **Umicore** - H1 2025 adjusted EBITDA +10% YoY; no explicit e-scrap shortage noted. **Positive** - healthy downstream buyer.
- **Sims Limited (SLS)** - ~70% EBIT growth in SLS segment YoY; driven by hyperscaler decommissions. **Positive** - validates server-class recovery.
- **Glencore ↔ Li-Cycle** - Glencore acquired Li-Cycle assets; expands battery recycling. **Neutral** - limited short-term effect on enterprise IT flows.

What does that mean if you are an ITAD? Think beyond immediate disposal. Firms in the sector can use this situation to inform strategic resource management, potentially holding certain materials to sell at opportune times or investing in advanced equipment that can recover even minute amounts of these high-value metals, maturing the ITAD business from a service model into a more proactive resource management strategy.

3. Transport & Logistics

From a volume perspective, transport and logistics providers linked to electronics recovery maintained stable capacity this quarter, with some reallocating focus toward higher-value secure reverse logistics. Data center services divisions reported strong bookings, setting the stage for future decom work.

For ITADs, this environment offers both reliable carrier capacity and potential collaboration with logistics specialists already embedded in OEM and enterprise IT moves. The combination of capacity stability and targeted service upgrades suggests improved ability to manage multi-site decom projects without bottlenecks in the transport chain.

However, you should expect new challenges in this second half of 2025. Effective August 18, 2025, UPS will implement a significant policy change, aligning with FedEx, to round all fractional package dimensions up to the next whole inch. This seemingly technical change has profound financial implications. The policy adjustment, which previously saw UPS rounding down dimensions less than half an inch, is expected to “significantly impact shipping costs” for businesses of all sizes. For example, a package measuring 11.1 inches will now be billed as 12 inches, potentially leading to substantial annual cost increases. An

expert from eShipper estimated that a customer shipping 2,500 packages per month could face an annual cost increase of more than $32,000 from this change alone.

For the ITAD sector, where the logistics of moving large volumes of IT assets are central to the business model, this change could bring additional cost and that cost can be significant. It increases operational overhead without any corresponding increase in the value of the service provided. Providers must either absorb these costs, adjust their pricing with clients, or find innovative ways to optimize packaging and logistics to mitigate the financial pressure.

Noteworthy moves:

- **UPS** - SCS softness but shift to higher-value secure reverse logistics. **Positive** - supports electronics recovery with improved service focus.
- **DHL Group** - Strong DHL Supply Chain segment. **Positive** - maintains capacity for international returns and decom projects.
- **Equinix** - DC expansion with strong bookings. **Positive** - will drive future decom opportunities.
- **CBRE (Data Center Solutions)** - More DC investment from client base. **Positive** - sets up larger future decom cycles.
- **Schneider National** - Slight volume improvement; capacity stable. **Neutral/Positive** - supportive but not a growth trigger.

4. Machinery & Processing Equipment

Manufacturers of sorting, shredding, and materials handling equipment reported solid order intake from recycling and processing sectors. The drivers include capacity expansions, modernization projects, and the integration of more advanced sensor-based systems.

AI-driven sorting equipment, for instance, is now capable of using deep learning to identify and separate complex material streams, including opaque plastics, textiles, and foils, with high accuracy. The technology goes beyond traditional material-based sorting by using full-color cameras to recognize objects based on their shape, size, and dimensions, mimicking human vision.

This increased granularity in sorting allows for the more efficient separation of valuable materials, such as copper, silver, and gold, from lower-value streams. New recycling robots

are being developed to automatically extract these materials and process a larger volume of electronic devices, directly contributing to the goal of reducing e-waste in landfills and making the process more robust and reliable.

Some noteworthy highlights:

- **Tomra Systems ASA** - Recycling/Mining orders up.
  Positive - boosts automation potential in ITAD.

- **Andritz AG (MeWa)** - Higher order intake for recycling systems.
  Positive - supports processing capacity upgrades.
- **Hillenbrand Inc.** - Plastics/recycling equipment demand strong.
  Positive - aligns with zero-landfill and plastics recovery trends.
- **Caterpillar Inc.** - Stable demand for material-handling gear.
  Neutral/Positive - maintains operational capability.
- **Hyster-Yale Materials Handling** - Lift truck shipments up.
  Positive - signals facility throughput expansion.

5. Upstream Data-Security Signals

Lifecycle service providers and major IT brands continue integrating secure data sanitization into refresh and recovery programs. This integration increases the stickiness of contracts and raises the barrier to entry for less-equipped competitors. For ITADs, the alignment of OEMs and service integrators on secure erasure as a standard deliverable shows how important are the verifiable, audit-ready workflows, especially the ones that would be integrated into ISMS certifications.

Some data on this:

- **Iron Mountain** - ALM growth >30% YoY.
  Positive - confirms demand for secure decommissioning.
- **Sims Lifecycle Services** - Growth tied to secure server decom.
  Positive signal on demand
- **HPE** - Strong refresh activity with erasure built-in.
  Positive signal on demand
- **CDW** - Asset recovery activity rising.
  Positive signal on demand

- **Dell** - Expanded ProSupport & ProDeploy recovery options.
  Positive signal on demand

6. Data Security & Software Developments

Security standards are tightening in ways that directly support ITAD's service model. Recent moves by the ISO/IEC Storage Security Committee to mandate certified media sanitization before disposal will formalize secure erasure as a contractual norm in regulated sectors. At the same time, new research from cybersecurity vendors continues to document persistent residual-data risks in retired hardware. Together, these factors should strengthen the role of ITAD providers as a critical control point in data governance, shifting secure destruction from an optional value-add to an operational necessity for compliance-minded clients.

Some pointers include:

- **Trend Micro** - Highlights ongoing residual-data risk in decom devices.
  Positive - strengthens ITAD's compliance argument.
- **ISO/IEC Storage Security Committee** - Draft mandates secure media sanitization pre-disposal.
  Positive - potential contractual requirement.

7. Infrastructure Investments by Large Companies

Large-scale infrastructure commitments from global technology companies continue to expand the future decom pipeline. AI-driven data center expansions and manufacturing capacity acquisitions are not immediate ITAD volume drivers, but they create multi-year refresh cycles that will release high-value equipment into recovery channels. These big projects also have a direct and indirect influence on the renewal of the broader IT infrastructure, including endpoint and distributed computing.

ITAD providers with established relationships in hyperscale and OEM ecosystems are best positioned to capture these flows, especially when coupled with proven secure chain-of-custody services.

Some of the largest infrastructure project commitments include:

- **Google** - +$10B capex for chips, DCs, networking. **Positive** - assures future hardware flow.
- **Meta Platforms** - $29B AI DC expansion. **Positive** - high-value decom opportunity ahead.
- **SoftBank** - Acquired AI manufacturing capacity. **Positive** - positions for eventual refresh.
- **Vertiv** - $8.5B backlog for AI DC power/cooling. **Positive** - indicates sustained DC buildouts.

8. Secondary Market Pulse

Consumer and enterprise resale markets remain strong, buoyed by stable buyer demand and growing acceptance of refurbished devices as mainstream purchases. The 2025 Back-to-School season is another important driver of sales of certified refurbished systems.

Marketplace operators and e-commerce platforms are reporting traffic and sales growth across categories, reinforcing resale as a viable margin stream for ITADs with channel access. This environment also supports price stability for higher-grade recovered assets, creating more predictable revenue planning for remarketing operations.

- **Back Market** - Traffic up YoY.
  Positive - stable demand for refurbished electronics.
- **Amazon Renewed** - Double-digit refurbished sales growth.
  Positive - resale channel expansion.
- **eBay Refurbished** - GMV growth in PCs/tablets.
  Positive - supports consumer segment resale.
- **Apple Trade-In** - Aggressive upgrade incentives.
  Positive - increases supply to secondary market.

9. OEMs Secondary Market Activity

OEM-run resale and outlet programs are increasingly sophisticated. While these programs limit some supply opportunities, they also validate the demand profile for professionally refurbished OEM-certified equipment. Partnerships or feed-in agreements with these programs can yield stable channels for off-lease or trade-in assets.

- **Dell Outlet** - Inventory turnover improved in July per third-party tracking.
  Positive - signals healthy sell-through for enterprise and consumer devices.
- **HP Renew** - Expanded global footprint for refurbished commercial PCs.
  Positive - increases OEM presence in secondary market.
- **Lenovo Outlet** - Ongoing promotions for ThinkPad and workstation lines.
  Positive - sustains market appetite for refurbished enterprise gear.
- **Canon / HP Printing Refurb Programs** - Stable flow of remanufactured printers into market.
  Neutral/Positive - limited overlap with ITAD but supports reuse narrative.

Recommendations

- If you are an ITAD company, one of your top priorities is to lock in upstream supply contracts to mitigate tightening feedstock conditions.
- Integrate data security and certified erasure into every refresh and recovery workflow.
- Position now for upcoming DC decom projects from current buildouts.
- Invest in AI-driven automation to maintain margins as competition intensifies.
- Diversify resale channels across multiple geographies and platforms.
- Upgrade ESG and compliance reporting to meet emerging audit expectations.

Key Takeaways & Outlook

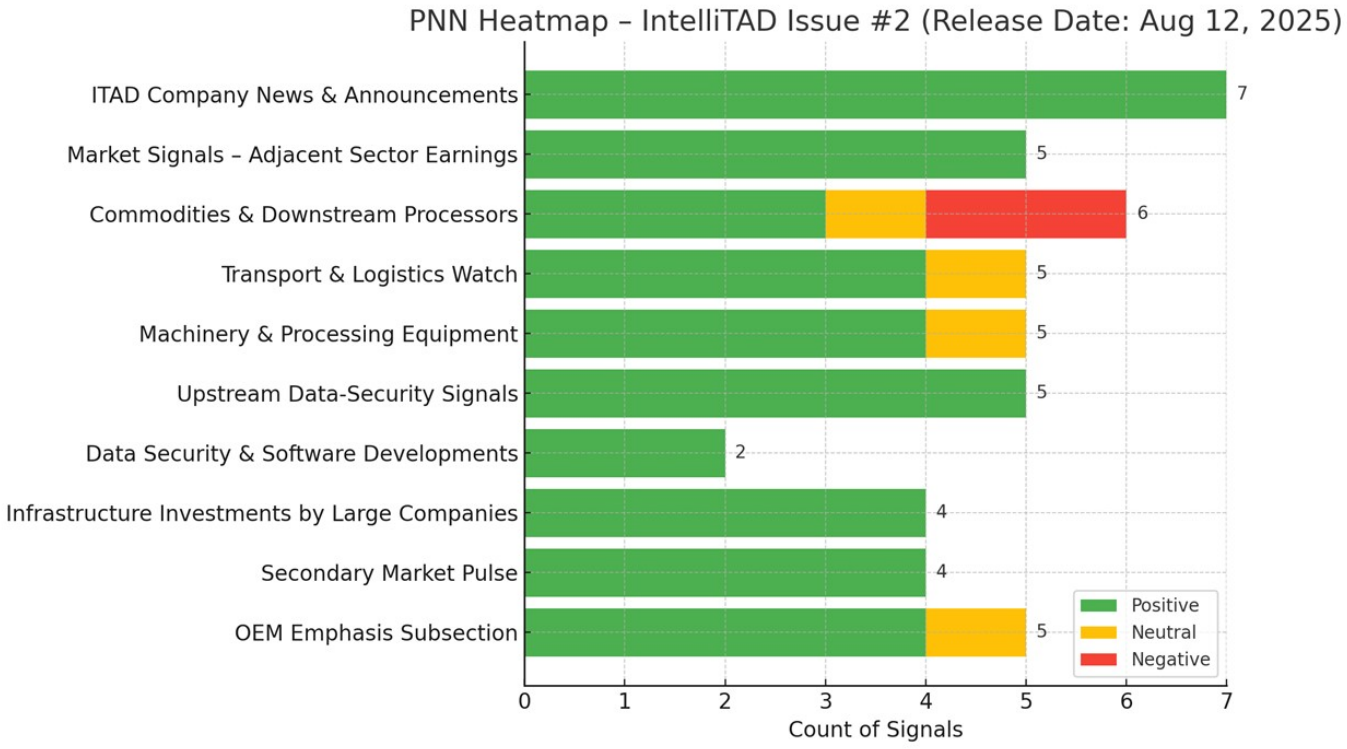
Key Takeaways:

- Supply constraints will widen the gap between secure-supply ITADs and opportunistic buyers.
- Strong commodity pricing and secondary-market demand are sustaining margins.
- Regulatory shifts are moving secure erasure toward a default contractual obligation.
- Infrastructure investment ensures a robust decom pipeline in the next 12-36 months.

Outlook:

- **Short-Term (3-6 months):** Enterprise refresh volumes remain high; commodity prices stable.
- **Mid-Term (6-18 months):** DC buildouts convert to decom contracts; compliance audit intensity grows.
- **Long-Term (18-36 months):** AI hardware refresh cycle releases high-value assets; competition for feedstock intensifies further.

PNN Summary Chart



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Cross-Sector Implications

The distribution of signals in this period is heavily weighted toward positive developments, with only a few negatives and neutral/positive moderates. For ITAD companies, this is a favorable near-term landscape: strong enterprise refresh activity, favorable commodity

pricing, sustained secondary market demand, and clear regulatory trends toward mandatory secure erasure, despite headwinds for ESG backlash and tariffs.

The negatives, Aurubis and Umicore’s warnings on high-grade e-scrap scarcity, bring to the front the urgency of ITAD companies to lock in upstream supply before competition from smelters, OEM takeback, and brokers escalates further.

For recycling companies, both downstream partners and metals processors are enjoying steady demand and healthy margins, suggesting stable resale economics and operational security. Tight supply in certain streams will pressure opportunistic buyers, but integrated operators with direct feedstock channels are positioned to hold or expand margins.

PC and device OEMs have been benefitting from strong resale channel performance, as shown by their own outlet program momentum and platform sales growth on Amazon Renewed, Back Market, and eBay. While this strengthens their own secondary market positioning, it also competes directly with ITAD remarketing, especially for higher-grade commercial returns. Strategic partnerships between ITADs and OEM refurbishment channels could convert competition into recurring offtake agreements.

The overwhelming positive-to-negative ratio suggests that in the next two quarters, ITAD and recycling firms with the capital to invest in productivity and operational improvements, from automation and compliance reporting to capacity could see both volume and pricing power advantages. The key differentiator will be control over supply, without it, even the most efficient operators risk being squeezed out of the highest-value streams.

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