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FAST FIFTY

NO. 11
O'BRIEN RECYCLING CORP.
FRANKLIN PARK

Heavy metal mover

Over the past five years, O'Brien Recycling has produced 945% revenue growth for one big reason: increased demand from construction overseas.

The demand for building materials in China and other booming countries has caused prices for any metal used in construction to soar: Steel, for example, sold for $102 a ton in 2001. Today it's around $275 a ton. Copper, which is used in electrical wiring, was 68 cents a pound in 2001. It now goes for around $3.30.

"Whether it's nickel, steel or copper, any type of metal that's used in construction will continue to increase in price because there isn't enough around to satiate worldwide demand," says Neal Ryan, director of economic research at Blanchard & Co., the largest U.S. precious metals dealer.

As a metal recycler, O'Brien buys the scrap materials that come off a manufacturer's product while it's being made and trucks them back to the yard where they're sorted, processed and packaged by type, which can be anything from aluminum to lead to iron. It then sells the packages to smelters such as U.S. Steel Corp. that melt the metal into usable forms.

"It's a cycle," says CEO George C. O'Brien III, who in 1997 took over and reincorporated the company started by his dad 18 years earlier.

The boom that lifted O'Brien, which had revenue of just $3.2 million in 2001, into the ranks of the Fast Fifty has aided other scrap-metal recyclers in town, as well. Metal Management Inc., a Chicago company with revenue of $1.59 billion last year, grew 107%, and two other Fast Fifty companies, No. 24 United Scrap Metal Inc. and No. 43 Universal Scrap Metals Inc., grew 329% and 153%, respectively.

While still considered the new kid on the block, the 34-year-old Mr. O'Brien has started to take a chunk out of the Chicago market. Processing of ferrous, or magnetic metals such as steel, at his profitable company was three times higher in 2006 than in 2002, while processing of nonferrous metal such as brass was up 1½ times.

The company has also made strategic moves to boost growth. In 1999 O'Brien bought a four-acre scrap yard in Franklin Park, the state's fourth-largest manufacturing town, to be close to potential customers. Better proximity means less hauling time and less money spent on gas and labor.

By the end of this year Mr. O'Brien expects to process 30% more scrap than in 2006 because of a $1.5-million facility he bought down the street, which will be used to process nonferrous metals and create more room in the steel yard. More room, more scrap, more money.

Christina Galoozis

JOHN R. BOEHM

FIVE-YEAR GROWTH: 945.1%
2006 REVENUE: $33.1 MILLION **EMPLOYEES:** 60

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