



Fourth-Quarter and Full-Year 2020 Investor Review

February 24, 2021

Forward Looking Statements and GAAP Disclaimer

These slides contain (and the accompanying oral discussion will contain) forward-looking statements, which are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "seeks," "should," "estimates," "projects," "may," "likely" or similar expressions. Such statements may include, but are not limited to, statements about future financial and operating results, the Company's plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are neither historical facts nor assurances of future performance. Such statements are based upon the beliefs and expectations of Clean Harbors' management as of this date only and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, without limitation, the risks and uncertainties surrounding COVID-19 and the related impact on our business, and those items identified as "Risk Factors," disclosed in our periodic filings with the Securities and Exchange Commission. Therefore, readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Clean Harbors undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements other than through its filings with the SEC, which may be viewed in the "Investors" section of the Clean Harbors website.

Statement Regarding use of Non-GAAP Measures:

Adjusted EBITDA, adjusted free cash flow, adjusted net income and adjusted earnings per share, as presented in these slides, are non-GAAP financial measures and should not be considered alternatives to other measurements under generally accepted accounting principles (GAAP), but viewed only as a supplement to those measurements. These non-GAAP measures are not calculated identically by all companies. Therefore, our measurements of Adjusted EBITDA, adjusted free cash flow, adjusted net income (loss) and adjusted earnings (loss) per share are clearly defined and may not be comparable to similarly titled measures reported by other companies. We believe that Adjusted EBITDA provides additional useful information to investors since our loan covenants are based upon levels of Adjusted EBITDA achieved and the fact that management routinely evaluates the performance of its businesses based upon levels of Adjusted EBITDA. We believe adjusted free cash flow provides useful information to investors about our ability to generate cash. We believe adjusted net income (loss) and adjusted earnings (loss) per share provide useful information about our performance excluding non-recurring or extraordinary items.

Adjusted EBITDA consists of net income (loss) plus accretion of environmental liabilities, depreciation and amortization, net interest expense, loss on early extinguishment of debt, provision for income taxes and excludes other gains, losses and non-cash charges not deemed representative of fundamental segment results and other (income) expense, net. Adjusted free cash flow consists of net cash from operating activities excluding cash impacts of items derived from non-operating activities, such as taxes paid in connection with divestitures, less additions to property, plant and equipment plus proceeds from sale of fixed assets. All amounts in USD unless otherwise noted.

For a reconciliation of Adjusted EBITDA and adjusted net income to net income, a reconciliation of adjusted earnings per share to net income per share and a reconciliation of net cash from operating activities to adjusted free cash flow, please refer to the appendix of this presentation.

Summary of Q4 and 2020 Results

Q4

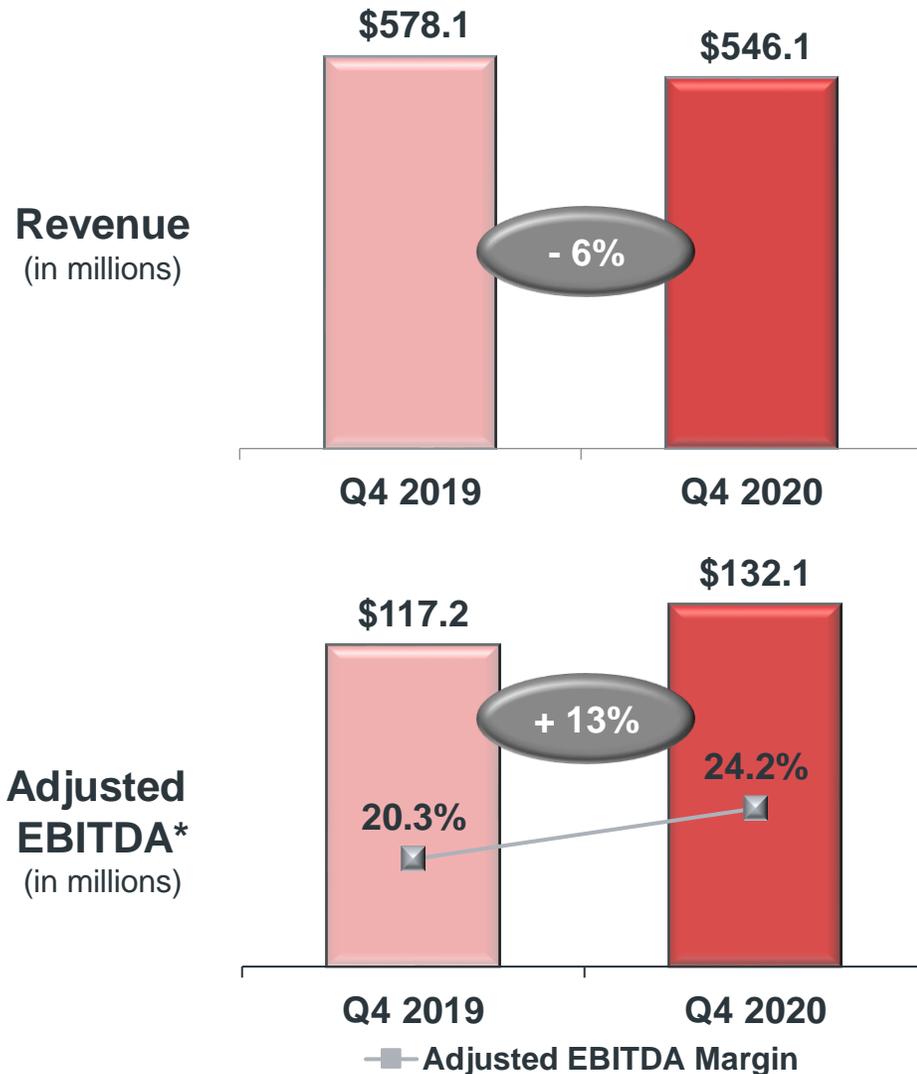
- Revenue was \$796.2M – in line with expectations
- GAAP EPS of \$0.71; Adjusted EPS of \$0.63
- Adjusted EBITDA* of \$136.1M, including \$5.6M from government programs
- Adjusted EBITDA margin climbed 190 bps to 17.1%

Full-Year 2020

- Revenue was \$3,144M – down YoY reflecting pandemic
- GAAP EPS of \$2.42; Adjusted EPS of \$2.32
- Adjusted EBITDA* increases to \$555.3M, including \$42.3M from government programs
- Adjusted EBITDA margin climbed 190 bps to 17.7%
- Adjusted free cash flow* was a record \$265.0M

* For a reconciliation of non-GAAP measures to its nearest GAAP equivalent, please refer to the appendix in this presentation.

Environmental Services

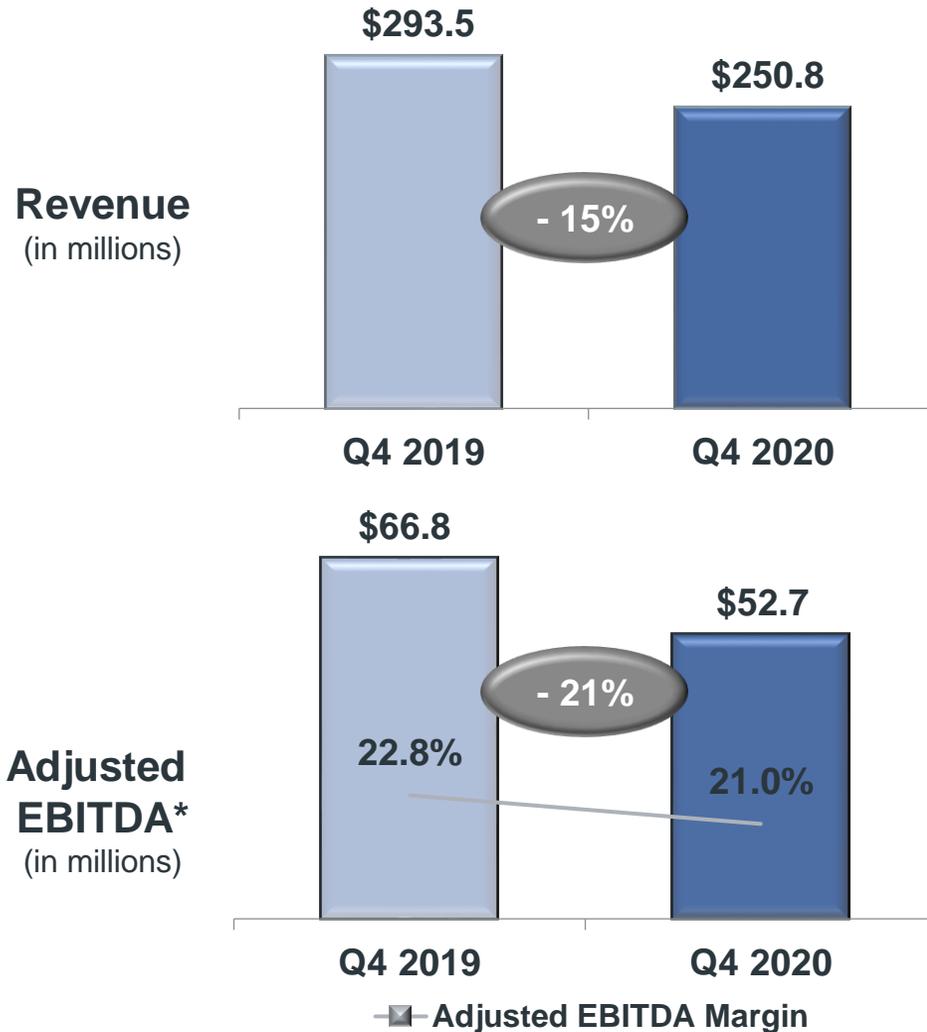


Q4 Performance

- Revenue down YoY due to continuing COVID related slowdown in certain lines of business but revenue up sequentially from Q3 due to strong disposal volumes and some businesses returning to more normalized levels
- Adjusted EBITDA and margin up considerably on combination of cost savings, enhanced productivity and a mix of higher margin work, as well as government assistance
- Incinerator utilization was 84% vs. 89% in Q4'19, but up from 80% in Q3; Focus on high value streams drove average price per pound up 16% from Q4'19 with a significant improvement in mix
- Landfill tonnage down 37% YoY due to low project volumes, but average price per ton up 42% from prior year
- \$31M in the quarter from COVID-19 decontamination response work; completed nearly 14,000 responses in 2020

* For a reconciliation of Adjusted EBITDA to net income, please refer to the appendix in this presentation.

Safety-Kleen



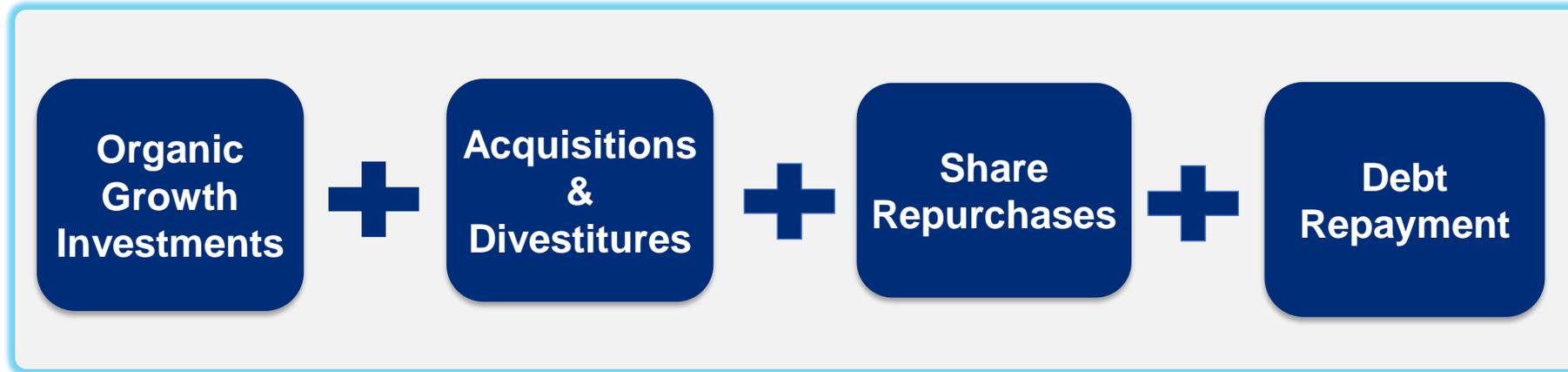
Q4 Performance

- Revenue down YoY resulting from customer activity levels remaining below normalized levels due to the pandemic; revenue flat sequentially from Q3 as recovery offset normal seasonality
- Lower Adjusted EBITDA and margins reflect revenue decline and mix of business
- Performed 221K parts washer services, down from 239K a year ago but level with Q3; most core offerings sequentially flat
- Gathered 49 million gallons of waste oil, compared with 55 million a year ago and 50 million in Q3; average charge-for-oil up substantially from a year ago
- Blended products accounted for 25% of volume compared with 24% in Q4'19; direct volume was 8% in the quarter vs. 7% in Q4'19

* For a reconciliation of Adjusted EBITDA to net income, please refer to the appendix in this presentation.

Capital Allocation Strategy

Four key elements:



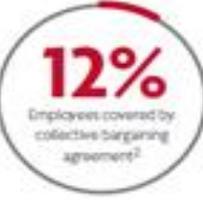
- Invest capex to drive growth
- Evaluate acquisition and divestiture opportunities
- Execute buyback plan
- Assess current debt structure



FINANCIAL OVERVIEW

Sustainability – ESG Report

Overview

<p>At a Glance</p>	<p>Over their lifetime our re-refineries have re-refined more than  3.9 billion GALLONS OF USED OIL</p>	<p>Destroyed more than  2 million lbs of ozone-depleting substances (ODS)¹</p>		
<p>E</p>	<p> 3.5 million METRIC TONS OF GREENHOUSE GAS EMISSIONS AVOIDED¹</p>	<p> 2,018 MWh GENERATED ANNUALLY FROM SOLAR PANELS ON COMPANY PROPERTY</p> <p> COLLECTED 235 MILLION GALLONS OF USED OIL¹</p>	<p>6.8 million  GALLONS OF SOLVENT RECYCLED ANNUALLY</p> <p> 1.4 million METRIC TONS OF WASTE RECYCLED¹</p>	
<p>S</p>	<p> 1.15 Total Recordable Incident Rate (TRIR)²</p>	<p>8.3 years Average Employee Tenure²</p>	<p>6% of U.S. workforce are VETERANS²</p>	<p> 12% Employees covered by collective bargaining agreement²</p> <p>35% ETHNIC DIVERSITY in U.S. workforce²</p>
<p>G</p>	<p>20%  Women on the Board of Directors²</p>	<p>90%  Independent Board Directors²</p>	<p>NYSE:CLH Public NYSE Company</p>	

¹Data from 2019
²Data from 2020

Q4 and Full-Year 2020 Income Statement

(in millions, except per share data)

	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>2020</u>	<u>2019</u>
Revenues	\$796.2	\$871.0	\$3,144.1	\$3,412.2
Cost of revenues	\$548.8	\$615.8	\$2,137.8	\$2,387.8
Gross profit	\$247.4	\$255.2	\$1,006.3	\$1,024.4
<i>Gross margin %</i>	<i>31.1%</i>	<i>29.3%</i>	<i>32.0%</i>	<i>30.0%</i>
Selling, general and administrative expenses	\$111.4	\$123.0	\$451.0	\$484.1
<i>SG&A %</i>	<i>14.0%</i>	<i>14.1%</i>	<i>14.3%</i>	<i>14.2%</i>
Depreciation and amortization	\$71.4	\$77.4	\$292.9	\$300.7
Income from operations	\$61.7	\$52.3	\$251.3	\$229.5
Adjusted EBITDA*	\$136.1	\$132.2	\$555.3	\$540.3
<i>Adjusted EBITDA* margin %</i>	<i>17.1%</i>	<i>15.2%</i>	<i>17.7%</i>	<i>15.8%</i>
Net income	\$39.3	\$24.2	\$134.8	\$97.7
Diluted earnings per share	\$0.71	\$0.43	\$2.42	\$1.74
Adjusted earnings per share*	\$0.63	\$0.42	\$2.32	\$1.89

* Please refer to the appendix in this presentation for a reconciliation to the nearest GAAP equivalent.

Balance Sheet Highlights

(in millions)

	<u>12/31/20</u>	<u>9/30/20</u>	<u>12/31/19</u>
Cash and short-term marketable securities	\$571.0	\$532.3	\$414.4
Accounts payable	\$195.9	\$213.8	\$298.4
Billed and unbilled receivables	\$667.2	\$661.5	\$701.1
Current and long-term debt	\$1,557	\$1,558	\$1,562
Environmental liabilities	\$202.7	\$199.8	\$189.8

Cash Flow Highlights

(in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>2020</u>	<u>2019</u>
Cash from operations	\$113.2	\$128.5	\$430.6	\$413.2
Capital expenditures, net of disposals	(\$43.6)	(\$39.1)	(\$186.6)	(\$204.7)
Purchase and capital improvements of corporate HQ	—	—	\$21.1	—
Adjusted free cash flow*	<u>\$69.6</u>	<u>\$89.4</u>	<u>\$265.0</u>	<u>\$208.5</u>
Share repurchases	\$35.3	\$5.0	\$74.8	\$21.4

* Please refer to the appendix in this presentation for a reconciliation to the nearest GAAP equivalent.

Guidance (as of February 24, 2021)

Full-Year 2021

(in millions)

	Range
Net Income	\$105 to \$146
Adjusted EBITDA*	\$545 to \$585
Net Cash from Operating Activities	\$400 to \$460
Adjusted Free Cash Flow*	\$215 to \$255

* Please refer to the appendix in this presentation for a reconciliation of Adjusted EBITDA and Adjusted Free Cash Flow to the nearest GAAP equivalent.



APPENDIX

Non-GAAP Results Reconciliation

(in thousands)

	For the Three Months Ended:		For the Twelve Months Ended:	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net income	\$39,332	\$24,151	\$134,837	\$97,740
Accretion of environmental liabilities	2,902	2,512	11,051	10,136
Depreciation and amortization	71,418	77,397	292,915	300,725
Other (income) expense, net	(307)	(905)	290	(2,897)
Loss on early extinguishment of debt	—	12	—	6,131
(Gain) loss on sale of businesses	—	(687)	3,376	(687)
Interest expense, net	18,272	18,989	73,120	78,670
Provision for income taxes	4,444	10,747	39,713	50,499
Adjusted EBITDA	\$136,061	\$132,216	\$555,302	\$540,317
Adjusted EBITDA Margin	17.1%	15.2%	17.7%	15.8%

Non-GAAP Results Reconciliation

(in thousands, except per share amounts)

	For the Three Months Ended:		For the Twelve Months Ended:	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Adjusted net income				
Net income	\$39,332	\$24,151	\$134,837	\$97,740
Loss on early extinguishment of debt, net of tax of (\$0.4m) and \$1.5m, respectively	—	366	—	4,650
(Gain) loss on sale of businesses	—	(687)	3,376	(687)
Tax-related valuation allowances and other*	(4,303)	(536)	(8,805)	4,226
Adjusted net income	<u>\$35,029</u>	<u>\$23,294</u>	<u>\$129,408</u>	<u>\$105,929</u>
Adjusted earnings per share				
Earnings per share	\$0.71	\$0.43	\$2.42	\$1.74
Loss on early extinguishment of debt, net of tax of (\$0.4m) and \$1.5m, respectively	—	0.01	—	0.08
(Gain) loss on sale of businesses	—	(0.01)	0.06	(0.01)
Tax-related valuation allowances and other*	(0.08)	(0.01)	(0.16)	0.08
Adjusted earnings per share	<u>\$0.63</u>	<u>\$0.42</u>	<u>\$2.32</u>	<u>\$1.89</u>

* For the twelve months ended December 31, 2020, other amounts include a \$1.6 million benefit, or \$0.03 per share, related to tax benefits from impacts of prior period tax filing amendments

Non-GAAP Results Reconciliation

(in thousands)

	For the Three Months Ended:		For the Twelve Months Ended:	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Adjusted free cash flow				
Net cash from operating activities	\$113,165	\$128,517	\$430,597	\$413,192
Additions to property, plant and equipment	(45,899)	(41,791)	(196,256)	(216,324)
Purchase and capital improvements of corporate HQ	—	—	21,080	—
Proceeds from sale and disposal of fixed assets	2,316	2,707	9,623	11,665
Adjusted free cash flow	<u>\$69,582</u>	<u>\$89,433</u>	<u>\$265,044</u>	<u>\$208,523</u>

Non-GAAP Guidance Reconciliation

(in millions)

	For the Year Ending December 31, 2021		
Projected GAAP net income	\$105	to	\$146
Adjustments:			
Accretion of environmental liabilities	12	to	11
Stock-based compensation	16	to	18
Depreciation and amortization	290	to	280
Interest expense, net	73	to	72
Provision for income taxes	49	to	58
Projected Adjusted EBITDA	<u>\$545</u>	to	<u>\$585</u>

(in millions)

	For the Year Ending December 31, 2021		
Projected net cash from operating activities	\$400	to	\$460
Additions to property, plant and equipment	(195)	to	(215)
Proceeds from sale and disposal of fixed assets	10	to	10
Projected adjusted free cash flow	<u>\$215</u>	to	<u>\$255</u>

QUESTIONS?

