





# Fourth Quarter and Year-End 2014 Investor Review

Presented February 25, 2015

# Forward Looking Statements and GAAP Disclaimer

These slides contain (and the accompanying oral discussion will contain) "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the integration of acquisitions and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. Such statements may include, but are not limited to, statements about the Company's business outlook and financial guidance and other statements that are not historical facts. Consequently such forward-looking statements should be regarded as the Company's current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Statement Regarding use of Non-GAAP Measures:

Adjusted EBITDA as presented in these slides, is a supplemental measure of our performance. In each case, this measure is not required by, or presented in accordance with, generally accepted accounting principles in the United States (''GAAP'') Adjusted EBITDA is not a measurement of our financial performance or financial position under GAAP and should not be considered as alternatives to net sales, net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of our liquidity.

Adjusted EBITDA consists of net (loss) income plus accretion of environmental liabilities, depreciation and amortization, net interest expense, provision for income taxes, other non-cash charges not deemed representative of our fundamental business performance, and excludes other (income) expense. Our management considers Adjusted EBITDA to be a measurement of performance which provides useful information to both management and investors. Because Adjusted EBITDA is not calculated identically by all companies, our measurement of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. All amounts in USD unless otherwise noted.

For a reconciliation of adjusted income from operations, adjusted net income, adjusted earnings per share and Adjusted EBITDA to net income, please refer to the appendix in this presentation.

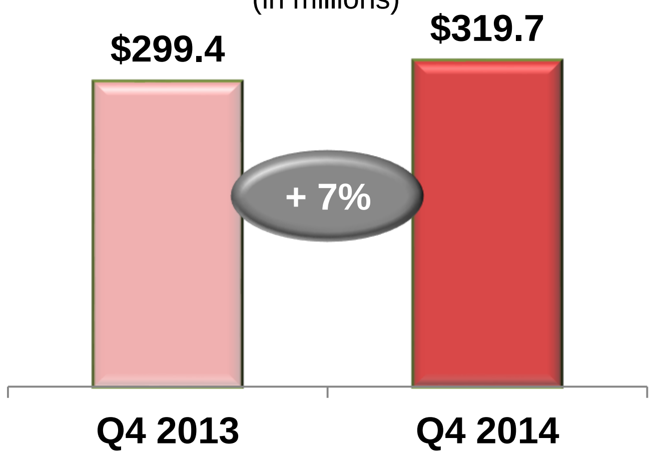
# Summary of Q4 Results

- Q4 revenue of $845.0 million, down 4% from prior year with currency translation accounting for majority of decline
- Environmental-related businesses delivered strong results while downturn in energy markets affected several segments
- Q4 Adjusted EBITDA* of $130.8 million, up slightly from a year ago
- Adjusted EBITDA margin of 15.5%, up 80 basis points, reflecting the benefits of our cost reduction initiatives and business mix
- Technical Services achieved record levels of utilization and volumes
- SK Environmental Services delivered another quarter of solid results
- Oil Re-refining and Recycling results reflect rapid decline in base oil pricing
- Oil & Gas declined as expected, particularly in seismic business

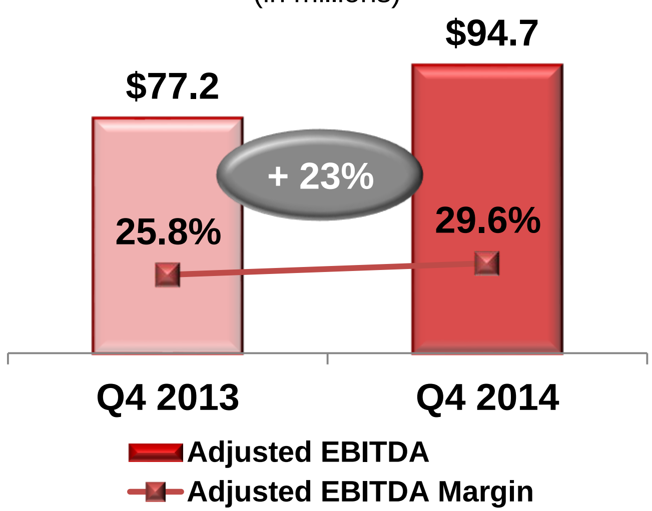
* For a reconciliation of Adjusted EBITDA to net income, please refer to the appendix in this presentation.

Technical Services

**Revenue**
(in millions)




**Adjusted EBITDA***
(in millions)

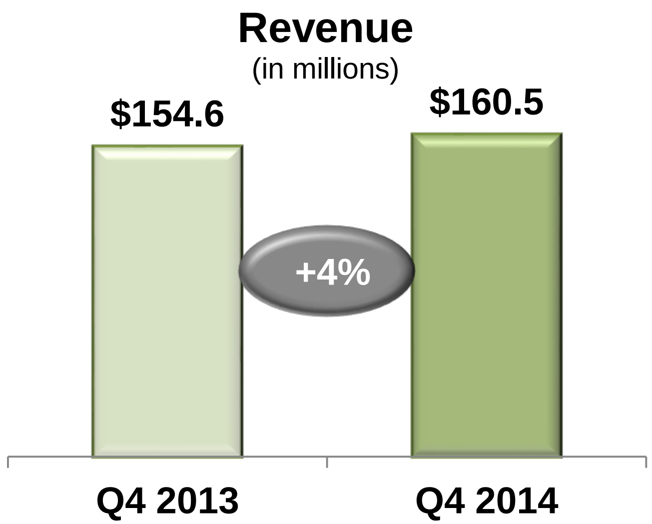


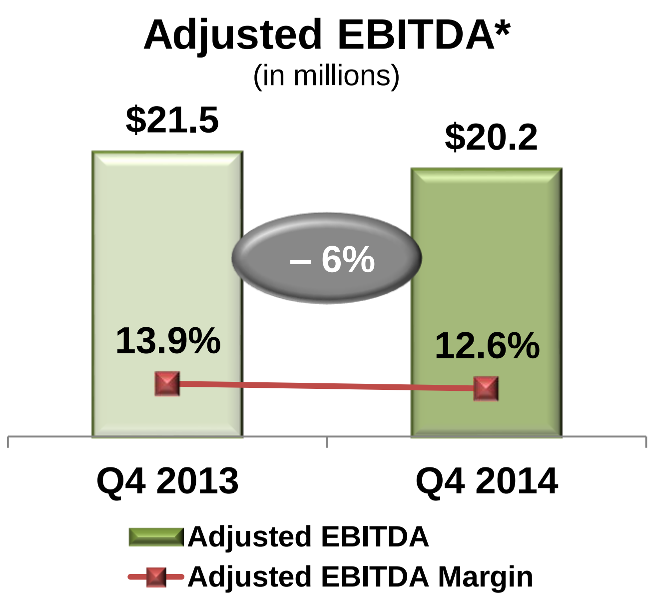

## Q4 Performance

- Revenue up on strong backlog, incremental S-K contributions, and project volumes
- Adjusted EBITDA and margins up considerably due to mix, increased efficiencies and cost reductions
- Incinerator utilization at 96% for quarter; 93% U.S., 100+% in Canada
- Landfill tonnage up 37% YoY; sets record quarterly total due to strong project volumes

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

Industrial and Field Services



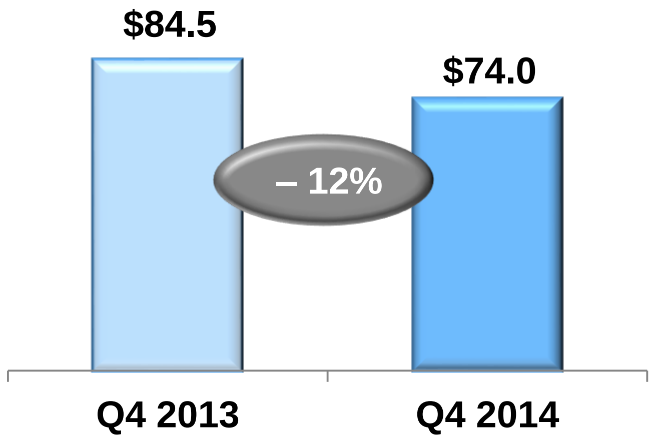




## Q4 Performance

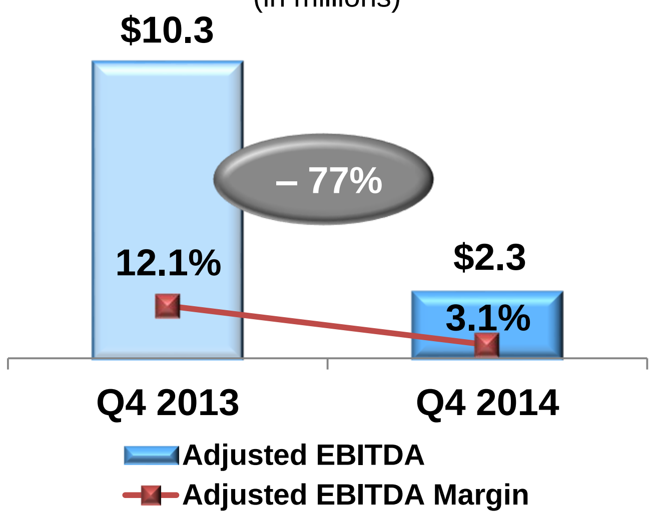
- Revenue increased due to strength in Field Services and growth in U.S. Industrial, which more than offset the currency translation effect and reduced activity in Oil Sands
- 2014 was second straight year without a major ER event
- Slightly lower profitability and margins related to a combination of business mix, currency translation and pricing pressure in Oil Sands
- Personnel utilization of 81%, compared with 80% a year ago

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

**Revenue**
(in millions)




**Adjusted EBITDA***
(in millions)

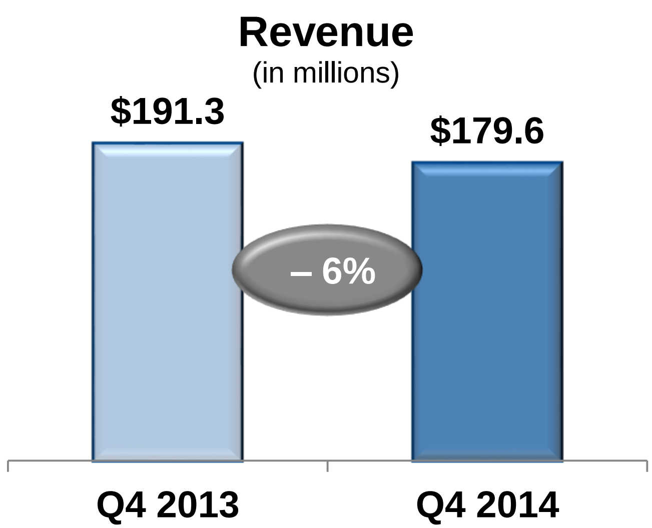


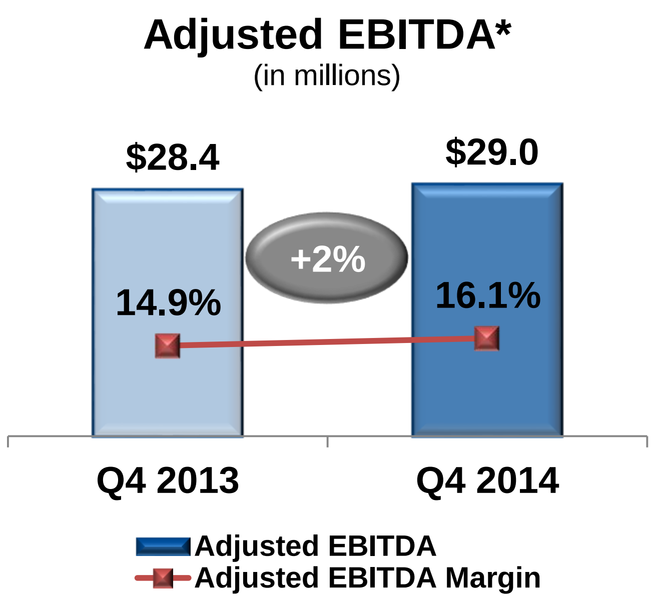

## Q4 Performance

- Revenue down due to lower base oil and blended pricing
- Base oil pricing declined throughout quarter with large decline in early December
- Announced Zero-Pay and Charge-for-Oil initiative in mid December
- Profitability down significantly due to base oil price change and lower inventory values
- Blended products increased to 38% of volume in Q4, up from 34% in Q3 and 33% in Q4 2013

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

# SK Environmental Services



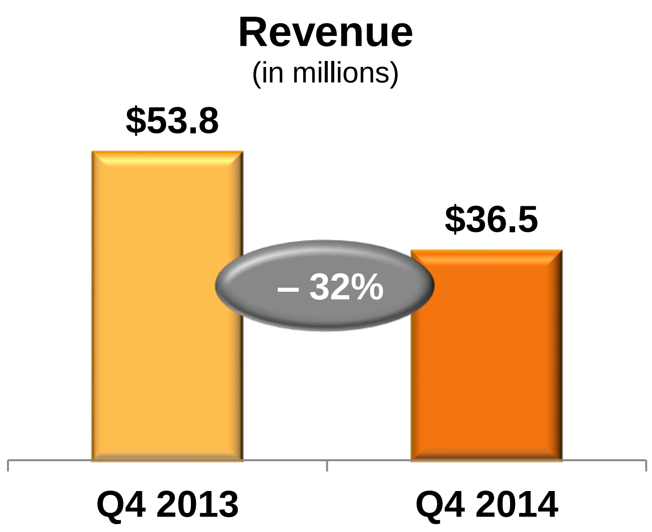



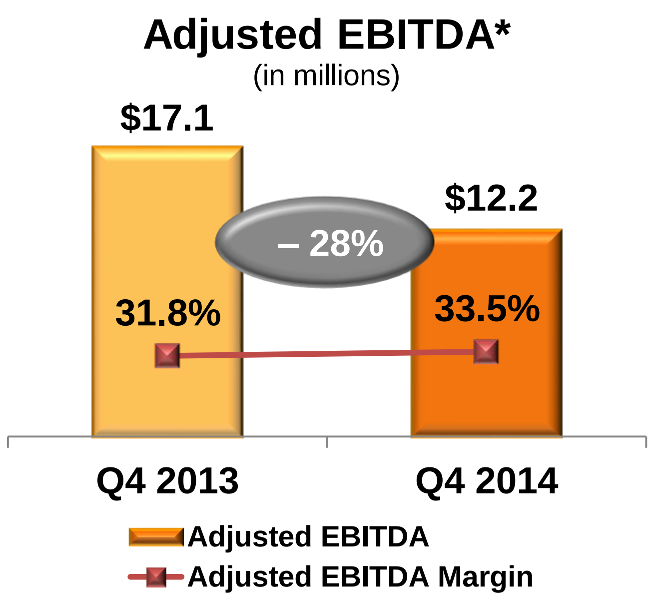

## Q4 Performance

- Revenue decline reflects business mix, as well as lower intersegment contribution caused by reduction in PFO
- Increase in Adjusted EBITDA and margins reflect business mix and cost reductions
- 246K parts washer services conducted, up 12% from 220K in Q4 2013
- Collected nearly 49 million gallons of waste oil in quarter vs. 51 million in Q4 2013
- PFO program declined throughout quarter leading up to Zero Pay – average costs down $0.10 from Q3

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

Lodging Services



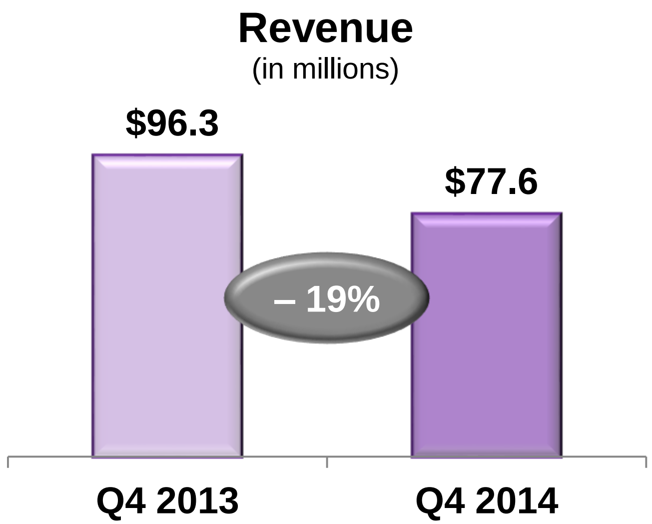



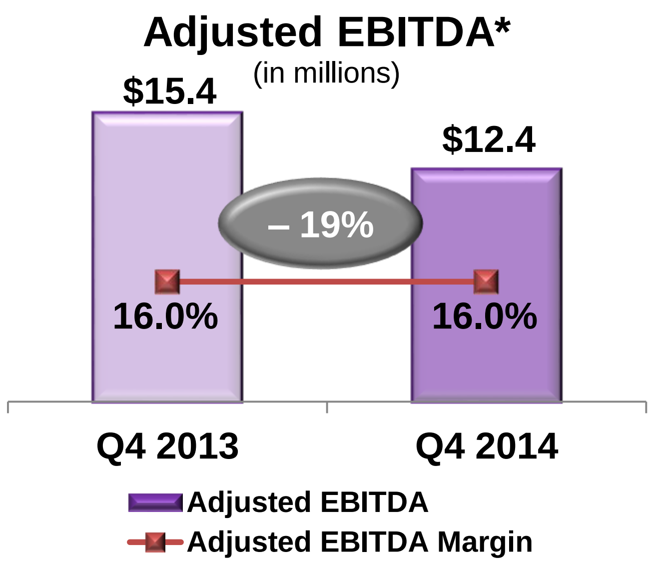

## Q4 Performance

- Revenue down due to manufacturing slowdown and less drill camps business, along with currency translation
- Fixed lodges performed largely on plan, although we experienced some room rate pressure; drill camps continue to underperform based on lower activity levels
- Profitability is down due to lower revenue but margins increased 170 basis points due to lower costs and business mix
- Outside room utilization at primary fixed lodges was 73%, compared with 76% in Q3 and 72% in Q4 a year ago

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

CleanHarbors




## Q4 Performance

- Revenue performance reflects overall downturn in energy markets, along with currency translation
- Seismic business heavily affected by reductions in exploration budgets
- Profitability down due to lower revenues and currency translation; Margins are level due to cost reduction efforts
- Average number of rigs serviced was 173, up from 138 in Q3, but down from 195 a year ago
- Average utilization of key equipment was 57% compared with 54% in Q3 and 46% a year ago

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

# Corporate Update

- Achieved $75M in cost reduction and margin improvement initiatives
  - Captured net benefit of ~$40 million in 2014
- Announced completion of strategic review
  - Intention to carve out Oil & Gas segment and mobile lodging assets associated with drilling as standalone public entity
  - Retains Re-refining business and majority of Lodging segment
  - Increases emphasis on blended oil products through dedicated lubricants business
  - Actions driven by goal of improving ROIC
- Named Eric Gerstenberg as COO; to oversee S-K Environmental

# Outlook

## Technical Services

- Extending disposal momentum at both incinerators and landfills
- Pursuing continued expansion of our InSite program in promising verticals
- Continuing construction of new El Dorado incinerator

## Industrial and Field Services

- Cross-selling Field Services to S-K's 200K customers
- Managing resources to maximize turnaround season in U.S. and Canada
- Expanding into regional locations by co-locating offices

## Oil Re-refining and Recycling

- Lowering transportation costs through "highest margin routing" program
- Increasing emphasis on expanding blended products percentage
- Piloting direct sales program to drive additional blended product opportunities

# Outlook

## SK Environmental Services

- Opening new branches or co-locating with existing Field Services locations
- Implementing Zero Pay and Charge for Oil programs across network
- Preparing to optimize network and cross-selling environmental through TFI deal

## Lodging Services

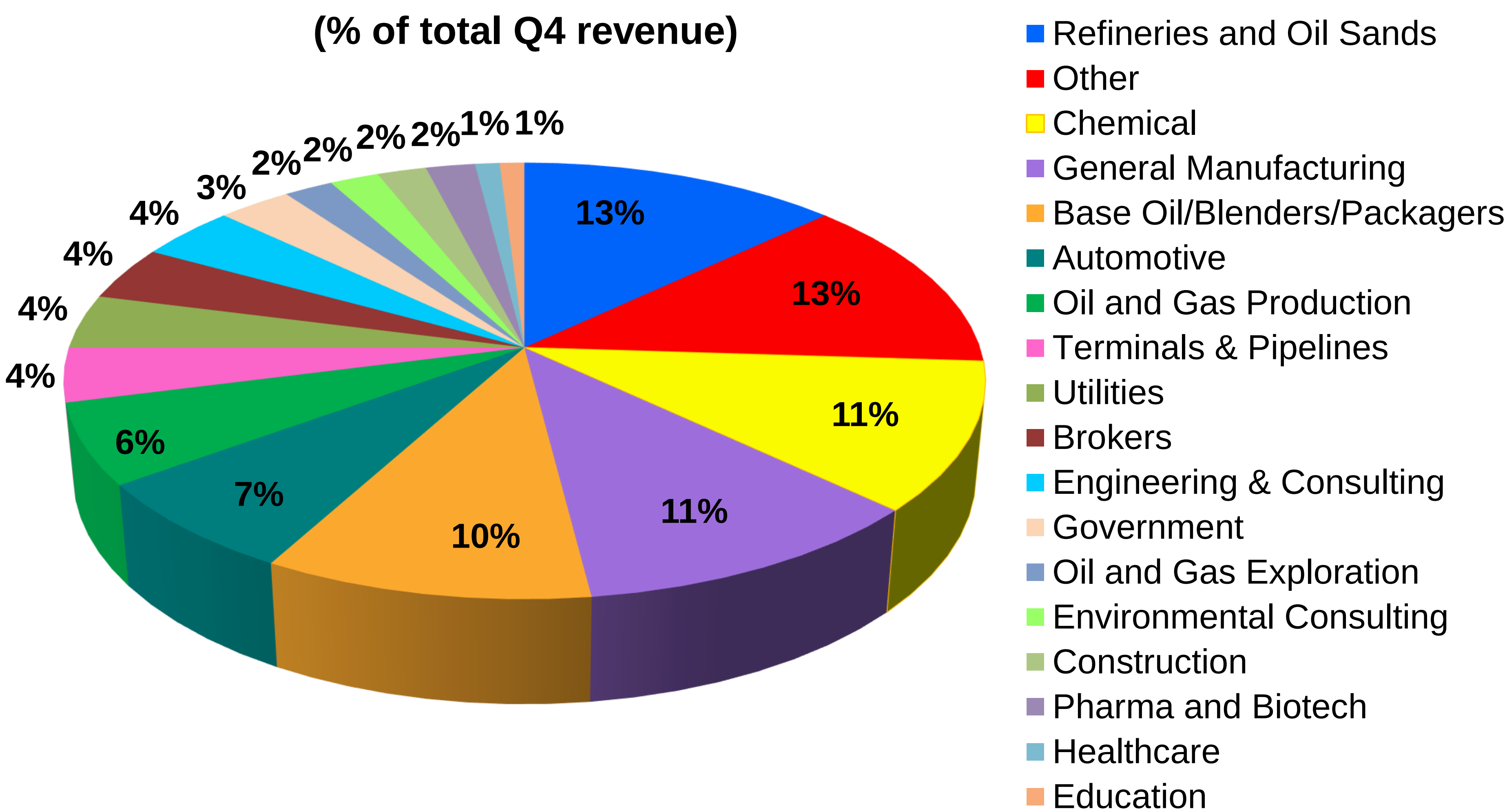
- Continuing focus on maximizing fixed lodge capacity, particularly Ruth Lake
- Seeking opportunities to deploy underutilized mobile camp assets
- Pursuing outside manufacturing opportunities, such as new pipelines

## Oil and Gas Field Services

- Focusing on managing costs and capital in challenging environment
- Increasing U.S. package count as providers shift to long-term quality operators
- Capitalizing on emerging gas drilling opportunities

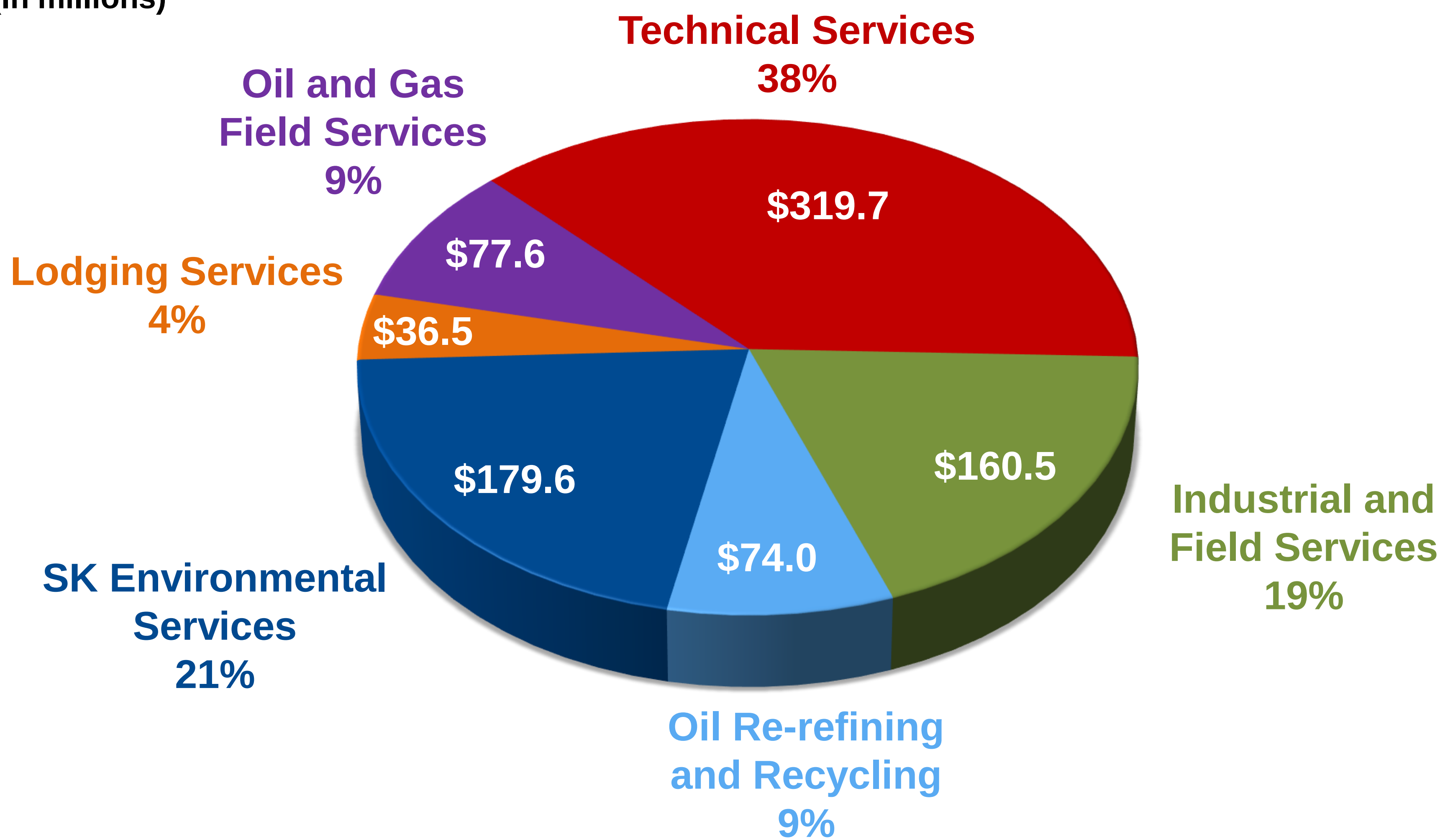

# Financial Review

# Key Verticals Performance in Q4 2014



# Reporting Segments – Q4 Results

(In millions)



# Q4 and 2014 Income Statement

| *(In millions, except per share data)* | Q4 2014 | Q4 2013 | 2014 | 2013 |
|---|---|---|---|---|
| **Revenue** | $845.0 | $879.4 | $3,401.6 | $3,509.7 |
| **Cost of revenues** | $610.7 | $645.2 | $2,441.8 | $2,542.6 |
| **Gross profit** | $234.3 | $234.3 | $959.8 | $967.0 |
| ***Gross margin %*** | *27.7%* | *26.6%* | *28.2%* | *27.6%* |
| **Selling, general and administrative expenses** | $103.5 | $104.9 | $437.9 | $470.5 |
| ***SG&A %*** | *12.3%* | *11.9%* | *12.9%* | *13.4%* |
| **Depreciation and amortization** | $70.6 | $67.5 | $276.1 | $264.4 |
| **Income from operations** | $57.5 | $58.9 | $111.8 | $220.6 |
| **Adjusted EBITDA*** | $130.8 | $129.3 | $521.9 | $510.1 |
| ***Adjusted EBITDA* margin %*** | *15.5%* | *14.7%* | *15.3%* | *14.5%* |
| **Net income (loss)** | $27.4 | $26.8 | $(28.3) | $95.6 |
| **Diluted earnings (loss) per share** | $0.46 | $0.44 | $(0.47) | $1.57 |
| **Adjusted earnings per share*** | N/A | N/A | $1.53 | N/A |

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

# Balance Sheet and Cash Flow Highlights

| *(In millions)* | 12/31/14 | 9/30/14 | 12/31/13 |
|---|---|---|---|
| **Balance Sheet Highlights** | | | |
| Cash and marketable securities | $246.9 | $258.0 | $322.5 |
| Accounts payable | $267.3 | $251.8 | $316.5 |
| Billed and unbilled receivables | $597.9 | $625.6 | $606.0 |
| Days sales outstanding (DSO) | 71 days | 70 days | 69 days |
| Environmental liabilities | $205.8 | $213.0 | $219.6 |
| | Q4 2014 | Q3 2014 | Q4 2013 |
| **Cash Flow Highlights** | | | |
| Capital expenditures | $58.7 | $60.7 | $72.6 |
| Cash flow from operations | $101.3 | $81.1 | $135.7 |
| Share repurchase | $50.5 | $37.6 | N/A |

# Guidance (as of February 25, 2015)

| Q1 2015 | | |
|---|---|---|
| | Range | |
| **Adjusted EBITDA*** (in millions) | $83 | $90 |

| 2015 | | |
|---|---|---|
| | Range | |
| **Adjusted EBITDA*** (in millions) | $530 | $570 |

| Long-Term Target | |
|---|---|
| ROIC | 13% |

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





# Questions & Answers


TECHNICAL SERVICES


SAFETY-KLEEN


INDUSTRIAL & FIELD SERVICES


OIL & GAS FIELD SERVICES

# Appendix

# Non-GAAP Reconciliation

| (in thousands) | For the Three Months Ended: | | For the Year Ended: | |
|---|---|---|---|---|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Net income (loss) | $27,377 | $26,801 | $(28,328) | $95,566 |
| Accretion of environmental liabilities | 2,637 | 2,913 | 10,612 | 11,541 |
| Depreciation and amortization | 70,603 | 67,545 | 276,083 | 264,449 |
| Goodwill impairment charge | — | — | 123,414 | — |
| Other (income) expense | (244) | 325 | (4,380) | (1,705) |
| Interest expense, net | 19,238 | 19,592 | 77,668 | 78,376 |
| Pre-tax, non-cash acquisition accounting inventory adjustment | — | — | — | 13,559 |
| Provision for income taxes | 11,166 | 12,159 | 66,850 | 48,319 |
| Adjusted EBITDA | $130,777 | $129,335 | $521,919 | $510,105 |

# Non-GAAP Reconciliation

(in thousands)

| Adjusted net income | For the Year Ended: December 31, 2014 | December 31, 2013 |
|---|---|---|
| Net (loss) income | $(28,328) | $95,566 |
| Goodwill impairment charge, net of tax | 120,750 | — |
| Adjusted net income | $ 92,422 | $95,566 |

| Adjusted earnings per share | | |
|---|---|---|
| (Loss) earnings per share | $(0.47) | $1.57 |
| Goodwill impairment charge, net of tax | 2.00 | — |
| Adjusted earnings per share | $ 1.53 | $1.57 |

# Non-GAAP Reconciliation

| | For the Quarter Ending March 31, 2015 | | | For the Year Ending December 31, 2015 | | |
|---|---|---|---|---|---|---|
| | | Amount (In millions) | | | Amount (In millions) | |
| Projected GAAP net (loss) income | $ (4) | To | $ 2 | $103 | to | $136 |
| Adjustments: | | | | | | |
| Accretion of environmental liabilities | 3 | to | 3 | 11 | to | 10 |
| Depreciation and amortization | 68 | to | 65 | 275 | to | 265 |
| Interest expense, net | 19 | to | 19 | 76 | to | 76 |
| (Benefit) provision for income taxes | (3) | to | 1 | 65 | to | 83 |
| Projected Adjusted EBITDA | $83 | to | $90 | $530 | to | $570 |