

Fourth-Quarter and Full-Year 2023 Investor Review February 21, 2024



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 impact of the HEPACO acquisition and those items identified as "Risk Factors," disclosed in our periodic filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, which was filed on March 1, 2023. 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, stock-based compensation, 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, 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 net income to Adjusted EBITDA and adjusted net income, a reconciliation of net income per share to adjusted earnings 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 2023 Results

Q4

- Revenue grew 5% to \$1.34B
- GAAP EPS of \$1.81; Adjusted EPS* of \$1.82
- Adjusted EBITDA* up 14% to \$254.9M; Adjusted EBITDA margin was 19.0%, up from 17.5%

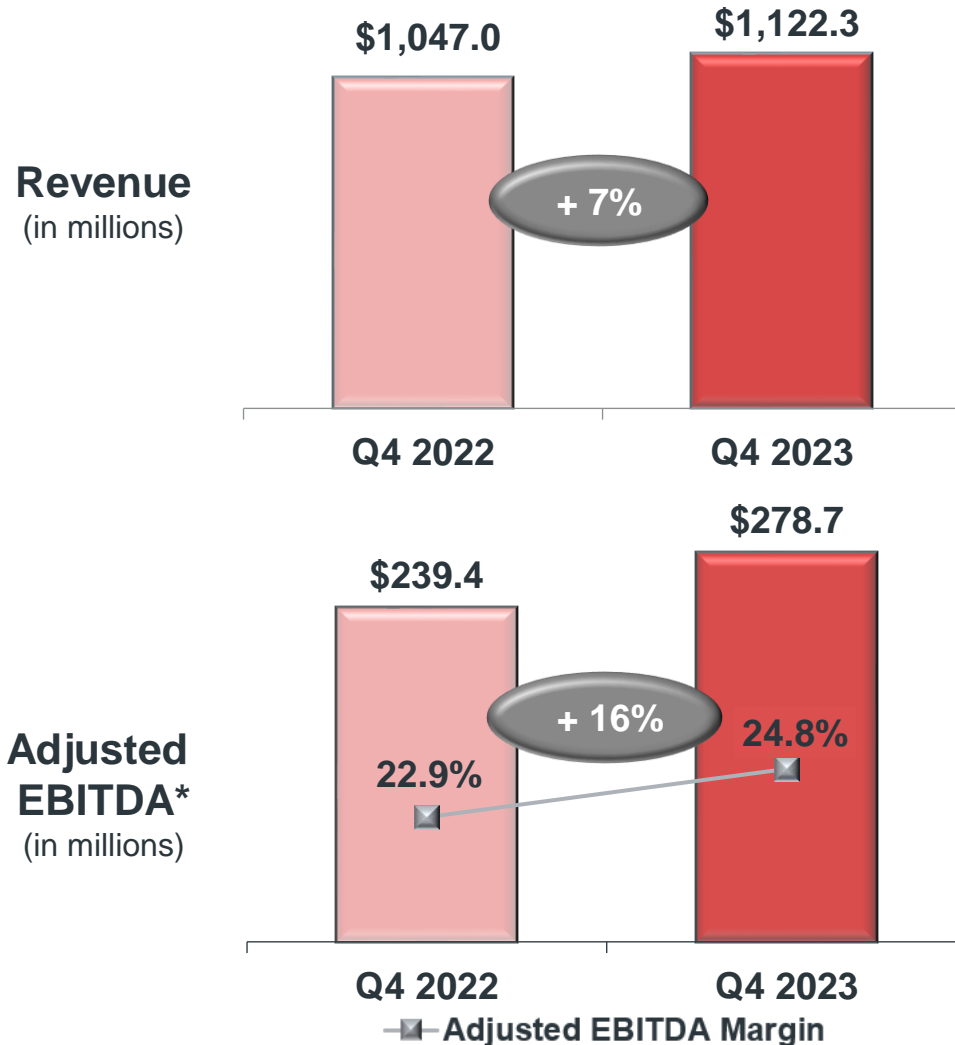
Full-Year 2023

- Revenue grew 5% to \$5.41B
- GAAP EPS of \$6.95; Adjusted EPS* of \$6.99
- Adjusted EBITDA* was \$1,013M; Adjusted EBITDA margin was 18.7%
- Adjusted free cash flow* was \$321.9M
- TRIR of 0.63, far exceeding our annual safety goal of 0.70 or lower

* 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 increase driven by continued growth in services, greater disposal volumes, higher pricing and the addition of Thompson Industrial
- Adjusted EBITDA grew due to higher revenue and improved margins; Margins benefited from pricing, revenue mix, cost reduction programs and productivity gains
- Incinerator utilization was 85% vs. 84% in prior year period; Average price was up 7% from Q4'22 due to a favorable mix and pricing initiatives
- Landfill tonnage was up 24% from prior year; Average price per ton increased 3% on mix and higher project volumes
- No major ER events in Q4 vs. \$1M of Covid work a year ago
- Performed 236K parts washer services, flat with a year ago; SK branch core offerings, particularly containerized waste services, continued to grow

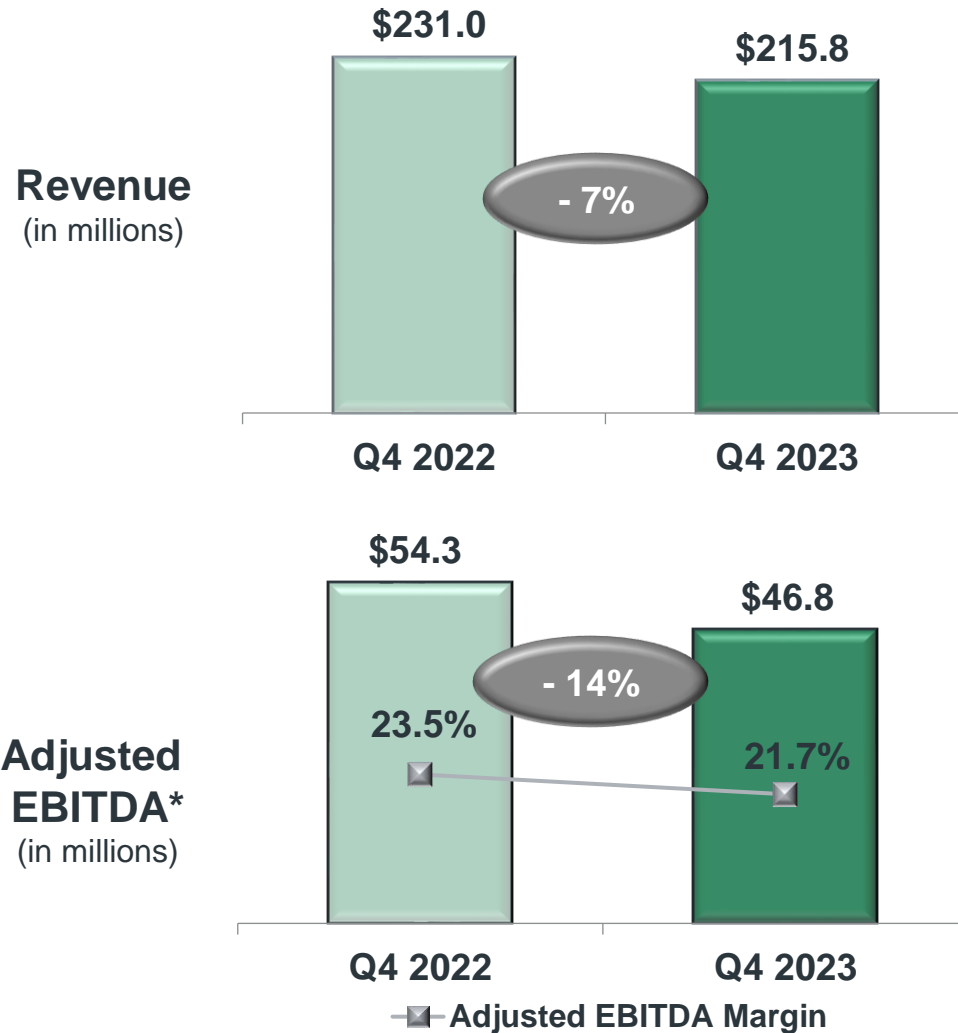
* For a reconciliation of Adjusted EBITDA to net income, please refer to the appendix in this presentation.

Acquisition Overview



- \$400 million all-cash transaction
- ~\$270 million of annual revenue with \$36 million of adjusted EBITDA
- Expect to achieve ~\$20M+ of synergies after first full year of operation
- Post synergy acquisition multiple of 7.1X
- Gain network, resource and market density in Field Services, and more capabilities around railway and transportation responses
- Anticipate strong cultural fit given similar philosophies around safety, compliance and service excellence
- Transaction expected to drive considerable shareholder value

Safety-Kleen Sustainability Solutions



Q4 Performance

- Revenue declined due to YoY base oil pricing, partly offset by increased volumes sold; Market demand and pricing softened more than expected in late 2023
- Adjusted EBITDA and margin decreases are a direct result of lower YoY prices and a narrower spread than a year ago
- Gathered 53 million gallons of waste oil, compared with 57 million gallons in Q4'22; average collection costs were charge for oil (CFO), compared with pay for oil (PFO) in the year ago period
- Blended products sales grew by more than 60% in the quarter, accounting for 23% of total volumes sold compared with 17% a year ago; direct volume was 8% of total in the quarter, flat with prior year level

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

Disciplined Capital Allocation Strategy – Driven by ROIC

**Organic Growth
Investments**

**Share
Repurchases**



**Acquisitions
& Divestitures**

**Debt
Repayment**

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

FINANCIAL OVERVIEW



Q4 and Full-Year 2023 Income Statement

(in millions, except per share data)

	<u>Q4 2023</u>	<u>Q4 2022</u>	<u>2023</u>	<u>2022</u>
Revenues	\$1,338.2	\$1,278.1	\$5,409.2	\$5,166.6
Cost of revenues	\$923.1	\$891.4	\$3,746.1	\$3,543.9
Gross profit	\$415.0	\$386.7	\$1,663.0	\$1,622.7
<i>Gross margin %</i>	<i>31.0%</i>	<i>30.3%</i>	<i>30.7%</i>	<i>31.4%</i>
Selling, general and administrative expenses	\$166.0	\$168.9	\$671.2	\$627.4
<i>SG&A %</i>	<i>12.4%</i>	<i>13.2%</i>	<i>12.4%</i>	<i>12.1%</i>
Depreciation and amortization	\$98.3	\$87.0	\$365.8	\$347.6
Income from operations	\$147.3	\$127.4	\$612.4	\$634.7
Adjusted EBITDA*	\$254.9	\$224.2	\$1,012.6	\$1,022.1
<i>Adjusted EBITDA* margin %</i>	<i>19.0%</i>	<i>17.5%</i>	<i>18.7%</i>	<i>19.8%</i>
Net income	\$98.3	\$82.5	\$377.9	\$411.7
Diluted earnings per share	\$1.81	\$1.52	\$6.95	\$7.56
Adjusted earnings per share*	\$1.82	\$1.44	\$6.99	\$7.15

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

Balance Sheet Highlights

(in millions)

	<u>12/31/23</u>	<u>9/30/23</u>	<u>12/31/22</u>
Cash and short-term marketable securities	\$550.8	\$420.0	\$554.6
Billed and unbilled receivables	\$1,091.0	\$1,141.2	\$1,071.6
Accounts payable	\$451.8	\$415.0	\$446.6
Current and long-term debt	\$2,301.7	\$2,303.0	\$2,424.8
Environmental liabilities	\$229.8	\$231.6	\$235.1

Cash Flow Highlights

(in millions)

	<u>Q4 2023</u>	<u>Q4 2022</u>	<u>2023</u>	<u>2022</u>
Cash from operations	\$278.9	\$268.7	\$734.6	\$626.2
Capital expenditures, net of disposals	(\$105.9)	(\$96.8)	(\$412.7)	(\$336.3)
Adjusted free cash flow*	<u>\$173.0</u>	<u>\$171.8</u>	<u>\$321.9</u>	<u>\$289.9</u>
Share repurchases	\$33.2	\$6.0	\$51.2	\$50.2

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

Guidance (as of February 21, 2024)

Full-Year 2024

(in millions)

Range

Net Income	\$365 to \$415
Adjusted EBITDA*	\$1,050 to \$1,110
Net Cash from Operating Activities	\$730 to \$820
Adjusted Free Cash Flow*	\$340 to \$400

* 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, except percentages)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net income	\$ 98,349	\$ 82,474	\$ 377,856	\$ 411,744
Accretion of environmental liabilities	3,386	3,344	13,667	12,943
Stock-based compensation	5,894	6,469	20,703	26,844
Depreciation and amortization	98,336	87,034	365,761	347,594
Other income, net	(3,148)	(399)	(2,315)	(2,472)
Loss on early extinguishment of debt	518	422	2,880	422
Gain on sale of business	—	—	—	(8,864)
Interest expense, net of interest income	28,195	28,309	108,595	107,663
Provision for income taxes	23,379	16,591	125,423	126,254
Adjusted EBITDA	<u>\$ 254,909</u>	<u>\$ 224,244</u>	<u>\$ 1,012,570</u>	<u>\$ 1,022,128</u>
Adjusted EBITDA Margin	19.0 %	17.5 %	18.7 %	19.8 %

Non-GAAP Results Reconciliation

(in thousands, except per share amounts)

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Adjusted net income				
Net income	\$ 98,349	\$ 82,474	\$ 377,856	\$ 411,744
Loss on early extinguishment of debt	518	422	2,880	422
Gain on sale of business	—	—	—	(8,864)
Tax-related valuation allowances and other*	(133)	(4,354)	(786)	(13,848)
Adjusted net income	<u>\$ 98,734</u>	<u>\$ 78,542</u>	<u>\$ 379,950</u>	<u>\$ 389,454</u>
Adjusted earnings per share				
Earnings per share	\$ 1.81	\$ 1.52	\$ 6.95	\$ 7.56
Loss on early extinguishment of debt	0.01	0.01	0.05	0.01
Gain on sale of business	—	—	—	(0.16)
Tax-related valuation allowances and other*	—	(0.09)	(0.01)	(0.26)
Adjusted earnings per share	<u>\$ 1.82</u>	<u>\$ 1.44</u>	<u>\$ 6.99</u>	<u>\$ 7.15</u>

- For the three and twelve months ended December 31, 2023, other amounts include (\$0.1) million and (\$0.8) million or (\$0.01) per share, respectively, of tax impacts from the loss on early extinguishment of debt. For the three and twelve months ended December 31, 2022, other amounts include (\$0.1) million and \$1.5 million, or \$0.03 per share, of tax impacts from the loss on early extinguishment of debt and gain on sale of business, respectively.

Non-GAAP Results Reconciliation

(in thousands)

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Adjusted free cash flow				
Net cash from operating activities	\$ 278,860	\$ 268,672	\$ 734,552	\$ 626,214
Additions to property, plant and equipment	(110,394)	(100,509)	(422,300)	(345,056)
Proceeds from sale and disposal of fixed assets	4,521	3,661	9,650	8,779
Adjusted free cash flow	<u>\$ 172,987</u>	<u>\$ 171,824</u>	<u>\$ 321,902</u>	<u>\$ 289,937</u>

Non-GAAP Guidance Reconciliation

(in millions)

	For the Year Ending December 31, 2024		
Projected GAAP net income	\$365	to	\$415
Adjustments:			
Accretion of environmental liabilities	15	to	14
Stock-based compensation	27	to	30
Depreciation and amortization	390	to	380
Interest expense, net	120	to	115
Provision for income taxes	133	to	156
Projected Adjusted EBITDA	<u>\$1,050</u>	to	<u>\$1,110</u>

(in millions)

	For the Year Ending December 31, 2024		
Projected net cash from operating activities	\$730	to	\$820
Additions to property, plant and equipment	(400)	to	(430)
Proceeds from sale and disposal of fixed assets	10	to	10
Projected adjusted free cash flow	<u>\$340</u>	to	<u>\$400</u>

Questions





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