

Third-Quarter 2024 Investor Review October 30, 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," "potential" or similar expressions. Such statements may include, but are not limited to, statements about the Company's future financial and operating results, plans, strategy, objectives and goals, cost management initiatives, contingent liabilities, liquidity, business and market conditions, customer demand, acquisitions, growth opportunities, expectations, 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 the date of this presentation only and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, without limitation, 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 February 21, 2024. 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 and adjusted free cash flow, 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 and adjusted free cash flow 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.

Adjusted EBITDA consists of GAAP 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 a reconciliation of net cash from operating activities to adjusted free cash flow, please refer to the appendix of this presentation.

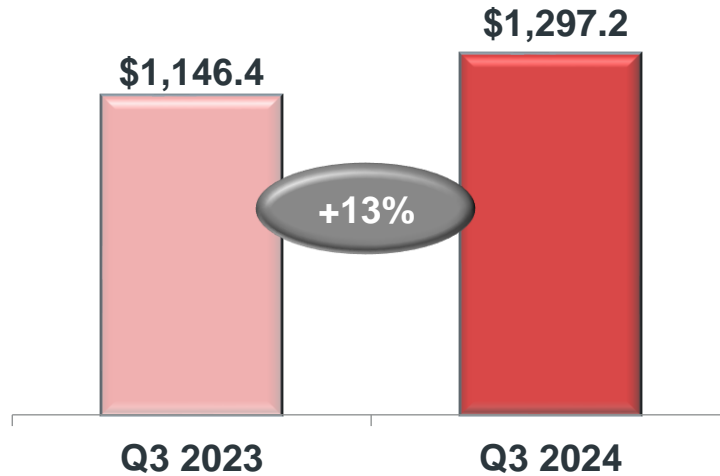
Summary of Q3 Results

- Revenue of \$1.53B, up 12% YoY reflecting growth in both segments and acquisitions
- Net income increased 26% to \$115.2 million or EPS of \$2.12
- Adjusted EBITDA* increased 18% to \$301.8M; Adjusted EBITDA* margin of 19.7%
- Adjusted free cash flow* was \$144.5 million
- Environmental Services segment experienced healthy demand across disposal/recycling network. Services businesses continued to grow, particularly Field Services. Industrial Services had a challenging quarter due to maintenance deferrals
- Safety-Kleen Sustainability Solutions up from a year ago but below expectations as a muted demand environment weakened base oil and lubricant pricing
- Corporate segment expenses were up YoY due to acquisitions, insurance and healthcare costs, partly offset by cost savings

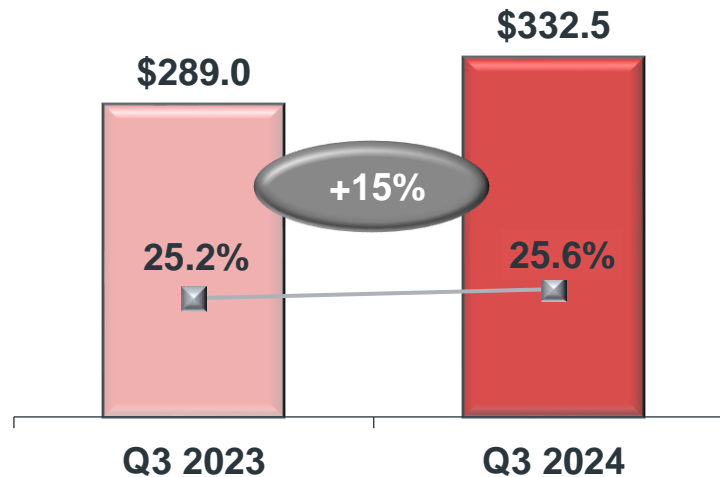
* For a reconciliation of non-GAAP measures to its nearest GAAP equivalent, please refer to the appendix in this presentation.

Environmental Services

Revenue
(in millions)



Adjusted EBITDA*
(in millions)



—■— Adjusted EBITDA Margin

Q3 Performance

- Revenue increased due to HEPACO acquisition combined with steady organic growth driven by higher pricing and incineration volumes
- Adjusted EBITDA increased due to revenue growth and higher margin; Margin up YoY as pricing offset inflation, supported by cost reduction and productivity initiatives
- Margins in this segment increased YoY for the 10th consecutive quarter
- Incinerator utilization was 89% vs. 86% in Q3'23 given strong demand; Average price was up 6% from Q3'23
- Performed 250K parts washer services vs. 243K a year ago; SK branch core offerings, particularly containerized waste services, continued to grow with SK Environmental Services revenue up 8%
- Industrial Services experienced challenges in fall turnaround season, particularly in the refinery space

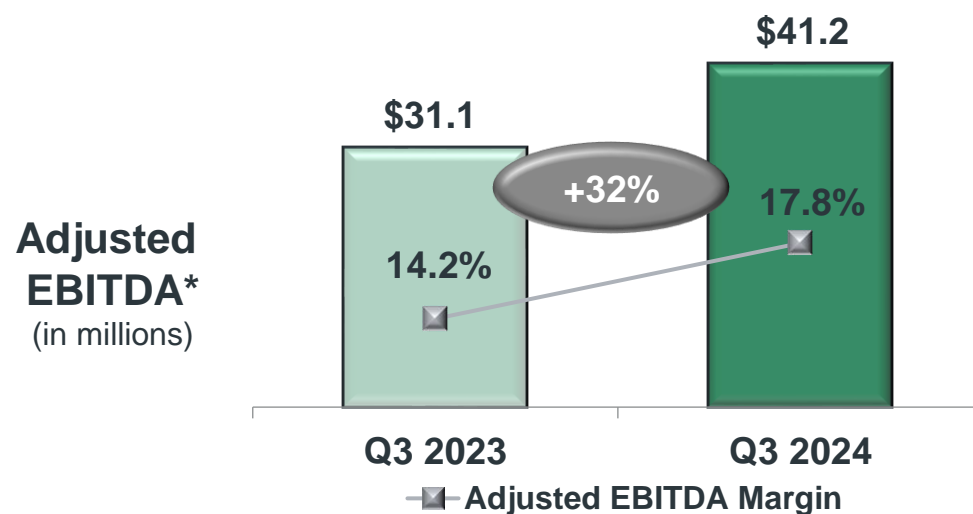
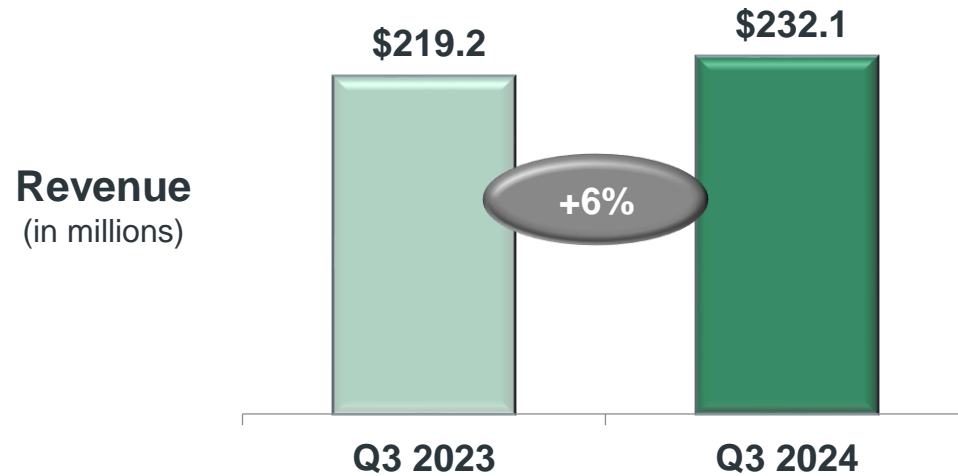
* For a reconciliation of Adjusted EBITDA to net income, please refer to the appendix in this presentation.

Kimball Incinerator – Commercial Launch in November



- 70,000-ton facility expected to begin accepting hazardous waste shortly
- Project completed on time, including feature enhancements
- Will help address logjam in the network as it ramps up over next 12-18 months
- Market dynamics support new capacity; customer interest remains strong

Safety-Kleen Sustainability Solutions



Q3 Performance

- Revenue up YoY, entirely due to addition of Noble Oil. Pricing for base oil slightly higher than prior year but below expectations and YoY volumes were slightly lower
- Adjusted EBITDA reflects increased revenue and higher profitability than a year ago when we suffered plant disruptions/costs. Margins up YoY but down from Q2 due to market conditions
- Gathered 69 million gallons of waste oil compared with 59 million gallons in Q3'23. Average collection costs were a pay for oil (PFO) vs. CFO a year ago
- Blended products sales volume accounted for 21% of total volumes sold, up from 19% in Q2, and consistent with the year ago period
- Castrol continuing the sales rollout of MoreCircular offering

* 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



Q3 Income Statement

(in millions, except per share data)

	Q3 2024	Q3 2023
Revenues	\$1,529.4	\$1,365.7
Cost of revenues	\$1,055.6	\$944.0
Gross profit	\$473.8	\$421.7
<i>Gross margin %</i>	<i>31.0%</i>	<i>30.9%</i>
Selling, general and administrative expenses	\$177.8	\$171.0
<i>SG&A %</i>	<i>11.6%</i>	<i>12.5%</i>
Depreciation and amortization	\$100.1	\$93.0
Income from operations	\$192.3	\$154.4
Adjusted EBITDA*	\$301.8	\$255.0
<i>Adjusted EBITDA* margin %</i>	<i>19.7%</i>	<i>18.7%</i>
Net income	\$115.2	\$91.3
Diluted earnings per share	\$2.12	\$1.68

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

Balance Sheet Highlights

(in millions)

	<u>9/30/24</u>	<u>6/30/24</u>	<u>12/31/23</u>
Cash and short-term marketable securities	\$594.7	\$493.3	\$550.8
Billed and unbilled receivables	\$1,305.0	\$1,277.0	\$1,091.0
Accounts payable	\$504.2	\$447.9	\$451.8
Current and long-term debt	\$2,788.8	\$2,790.9	\$2,301.7
Environmental liabilities	\$230.2	\$230.7	\$229.8

Cash Flow Highlights

(in millions)

Cash from operations

Capital expenditures, net of disposals

Adjusted free cash flow*

Share repurchases

	<u>Q3 2024</u>	<u>Q3 2023</u>
	\$239.2	\$220.1
	(\$94.7)	(\$105.4)
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	\$144.5	\$114.7
	\$20.0	\$10.0

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

Guidance (as of October 30, 2024)

Full-Year 2024

(in millions)

	Range
Net Income	\$375 to \$395
Adjusted EBITDA*	\$1,100 to \$1,120
Net Cash from Operating Activities	\$680 to \$750
Adjusted Free Cash Flow*	\$280 to \$320

* 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)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income	\$ 115,213	\$ 91,340	\$ 318,325	\$ 279,507
Accretion of environmental liabilities	3,618	3,388	10,139	10,281
Stock-based compensation	5,837	4,291	20,690	14,809
Depreciation and amortization	100,063	92,970	295,632	267,425
Other expense (income), net	1,123	(334)	2,431	833
Loss on early extinguishment of debt	—	—	—	2,362
Interest expense, net of interest income	35,779	29,696	100,767	80,400
Provision for income taxes	40,181	33,666	111,741	102,044
Adjusted EBITDA	<u>\$ 301,814</u>	<u>\$ 255,017</u>	<u>\$ 859,725</u>	<u>\$ 757,661</u>
Adjusted EBITDA Margin	19.7 %	18.7 %	19.3 %	18.6 %

Non-GAAP Results Reconciliation

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Adjusted free cash flow				
Net cash from operating activities	\$ 239,239	\$ 220,119	\$ 473,833	\$ 455,692
Additions to property, plant and equipment	(96,803)	(107,608)	(369,826)	(311,906)
Proceeds from sale and disposal of fixed assets	2,058	2,185	6,353	5,129
Adjusted free cash flow	<u>\$ 144,494</u>	<u>\$ 114,696</u>	<u>\$ 110,360</u>	<u>\$ 148,915</u>

Non-GAAP Guidance Reconciliation

(in millions)

	For the Year Ending December 31, 2024		
Projected net income	\$375	to	\$395
Adjustments:			
Accretion of environmental liabilities	15	to	14
Stock-based compensation	27	to	30
Depreciation and amortization	405	to	395
Interest expense, net	145	to	140
Provision for income taxes	133	to	146
Projected Adjusted EBITDA	<u>\$1,100</u>	to	<u>\$1,120</u>

(in millions)

	For the Year Ending December 31, 2024		
Projected net cash from operating activities	\$680	to	\$750
Additions to property, plant and equipment	(410)	to	(440)
Proceeds from sale and disposal of fixed assets	10	to	10
Projected adjusted free cash flow	<u>\$280</u>	to	<u>\$320</u>

Questions





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