



23rd Annual Needham Growth Conference

January 11, 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," in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2020. 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 measurement of Adjusted EBITDA, while defined consistently and in accordance with our existing credit agreement, and our measurements of adjusted free cash flow, adjusted net income (loss) and adjusted earnings (loss) per share 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 non-GAAP measures to its nearest GAAP equivalent, please refer to the Company's quarterly news releases, which are filed on Form 8-K with the Securities and Exchange Commission.

Mission



“Create a Safer, Cleaner Environment Through the Treatment, Recycling and Disposal of Hazardous Materials”

Company Snapshot



- In North America:
 - Largest hazardous waste disposal company
 - Largest collector, recycler and re-refiner of used oil
 - Leading provider of comprehensive environmental and industrial services
- Top 20 largest private motor carriers
- More than 300,000 customers including a majority of the Fortune 500
- More than 14,000 employees
- More than 100 waste management facilities
- More than 450 service locations in the US, Canada, Mexico and Puerto Rico

Business Model

Gather Waste
Perform Services

Transport Waste
and Waste Oil

Transfer, Treat, Recycle
and Re-Refine

Disposal

Environmental Services

Technical
Services

Industrial
Services

Field
Services

Safety-Kleen



Broad Asset Infrastructure

- **More than 100 Waste Management Facilities**

- 9 Incinerators
- 10 Landfill Sites
- 18 Treatment, Storage & Disposal Facilities (TSDFs)
- 8 Solvent Recycling Facilities
- 9 Wastewater Treatment Operations
- 9 Oil Accumulation Centers
- 7 Re-refineries

- **More than 10,000 Company Vehicles**



Expansive Service Network



Market Diversification – Top 10 Industries Served

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Manufacturing	16%	17%	16%
Chemical	13%	14%	14%
Refineries	9%	8%	9%
Automotive Service/Repair	8%	7%	8%
Base and Blended Oils	8%	8%	7%
Government	7%	6%	6%
Utilities	5%	5%	5%
Transportation	4%	4%	4%
Oil & Gas	4%	4%	4%
Engineering & Consulting	3%	3%	4%
Other Industries	23%	24%	23%

REPORTING SEGMENTS



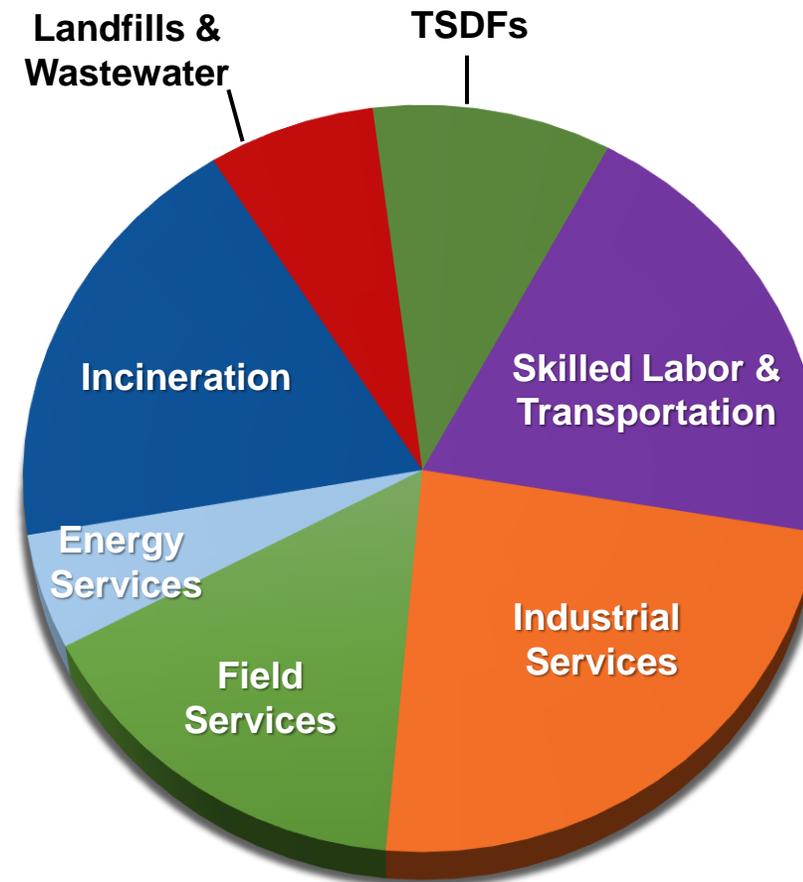
Environmental Services

Business Drivers

- GDP and industrial output
- Regulation and compliance
- Captive incinerator market
- Demand for turnarounds
- Emergency Response events
- Cross-selling with Safety-Kleen

Key Metrics

- Incineration utilization
- Landfill volumes



**Annual Revenue
~\$2.1 Billion**

Chemical Manufacturing Renaissance Aligns with Our Gulf Network of Locations



- In past decade, 334 U.S. chemical manufacturing projects – cumulatively valued at \$204 billion – have been announced*
- 53% of that total have been completed or under construction to date*
- High concentration of those facilities are located in the Gulf region (representative examples on map)**

*American Chemistry Council May 2019

**Plant expansion locations from variety of sources

COVID-19 Response Work

- First-mover advantage; capitalized on existing ER reputation
- Generated \$29 million in Q3; \$90M YTD
- More than 12,000 responses as of today; opening doors to new customer relationships
- Varied locations: retail stores, offices, hospitals, warehouses, manufacturing plants, schools, transportation hubs, apartment buildings and sports stadiums
- Expect work to subside over time but continue through the vaccination stage



Safety-Kleen

Business Drivers

- Placement of more parts washers
- Regulation and compliance
- Crude oil pricing
- Base oil market demand
- Closed loop offering - OilPlus®

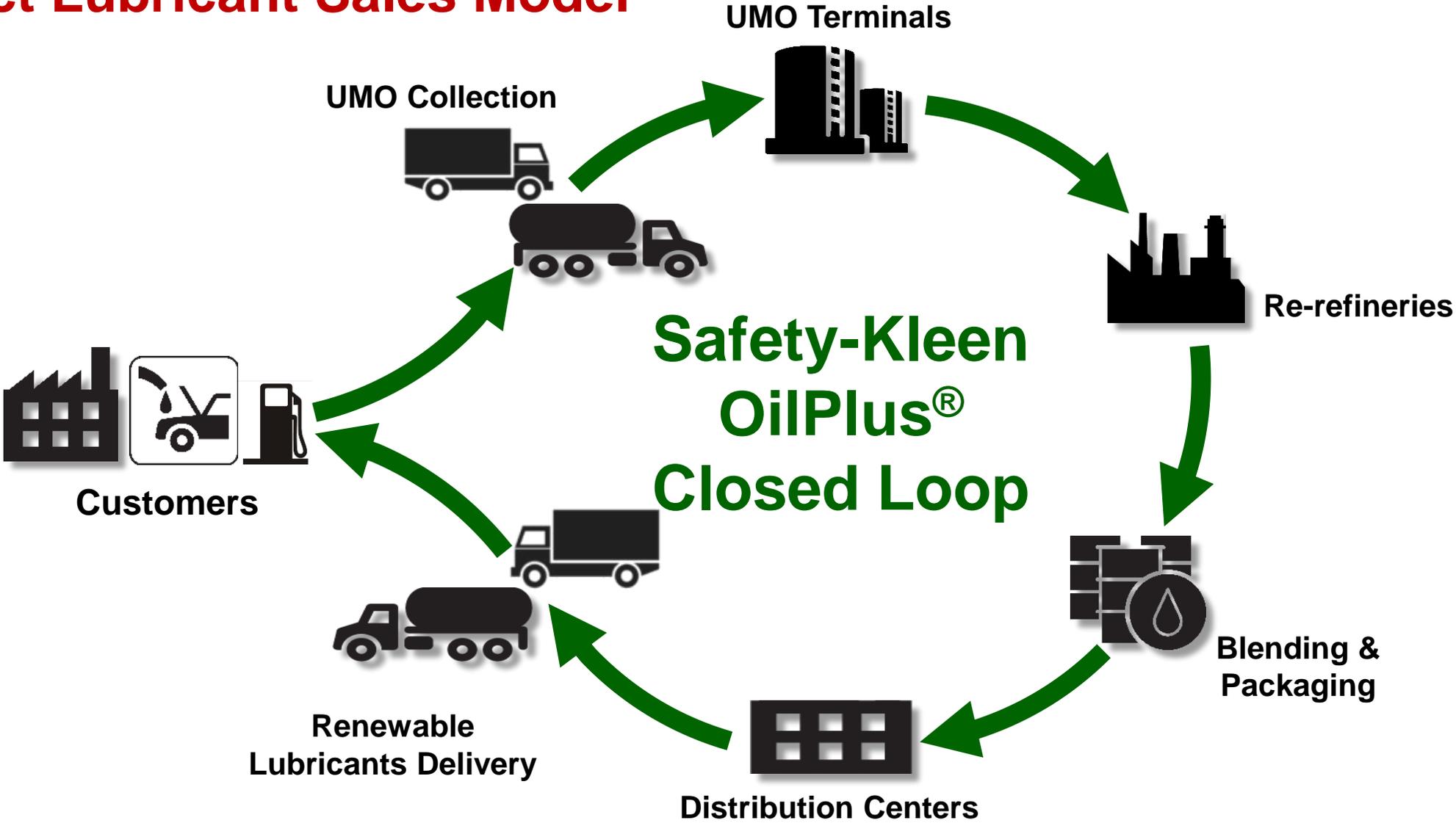
Key Metrics

- Average UMO price
- Waste oil volume collected
- Number of parts washers services
- % of blended sales and direct volumes



**Annual Revenue
~\$1.2 Billion**

Direct Lubricant Sales Model



Sustainability at Clean Harbors

- We have a great sustainability story at Clean Harbors
- First-ever sustainability report to be issued in coming months
- Demand from our customers for more sustainable and “green” solutions is rapidly growing, especially among government and public entities
- Potential financial benefits beyond increased sales include cost savings, increased recycling and other areas such as potential carbon credits

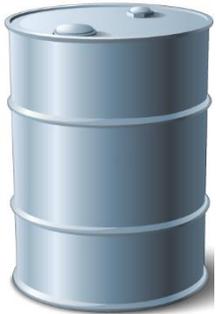
Sustainability – Facts and Figures



~3.5 billion gallons of used oil recycled at our re-refineries in our history



100+ total vehicles refurbished in our four locations annually with **80%** recycled parts



~1 million parts washer services annually with used solvents and aqueous solutions



6,000+ responses annually for customers chemical releases into the environment



~10 million metric tons of CO₂ emissions avoided with CFC destruction at our incinerators



~45 million pounds of used paint collected and recycled annually



CORPORATE STRATEGY

Growth Strategies



Expand Offerings and Geographic Coverage



Execute Cost, Pricing and Productivity Initiatives



Pursue Acquisitions and Divestitures



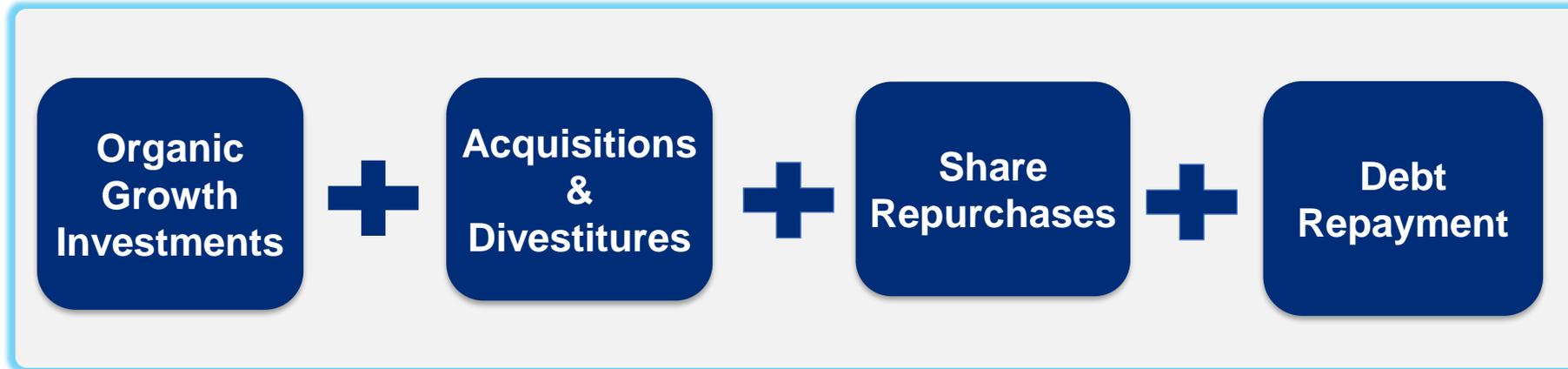
Add Network Capacity



Cross-Sell Across the Businesses

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

Summary of Q3 Results

- Revenue of \$779.3M – in line with expectations and down YoY reflecting pandemic
- GAAP EPS of \$0.99 and Adjusted EPS of \$0.90
- Adjusted EBITDA* was \$161.2M, including \$13.3 million from government pandemic relief programs; Adjusted EBITDA margin climbed 310 bps to 20.7%
- Adjusted free cash flow was a record \$123.5 million
- Environmental Services segment benefited from decontamination work and recovery in multiple service businesses, supported by substantial cost and productivity initiatives
- Safety-Kleen segment delivered significant sequential improvement as both branch business and re-refining rebounded steadily from Q2
- Corporate segment flat sequentially and up slightly YoY as lower incentive comp and cost savings offset increased employee benefits, change in environmental liabilities and bad debt

* For a reconciliation of non-GAAP measures to its nearest GAAP equivalent, please refer to the company's third-quarter news release dated November 4, 2020.

Balance Sheet Highlights

	<u>9/30/20</u>	<u>12/31/19</u>
Cash and securities	\$532.3M	\$414.4M
Billed & unbilled receivables	\$661.5M	\$701.1M
Inventories and supplies	\$220.9M	\$214.7M
Current and long-term debt obligations	\$1,558M	\$1,562M
Accounts payable	\$213.8M	\$298.4M
Environmental liabilities	\$199.8M	\$189.8M

Historical Adjusted Free Cash Flow

<i>(USD \$ in millions)</i>	2016	2017	2018	2019	TTM 9/30/20
Cash Flow from Operations	\$259.6	\$285.7	\$373.2	\$413.2	\$445.9
Capital Expenditures, net of disposals	(198.6)	(159.9)	(177.9)	(204.7)	(182.1)
Purchase and capital improvement of corporate headquarters					21.1
Tax liability on sale of business		\$14.4			
Adjusted Free Cash Flow	\$61.0	\$140.2	\$195.3	\$208.5	\$284.9
Sale of Businesses	\$47.1	\$45.4		\$4.7	\$12.4

QUESTIONS?

