

Needham Advanced Industrial Tech 1-1 Conference

August 9, 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 related to the proposed Vertex and HydroChemPSC transactions, and those items identified as "Risk Factors," disclosed in our periodic filings with the Securities and Exchange Commission (SEC). 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, 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 company's quarterly earnings releases, which are available on its investor relations website and filed with the SEC.

Our Mission is Based in Sustainability

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



Reasons to Invest in CLH

- Market Leader with High Barriers to Entry
- Growth Potential Beyond GDP
- Margin Improvement Story/Strong Free Cash Flows
- Sustainability and ESG Profile
- Highly Resilient Business

North America's Environmental and Industrial Services Leader

- Largest hazardous waste disposal company
- Largest collector, recycler and re-refiner of used oil
- Owns more than 500 hard to replicate permits
- 100+ waste management facilities
- More than one million waste profiles
- Top 30 largest private motor carrier
- 300,000+ customers
- 14,000+ employees
- 450+ service locations



Sustainable Business Model – Led by Two Powerful Brands



Safety-Kleen Sustainability Solutions



- 1 Gather Waste Perform Services
- 2 Transport Waste & Waste Oil
- 3 Transfer, Treat, Recycle & Re-Refine
- 4 Disposal

Maintains Unmatched Network of Locations

- **100+ Waste Management Facilities**

- 9 Incinerators
- 9 Landfills
- 27 Treatment Storage Disposal Facilities (TSDFs)
- 8 Solvent Recycling Plants
- 9 Wastewater Treatment Operations
- 7 Re-refineries

- **10,000+ Company Vehicles**

- **450+ Service Locations**

- Increasing co-locations between Clean Harbors and Safety-Kleen branches



Targets Large Market Opportunities

Hazardous Waste Management: \$11 Billion

- Technical Services and SK Branch Services
- Transportation, Treatment and Storage
- Recycling and Disposal

Remediation & Industrial Services: \$14 Billion

- Remediation Services and Waste Projects
- Industrial Services
- Field Services and Emergency Response

U.S. Lubricants Industry \$15 Billion

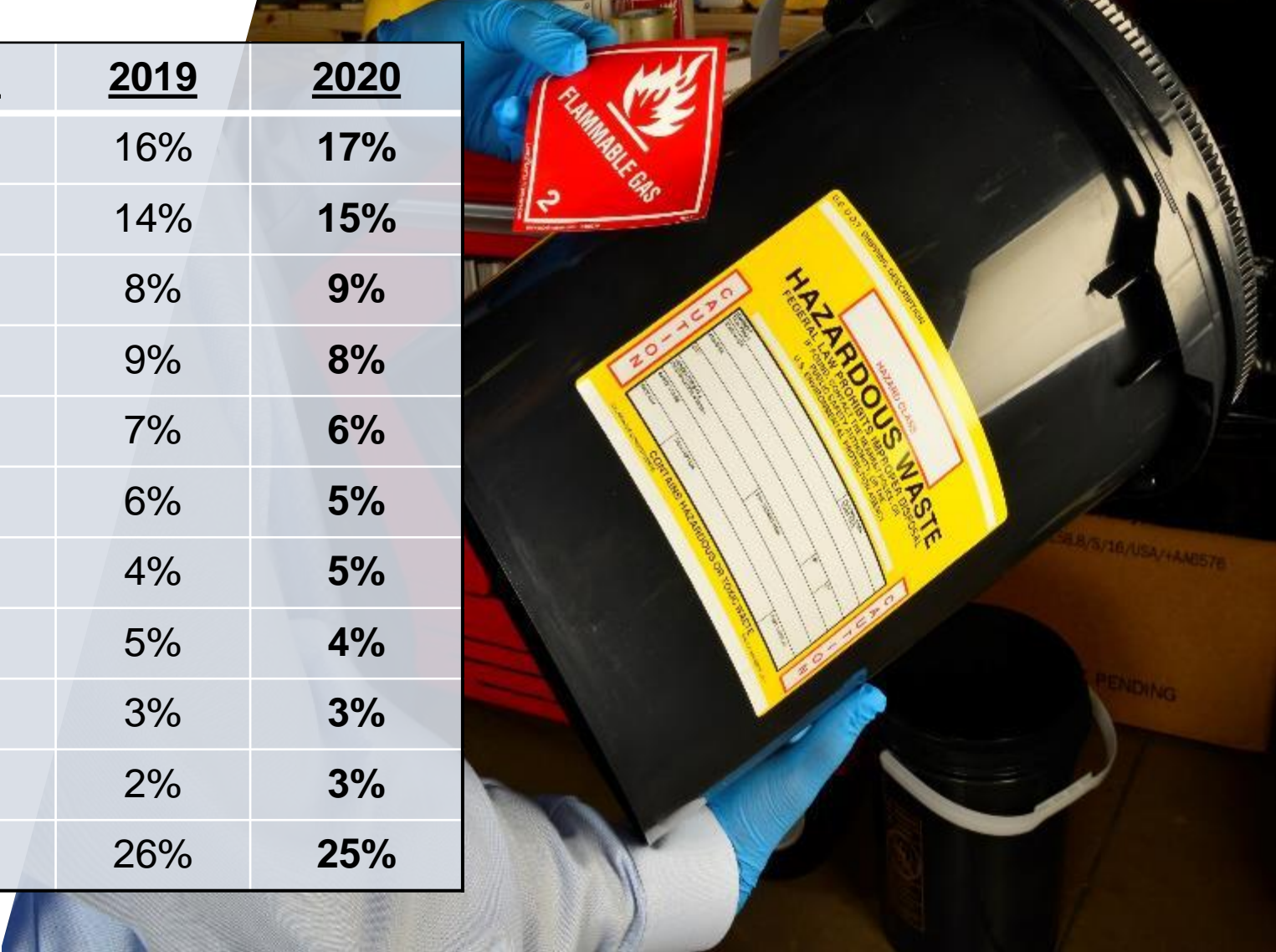
- Engine Oils
- Transmission and Hydraulic Fluids

Sources: Environmental Business Journal and MarketResearch.com



Limits Downside Risk Through Diversification

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Manufacturing	17%	16%	17%
Chemical	14%	14%	15%
Automotive Service/Repair	7%	8%	9%
Refineries	8%	9%	8%
Base and Blended Oils	8%	7%	6%
Government	6%	6%	5%
Transportation	4%	4%	5%
Utilities	5%	5%	4%
Construction	3%	3%	3%
Retail	2%	2%	3%
Other Industries	26%	26%	25%



REPORTING SEGMENTS



Environmental Services Segment

- ~\$2.6 billion in 2020 revenue; \$2.8 billion in 2019
- Multiple service businesses supporting network of disposal and recycling assets
- Turnkey solutions for customers
- Environmental/sustainability partner

Growth Drivers

- GDP and industrial production
- Regulation and compliance
- Demand for turnarounds
- Vehicle miles traveled
- Emergency Response events



COVID-19 Response Work Reflects Resiliency

- First-mover advantage; capitalized on existing ER reputation
- Generated \$40 million in 1H 2021; \$120M in 2020
- More than 18,000 responses as of today; opening doors to customer relationships
- Varied locations: retail stores, offices, hospitals, warehouses, manufacturing plants, schools, transport hubs, apartment buildings and sports stadiums
- Minimal expectation for second half of the year



Incineration Network Expansion – Kimball, NE

- Plan to add 70,000-ton state-of-the-art incinerator to Kimball facility
- Kiln modeled after our El Dorado plant and will meet/exceed all state and federal emissions control standards
- Permitting process has begun on \$180 million project
- Excellent relationship with local community; 100 additional permanent jobs expected
- Target is to have new plant operational in late 2024 and accepting hazardous waste in the first half of 2025
- Market dynamics will support new capacity

Incineration Network Expansion – Kimball, NE



Safety-Kleen Sustainability Solutions Segment

- ~\$500 million in 2020 revenue; ~\$600M in 2019
- Carefully managed re-refinery spread business
- Focused on providing most environmentally friendly products to customers
- Closed loop offerings including lubricants, oil filters and antifreeze

Growth Drivers

- Base oil market/lubricant demand
- Regulation and compliance
- Vehicle miles driven
- Waste oil gallons collected
- Industrial production



Direct Lubricant Sales Model



Sustainability is Core to Clean Harbors

- First-ever ESG report issued in early 2021
- Demand from customers for “green” solutions is growing
- Potential financial benefits beyond increased sales include cost savings, increased recycling and other areas
- Meaningful improvement in ESG ratings



ESG Report Demonstrates Progress and Leadership





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**

HydroChemPSC – Transaction Overview

- Valued at \$1.25 billion in all-cash transaction
- Plan to fund through combination of existing cash and newly issued debt
- HPC forecasting \$744M of revenue and \$115M of Adjusted EBITDA in 2021
- Expect to achieve \$40M+ of synergies after first full year of operation
- Paying 8.1X on a post-synergized basis
- 240+ service locations, 5,000+ employees, 5,600+ vehicles and 1,000+ customers
- Anticipate close in 2021
- Expect this transaction to drive considerable value to shareholders, customers and employees

HydroChemPSC – Key Strategic Benefits

- Gain significant size, scale and capabilities in IS and FS businesses
- Increase focus on higher margin Industrial Services (IS) offerings
- Expand Field Services (FS) business with strength in utility vertical
- Leverage material synergy and efficiency opportunities across multiple areas
- Improve IS safety profile through more automation and technology
- Acquire a talented and experienced leadership team
- Generate significant cross-selling through waste disposal and ER

– Transaction Overview & Rationale

- Acquire certain assets related to Vertex Energy’s used motor oil collection and re-refinery business in a \$140 million all-cash transaction
- Assets expected to generate more than \$100 million in annual revenue and at least \$15 million in Adjusted EBITDA
- Add annual production capacity of approximately 90 million gallons; provides first re-refinery for company in Gulf region
- Strengthen waste oil collection capabilities in seven states, particularly in the Midwest and Gulf regions
- Generate cross-selling opportunities with Environmental Services segment
- Anticipate close in 2021

Capital Allocation Strategy – Driven by ROIC



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

FINANCIAL OVERVIEW

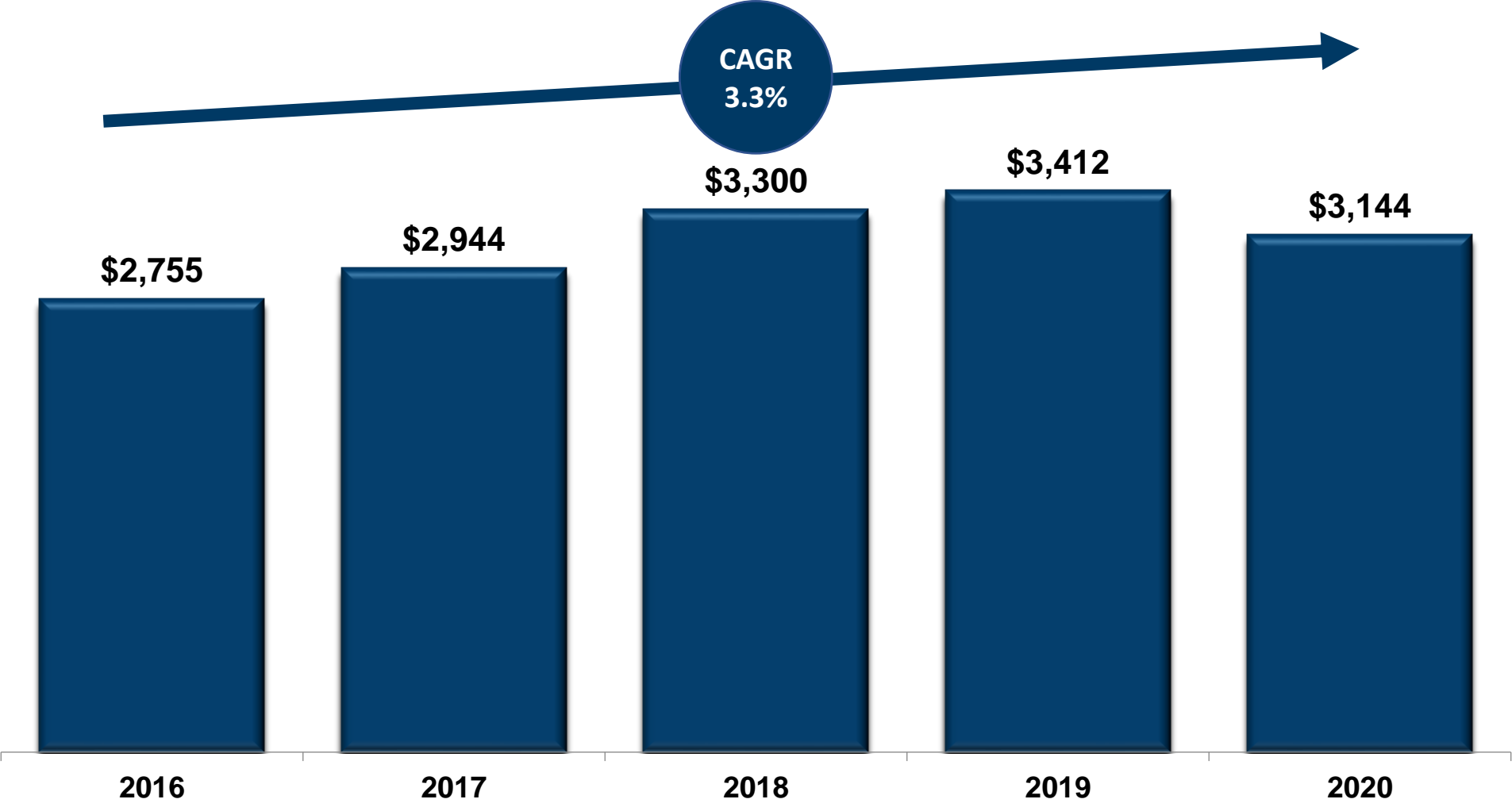


Summary of Q2 Results

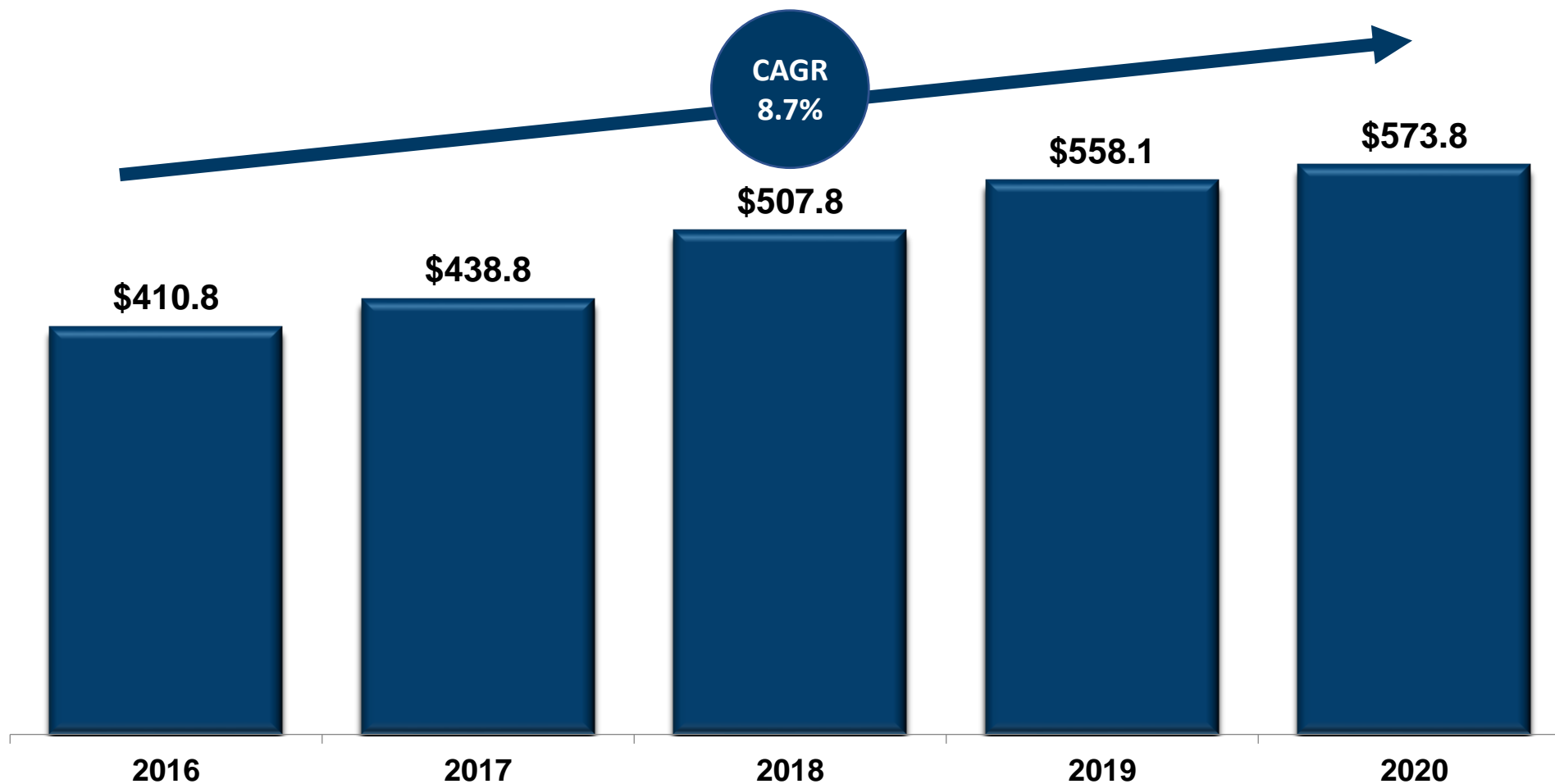
- Revenue of \$926.5M, a 30% increase YoY; up 15% sequentially from Q1
- Net income of \$67.1 million or EPS of \$1.22 and Adjusted EPS of \$1.19
- Adjusted EBITDA* increased 36% to \$187.8M, including \$5.2M from government pandemic relief programs; Adjusted EBITDA margin climbed 80 bps to 20.3%
- Adjusted free cash flow was \$114.6 million compared with \$98.1 million in Q2'20
- Environmental Services segment benefited from continued high-value waste streams and service business recovery, supported by productivity gains and cost measures
- Safety-Kleen Sustainability Solutions segment grew revenue and profitability substantially due to wider re-refining spread driven by market conditions and YoY increases in volume
- Corporate segment increased YoY due to higher incentive comp, insurance and other areas such as professional fees and investments in information technology and cybersecurity

* For a reconciliation of Adjusted EBITDA to net income, please refer to the Company's Annual Report on Form 10-K and Form 10-Qs filed with the Securities and Exchange Commission.

Five-Year Revenue Performance

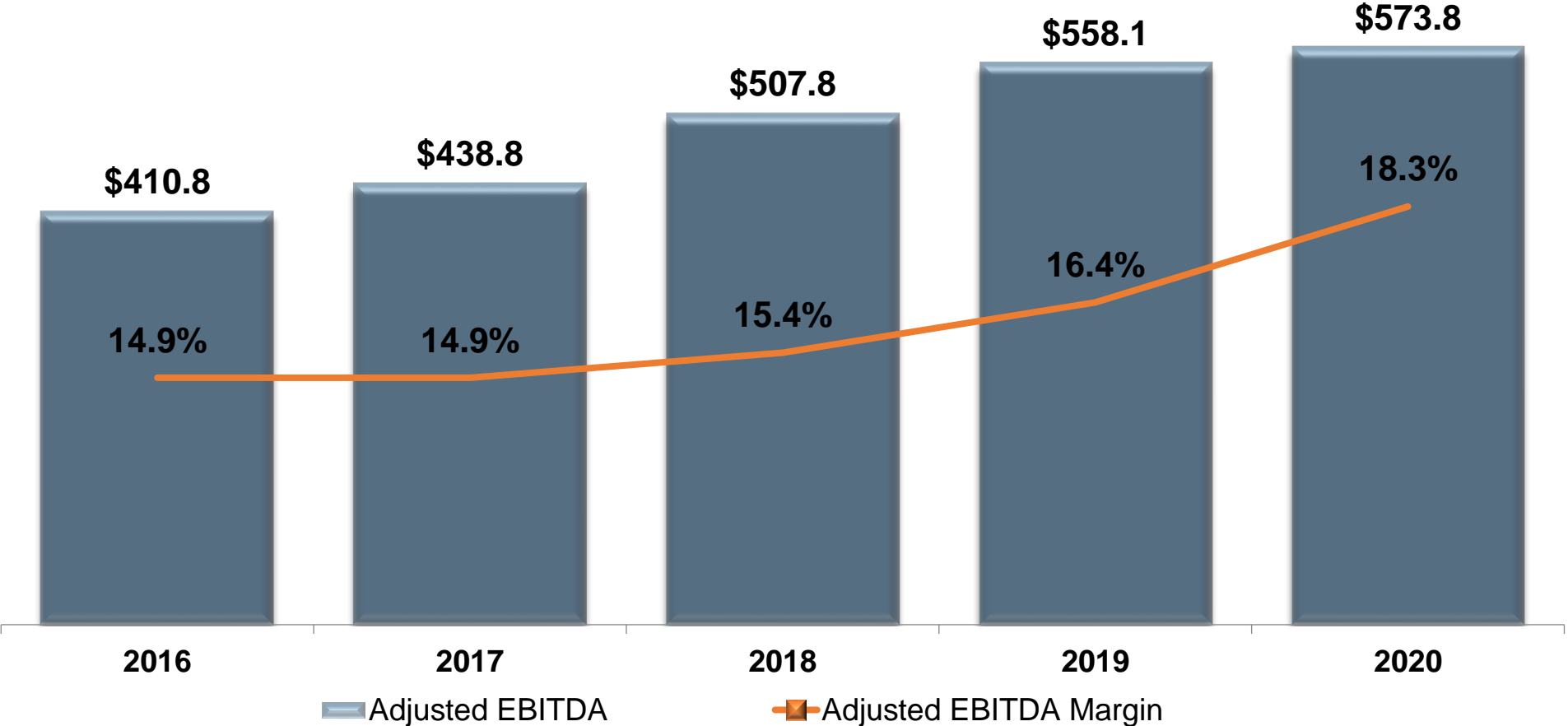


Five-Year EBITDA Performance



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Five-Year Margin Performance



* For a reconciliation of Adjusted EBITDA to net income, please refer to the Company's Annual Report on Form 10-K and Form 10-Qs filed with the Securities and Exchange Commission.

Balance Sheet Highlights

	6/30/21	12/31/20
Cash and securities	\$666.3M	\$571.0M
Billed & unbilled receivables	\$718.8M	\$667.2M
Inventories and supplies	\$215.7M	\$220.5M
Current and long-term debt	\$1,555M	\$1,557M
Accounts payable	\$249.2M	\$195.9M
Environmental liabilities	\$205.9M	\$202.7M

Historical Adjusted Free Cash Flow

<i>(USD \$ in millions)</i>	2017	2018	2019	2020	TTM 06/30/21
Cash Flow from Operations	\$285.7	\$373.2	\$413.2	\$430.6	\$522.5
Capital Expenditures, net of disposals	(159.9)	(177.9)	(204.7)	(186.6)	(\$152.5)
Purchase and capital improvements of corporate headquarters				21.1	
Tax liability on sale of business	\$14.4				
Adjusted Free Cash Flow	\$140.2	\$195.3	\$208.5	\$265.0	\$370.0

QUESTIONS?





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