

CleanHarbors
TECHNICAL SERVICES

Kleen
PERFORMANCE PRODUCTS
OIL PRODUCTS



CleanHarbors
OIL, GAS AND
LOGGING SERVICES

safety-kleen
ENVIRONMENTAL
SERVICES

CleanHarbors
INDUSTRIAL AND
FIELD SERVICES

**37th Annual Raymond James
Institutional Investors Conference
March 7, 2016**

CleanHarbors

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:

EBITDA, adjusted EBITDA and adjusted net income as presented in these slides, are supplemental measures of our performance, and net debt, as presented in these slides, is a supplemental measure of our financial position. In each case, these measures are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). EBITDA, adjusted EBITDA and adjusted net income are not measurements 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.

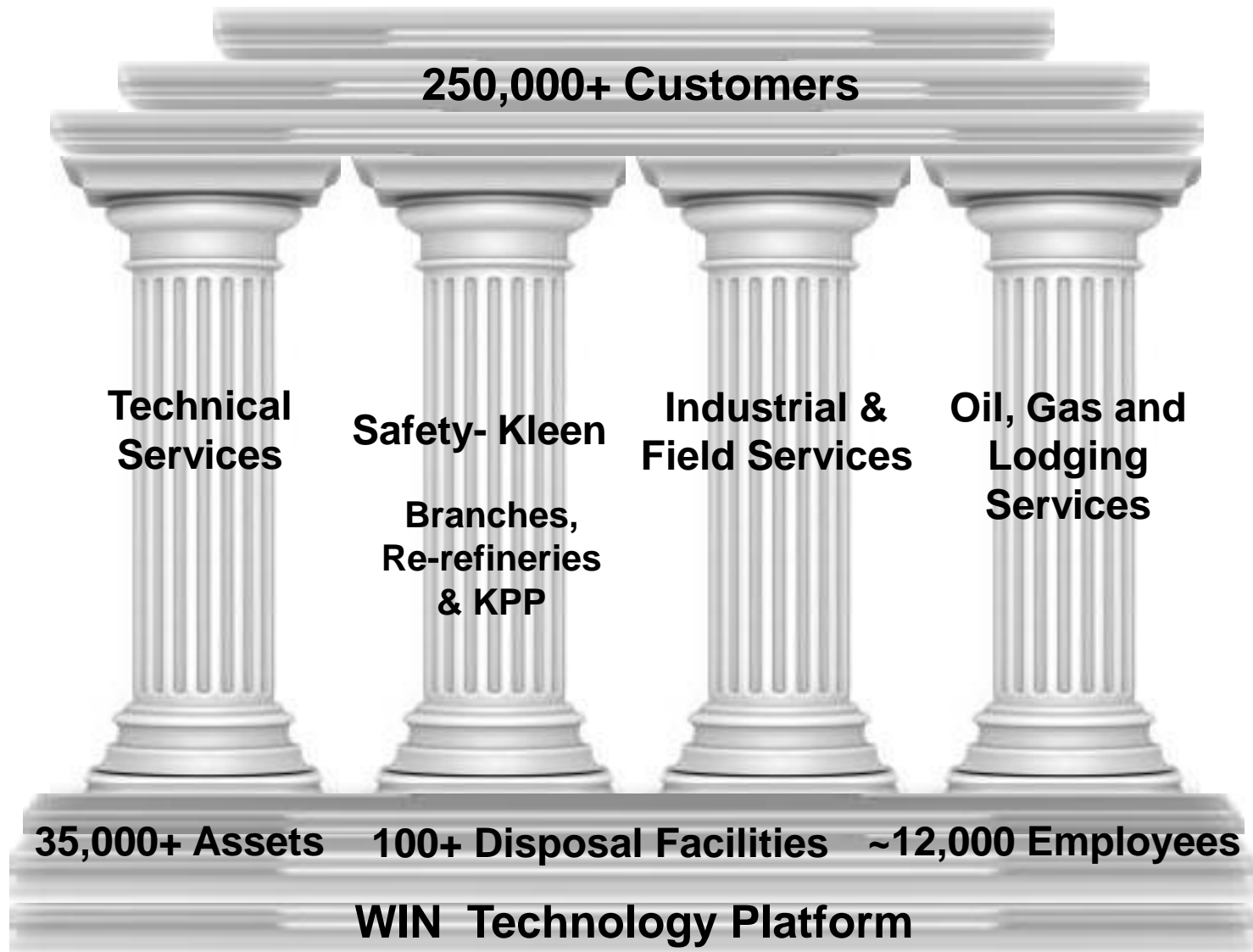
EBITDA consists of net income plus accretion of environmental liabilities, depreciation, amortization, net interest expense, provision for income taxes, and other non-recurring items including impairment of long-lived assets and refinancing-related expenses. We also exclude gain (loss) on sale of fixed assets, and other income as these amounts are not considered as part of usual business operations. Our management considers EBITDA and adjusted EBITDA to be measurements of performance which provide useful information to both management and investors. Because EBITDA is not calculated identically by all companies, our measurement of 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 EBITDA to net income, please refer to the Company’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

Clean Harbors Mission

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

Company Snapshot



Our Business Model

**Gather Waste
Perform Services**

**Transport
Waste**

**Transfer, Treat
& Recycle**

Disposal

Technical
Services

Safety-Kleen

Industrial &
Field Services

Lodging

Oil & Gas
Field Services



Technical Services



**Collect &
Package**

**Transport
Waste**

**Transfer, Treat
& Recycle**

Disposal

**Customer
Sites**

Projects

**Ongoing
Maintenance**

**Other
Segments**



Technical Services

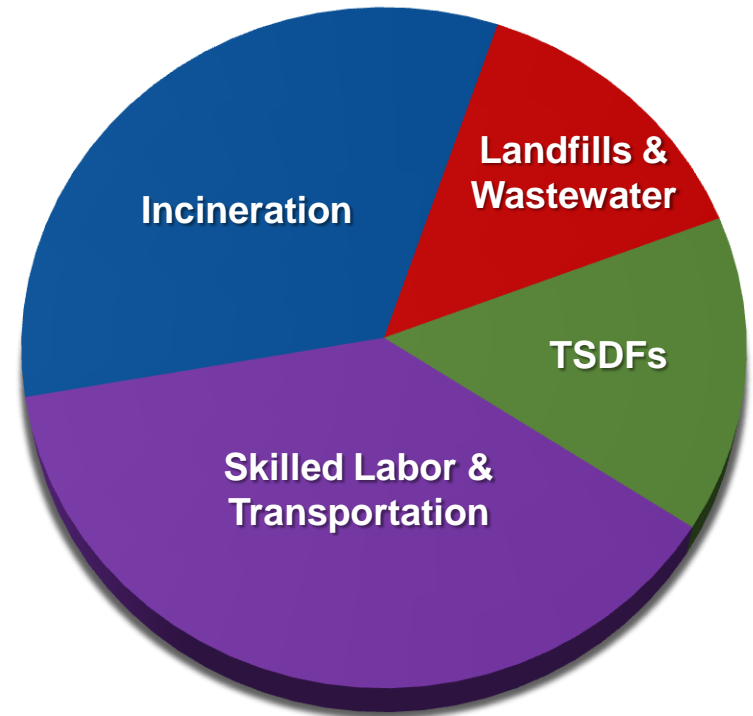


Business Drivers

- GDP and industrial output
- Regulation and compliance (Federal/state/local)
- Captive incinerator market
- Tight industry supply
- Cross-selling between segments

Key Metrics

- Incineration utilization
- Landfill volumes



**Annual Revenue
~\$1 Billion**

SK Environmental Services



**Gather Materials
Perform Services**

**Transport
Materials**

**Terminals, Solvent Plants
& Recycling Centers**

**Treatment &
Disposal**

**Waste Oil
Collection**



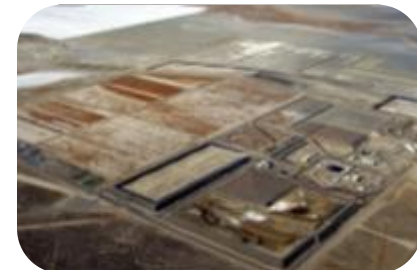
**Containerized
Waste Services**



**Parts Washer
Services**



**Vacuum
Services**



**Retail Product
Sales**

SK Environmental Services



Business Drivers

- Increased sales of containerized waste
- Additional branch locations
- Placement of more parts washers
- Cross-sell between segments

Key Metrics

- Number of parts washers services
 - Targeting 1 million in 2016



**Annual Revenue
~\$700 Million**

Safety-Kleen Used Motor Oil and Re-Refining



**Collect
Waste Oil**

Transport Waste Oil

Oil Terminals

**Re-refinery
Network**

**Automotive
Customers**

**Ind./Comm.
Customers**

**Additional
Sources**

Clean Harbors



Safety-Kleen Used Motor Oil and Re-Refining



Business Drivers

- Re-refining utilization
- New sources of waste oil collection
- Crude oil and base oil markets
- RFO market pricing
- DIY placements
- Oil filter bin placements



Key Metrics

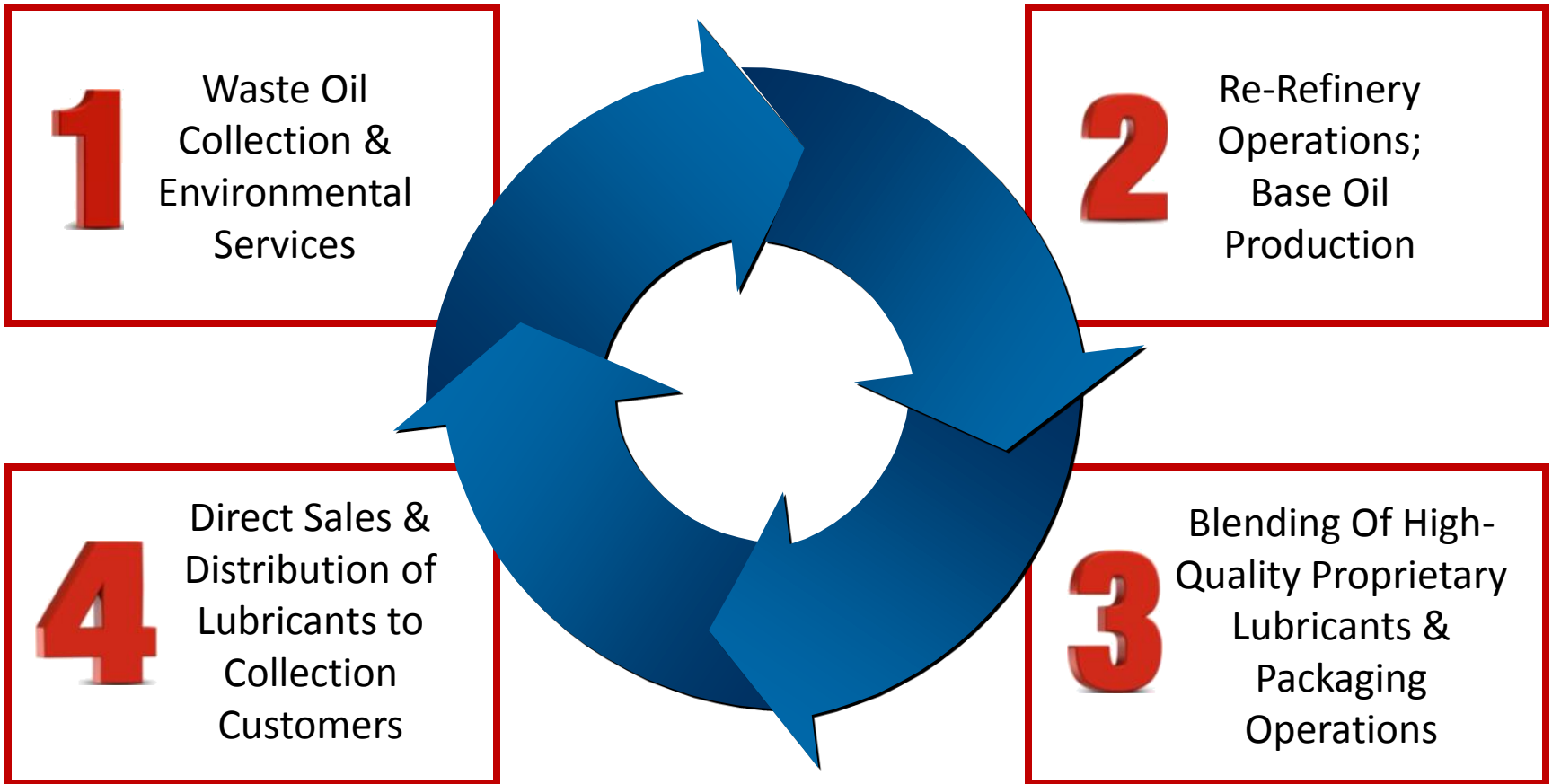
- Average UMO price
- Waste oil volume collected



Vision for Safety-Kleen



Offering a Closed Loop Sustainable Solution to All Customers



Kleen Performance Products

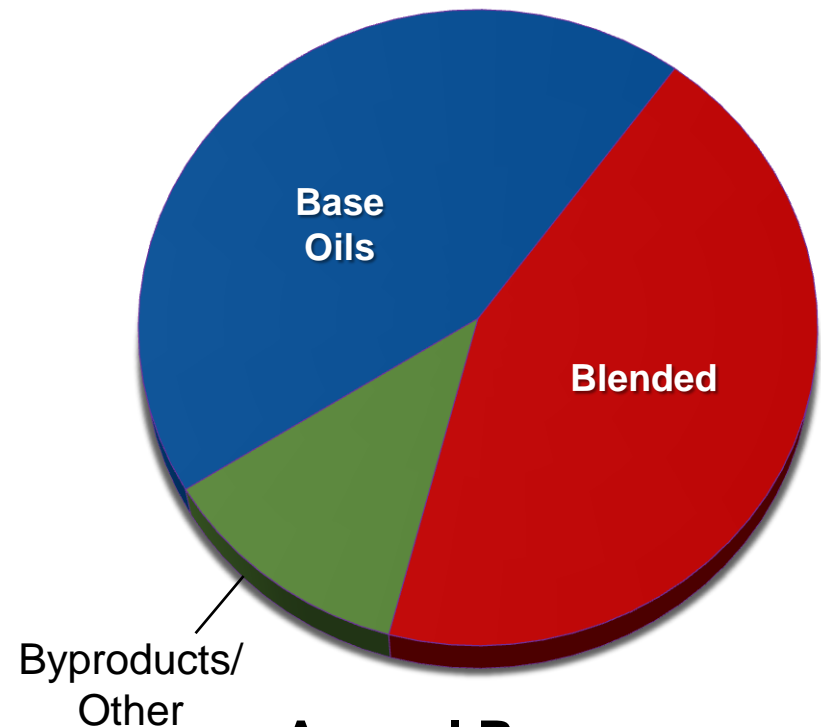


Business Drivers

- Direct Sale to SK UMO Customers
- Base oil market demand
- Blending capabilities
- Demand for recycled products

Key Metrics

- % of blended product sales



**Annual Revenue
~\$300 Million**

Industrial and Field Services



Provide Services

Dispatch People & Equipment

Perform Maintenance, Cleaning & Recycling

Transport & Disposal

Field Services

Emergency Response Events

Industrial Services

Oil Sands



Industrial and Field Services

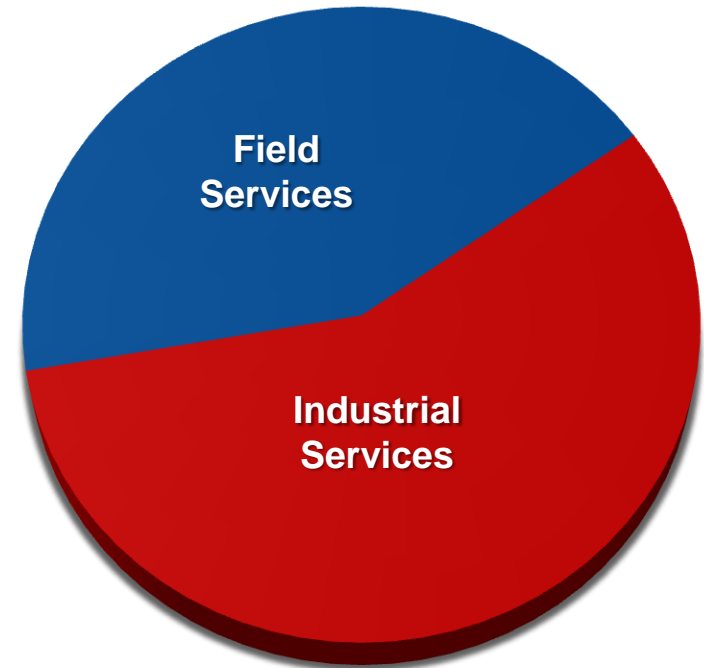


Business Drivers

- Strong safety results
- Demand for Turnarounds
- Petrochem/refinery production increases
- National ER reputation
- Cross-sell opportunities between segments

Key Metrics

- Personnel and equipment utilization
- Emergency response events



**Annual Revenue
~\$600 Million**

Industrial and Field Services



Emergency Response

- Large-scale ER events have totaled more than a half billion in revenue since 2010
 - Gulf Oil Spill
 - Michigan River Spill
 - Yellowstone River Spill
 - Additional pipeline breaks, train incidents and chemical releases
 - Hurricane Sandy
 - Avian Flu
 - Santa Barbara Spill
- ER events are more than “one-time” in nature
 - Follow-on work with customers
 - Geographic presence in affected region
 - Residual work and awareness with sub-contractor network

Oil and Gas Field Services



Perform Services

Treat & Recycle Waste

Transport Waste

Disposal

Seismic/
Right-of-Way
Services



Surface
Rentals



Production
Services



Transport
Services



Oil and Gas Field Services

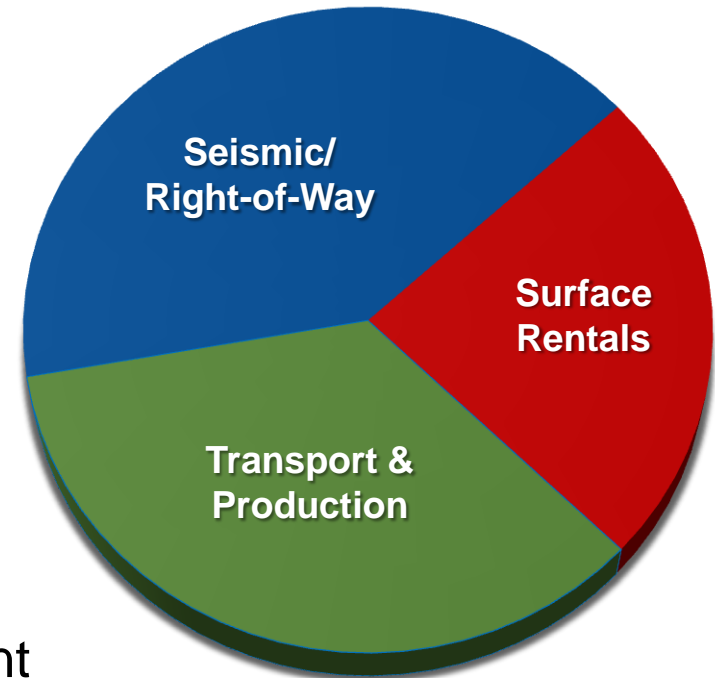


Business Drivers

- Energy prices
- Well counts, footage drilled and rig count
- Oil/gas basins (unconventional plays)
- Service intensity
- Cross-sell opportunities between segments

Key Metrics

- Utilization of personnel and key equipment
- Average number of rigs being serviced



**Annual Revenue
~\$150 Million**

Lodging Services

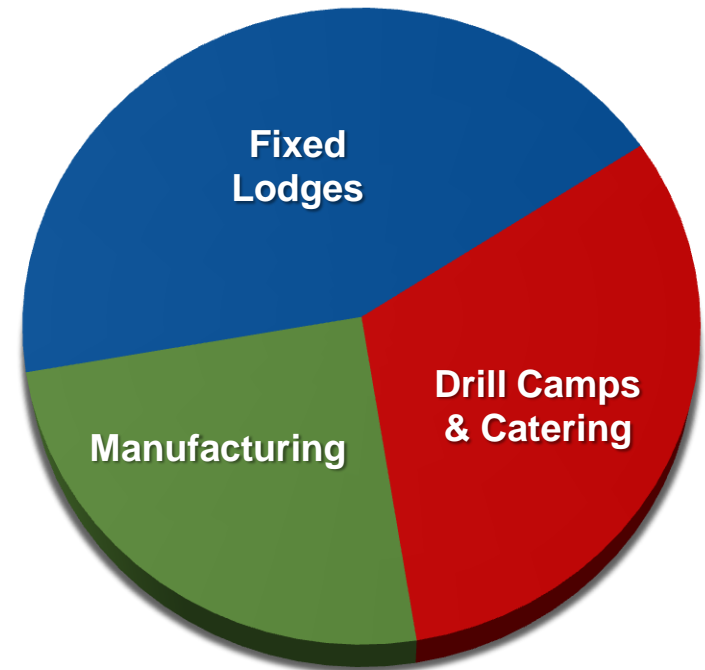


Business Drivers

- Remote accommodations market in Western Canada
- Demand for third-party manufacturing
- Cross-sell with Industrial Services and Oil and Gas Field Services

Key Metric

- Lodging room occupancy



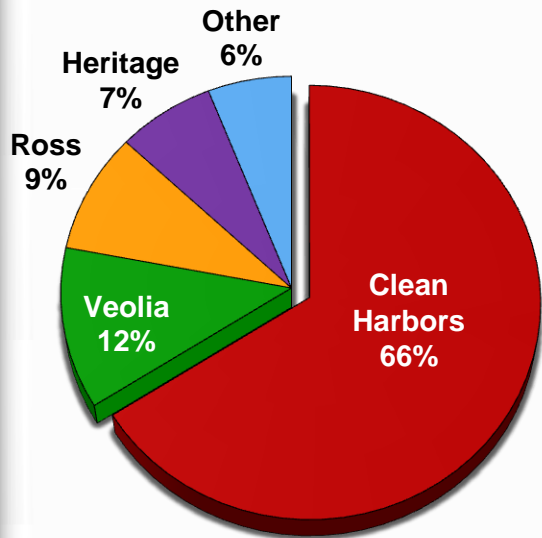
**Annual Revenue
~\$100 Million**



Key Investment Highlights

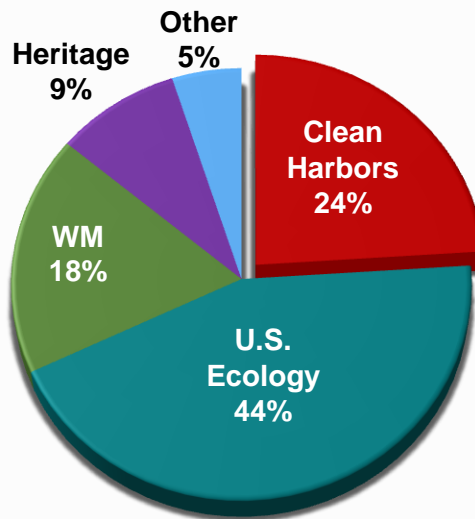
Leading Provider of Hazardous Waste Treatment and Disposal Services

Hazardous Incinerator Capacity



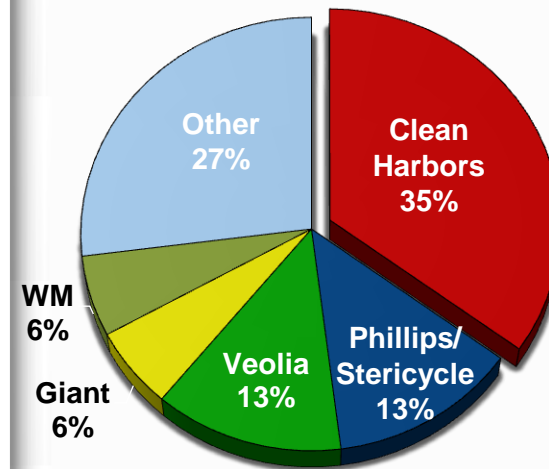
Source: El Digest

Hazardous Landfill Volume Market Share



Source: El Digest

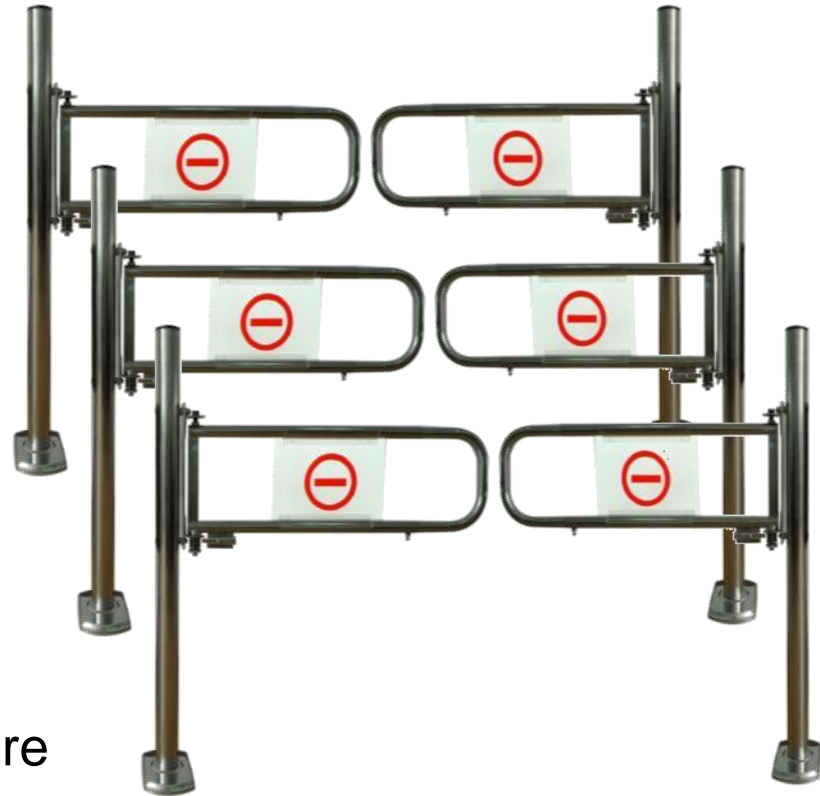
Treatment, Storage & Disposal Facilities (TSDFs)



Source: El Digest

High Barriers to Entry

- Required safety standards
- Complex regulatory ~ 500 permits
- Substantial capital costs
- Unique assets and equipment
- Need for deeply experienced personnel
- Significant customer switching costs
- \$125M investment in proprietary software



End-Market Diversification



Government

Chemical

**Refineries
& Oilsands**

**General
Manufacturing**

**Base Oil,
Blender &
Packager**

Automotive

**Oil & Gas
Production**

2008	7%	23%	8%	14%	0%	0%	0%
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2009 – Eveready Acquisition 2010 – Peak Energy Services Acquisition

2012	3%	14%	13%	8%	0%	0%	16%
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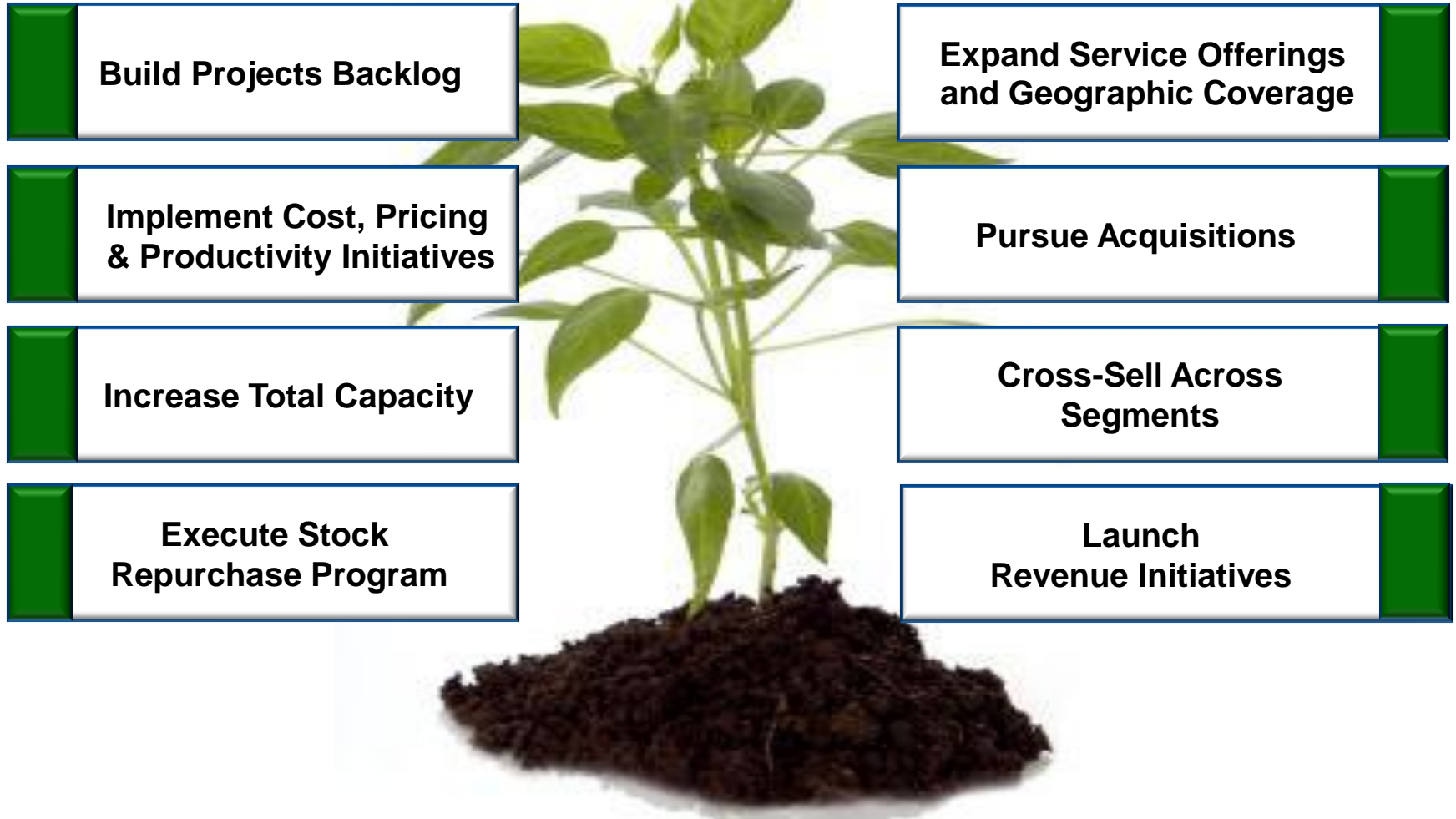
2012 – Safety-Kleen Acquisition

2015	13%	12%	11%	9%	6%	6%	4%
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Growth Strategy

Earnings Growth Strategies



Corporate Update

- Executing previously announced \$100 million cost reduction program
 - Minimum of \$50 million will be recognized in 2016
 - Areas of focus include non-billable headcount, G&A spend, office and real estate consolidation and gains in operational efficiencies
- Investing in our sales organization
 - Sales force aligned more closely to operating units
 - ~60 incremental sales positions added
 - Regional structure enhanced with business development personnel
- Preparations for carve-out activity continue
 - Created separate legal entity at start of the year
 - Conducted internal reorganization in preparation for IPO
 - Looking at potential strategic alternatives to capture shareholder value

Capital Allocation Strategy

- Three key elements:



- Mix will be determined on a relative basis by: performance, price, risk, opportunity and cost of capital
- Capital will be deployed with a focus on building long-term shareholder value and improving returns, particularly ROIC



Financial Overview

Q4 2015 Financial Results

- Q4 revenue was \$713.0 million, down 16% from prior year due to energy market, base oil pricing and currency headwinds
- Q4 Adjusted EBITDA* of \$97.2 million with a margin of 13.6%
- Technical Services performance reflects slowdown in energy and industrial markets, and continued project deferrals
- Industrial and Field Services saw stable base business but year-end spend on projects were reduced or deferred due to current environment
- Kleen Performance Products up significantly from a year ago, but remains under near-term pressure from crude oil pricing
- SK Environmental continued to achieve meaningful growth in profitability through pricing and volume
- Lodging improved from Q3 due to seasonal ramp but Oil & Gas struggled due to energy downturn and project cancellations

* See disclosures regarding non-GAAP financial results in Clean Harbors' news release dated February 24, 2016 located at www.cleanharbors.com

Q4 2015 Financial Results

(\$ in millions, except per share figures)

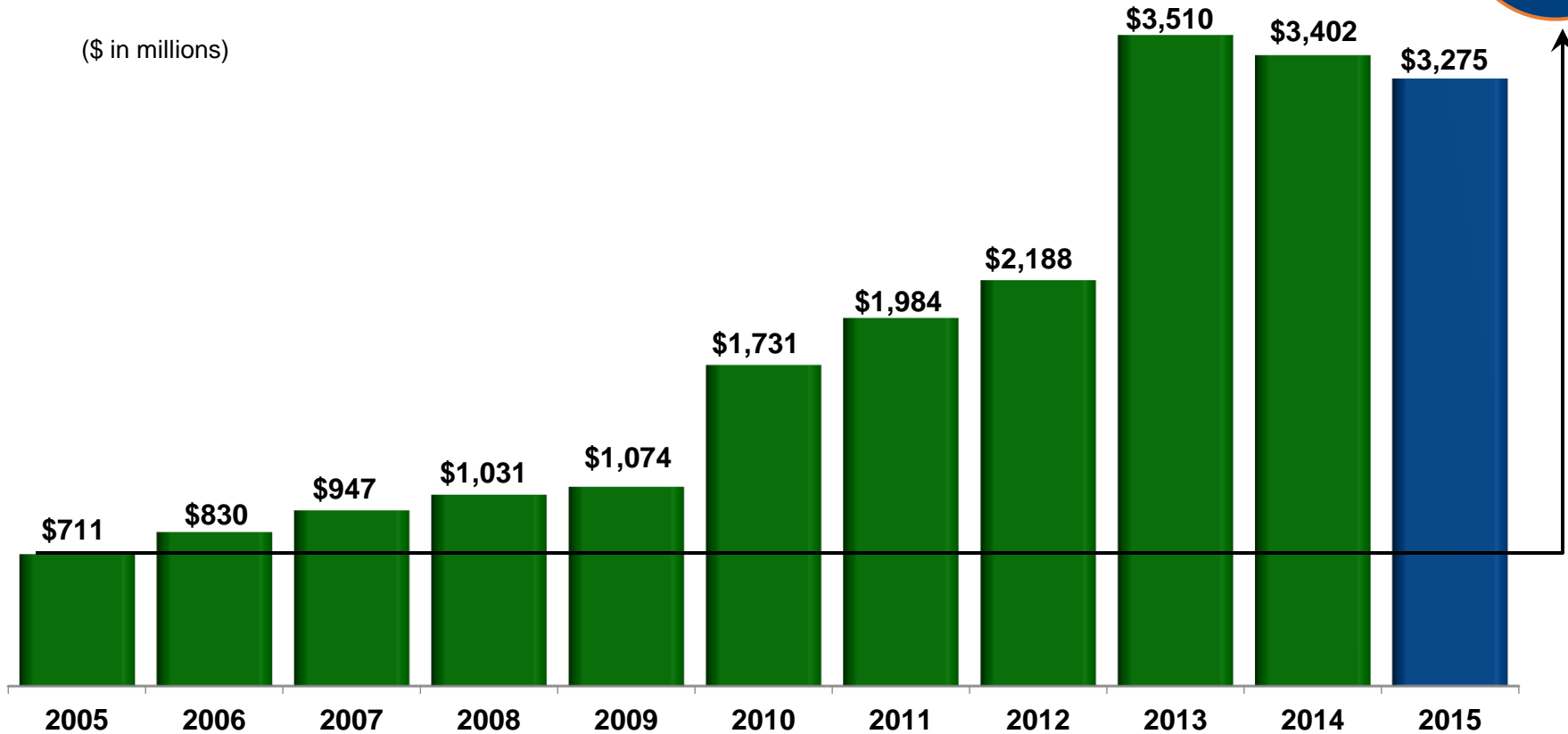
	3 Months 12/31/14	3 Months 12/31/15
Revenues	\$845.0	\$713.0
Gross Profit	\$234.3	\$190.1
<i>% Margin</i>	27.7%	26.7%
Adjusted EBITDA ⁽¹⁾	\$130.8	\$97.2
<i>% Margin</i>	15.5%	13.6%
Net Income (loss)	\$27.4	\$0.6
<i>EPS</i>	\$0.46	\$0.01

(1) See disclosures regarding non-GAAP financial results in Clean Harbors' news release dated February 24, 2016 located at www.cleanharbors.com

Historical Revenue Summary

Acquisitions, new branch/service locations and increasing demand for environmental and industrial services are driving top-line growth

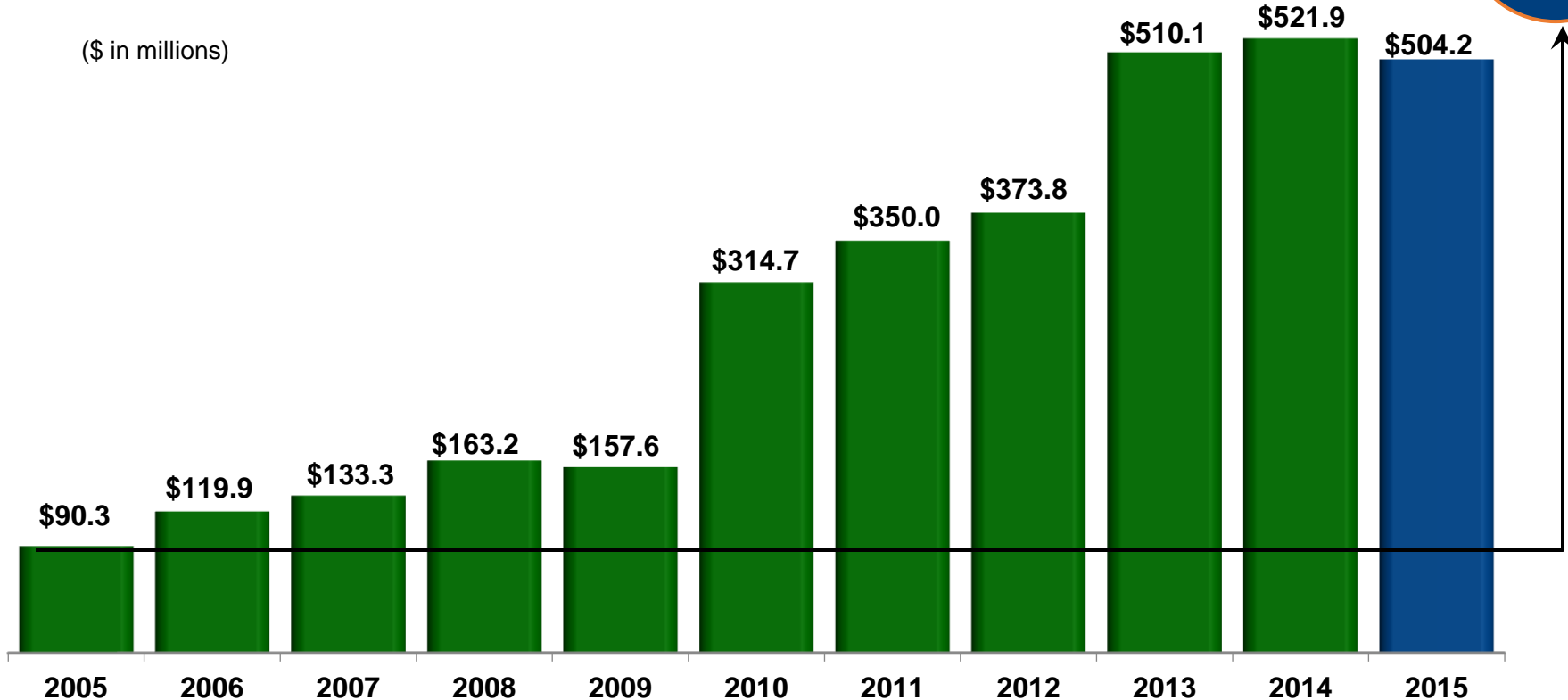
CAGR
17%



Historical Adjusted EBITDA* Summary

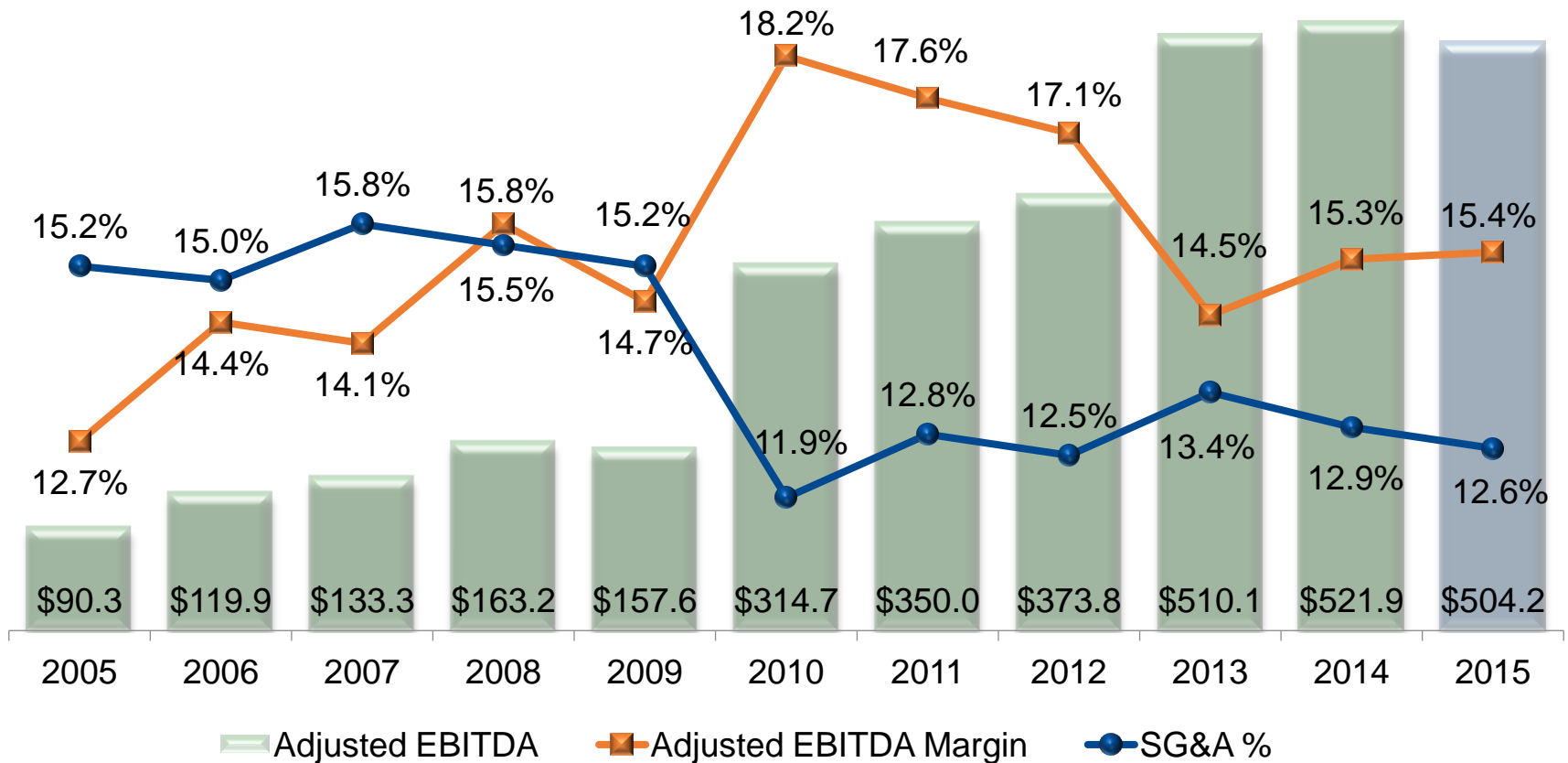
Internal cost-savings initiatives coupled with leveraging our fixed costs have driven margin expansion

CAGR
19%



* For a reconciliation of Adjusted EBITDA to net income, please refer to the Company's Annual Report on Form 10-K filed each year with the Securities and Exchange Commission. In addition, the Adjusted EBITDA of certain time periods were unfavorably affected by severance and acquisition-related costs including \$8.1 million in 2009, \$7.5 million in 2012, \$17.5 million in 2013, \$11.1 million in 2014 and \$11.0 million in 2015.

Historical Margin Performance



* For a reconciliation of Adjusted EBITDA to net income, please refer to the Company's Annual Report on Form 10-K filed each year with the Securities and Exchange Commission. In addition, the Adjusted EBITDA of certain time periods were unfavorably affected by acquisition-related costs including \$8.1 million in 2009, \$7.5 million in 2012, \$17.5 million in 2013, \$11.1 million in 2014 and \$11.0 million in 2015.

Balance Sheet Highlights

	<u>12/31/14</u>	<u>12/31/15</u>
Cash and securities	\$246.9M	\$184.7M
Billed & unbilled receivables	\$597.9M	\$521.9M
DSO	71 days	72 days
Deferred revenue	\$63.0M	\$61.9M
Long-term debt	\$1,395M	\$1,395M
Accounts payable	\$267.3M	\$241.2M
Environmental liabilities	\$205.8M	\$188.2M

Capital Expenditures

- **Expect 2016 Capex \$240-250 million**
- **Maintenance Capex: ~ \$140-150 million**
 - Refurbishment
 - Safety & Compliance
 - Replacement
 - Maintenance
 - Landfills
 - Technology
- **Areas of Growth Investment: ~\$50 million**
 - Fleet
 - Specialized equipment
 - Containers
 - Disposal facility enhancements
 - Lease buyouts
- **El Dorado incinerator: ~\$45-50 million**



Historical Free Cash Flow

<i>(USD \$ in millions)</i>	2011	2012	2013	2014	2015
Cash Flow from Operations	\$179.5	\$324.4	\$415.8	\$297.4	\$396.4
Capital Expenditures, net of disposals	(141.7)	(189.3)	(275.5)	(249.4)	(251.0)
Free Cash Flow	\$37.8	\$135.1	\$140.3	\$48.0	\$145.4

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Questions?

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