

# Raymond James 2024 Institutional Investors Conference

March 5, 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, 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 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, 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 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 our quarterly news release dated February 21, 2024, on our website and other periodic filings with the SEC.

# Our Mission is Based in Sustainability

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“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
- Best in Class Systems/Management/Culture
- Highly Resilient Business Delivers Consistent Performance
- Sustainability and ESG Profile



# North America's Environmental and Industrial Services Leader

- Largest hazardous waste disposal company
- Largest collector, recycler and re-refiner of used oil
- 100+ waste management facilities
- More than one million waste profiles
- Top 15 largest private motor carrier
- 300,000+ customers
- 22,000+ employees
- ~700 service locations



# Sustainable Business Model – Led by Powerful Brands

(Environmental Services)

Technical Services

Safety-Kleen Environmental

Field Services

Industrial Services

Safety-Kleen Sustainability Solutions



Facilities



1

Gather Waste  
Perform Services

2

Transport Waste  
& Waste Oil

3

Transfer &  
Consolidate

4

Treat, Recycle,  
Refine, Landfill or  
Incinerate



# High Barriers to Entry Creates Substantial Moat

- Complex regulatory requirements – own more than 500 permits; impossible to replicate
- Significant customer switching costs
- Unique assets and equipment
- Substantial capital costs
- Required safety standards
- Deeply experienced personnel
- Decades worth of investments in proprietary systems



# Maintains Unmatched Network of Disposal Assets

- **More than 100 Waste Management Facilities**

- 9 Incinerators
- 8 Landfill Sites
- 33 Treatment, Storage & Disposal Facilities (TSDFs)
- 8 Solvent Recycling Facilities
- 10 Wastewater Treatment Operations
- 8 Re-refineries

- **More than 20,000 Company Vehicles**





# Supported by Expansive Network of Service Branches



- Locations in all 50 states, nine Canadian provinces and Puerto Rico
- Only national provider with breadth of services
- All major metropolitan areas covered
- Ability to share assets and personnel

# Aligned with Large and Attractive Market Opportunities

**Environmental Services Segment: ~\$25-\$30 Billion**

- **Hazardous Waste Management:**
  - Technical Services and SK Branch Services
  - Transportation, Treatment and Storage
  - Recycling and Disposal
  - Field Services and Emergency Response
- **Remediation & Industrial Services:**
  - Remediation Services and Waste Projects
  - Industrial Services

**SKSS Segment: ~\$20-\$25 Billion**

- **North America Lubricants Industry**
  - Engine Oils
  - Transmission and Hydraulic Fluids

Sources: Environmental Business Journal, MarketResearch.com and company estimates





# End Market Diversification Limits Downside Risk

	2021	2022	2023
Chemical	16%	17%	17%
Manufacturing	16%	15%	15%
Refineries	9%	13%	14%
Automotive Service/Repair	8%	8%	8%
Base and Blended Oils	9%	8%	7%
Utilities	5%	6%	6%
Government	6%	5%	4%
Transportation	4%	3%	4%
Oil and Gas	3%	3%	4%
Retail	3%	3%	3%
Other Industries	21%	19%	18%



# REPORTING SEGMENTS





# Environmental Services Segment

## Leader in \$25B+ Market

- ~\$4.5 billion in 2023 revenue
- 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 driven
- Emergency Response events





# Incineration Network Expansion – Kimball, NE



- Adding 70,000-ton state-of-the-art incinerator to Kimball facility
- ~\$200 million project; Targeting opening in late 2024
- Kiln modeled after our El Dorado plant
- Market dynamics will support new capacity; strong customer interest



# Safety-Kleen Sustainability Solutions Segment

## Leader in \$20B+ Market

- ~\$940 million in 2023 revenue
- Carefully managed re-refinery spread business
- Focused on providing most environmentally friendly products to customers
- Closed loop offerings including lubricants, oil filters and antifreeze

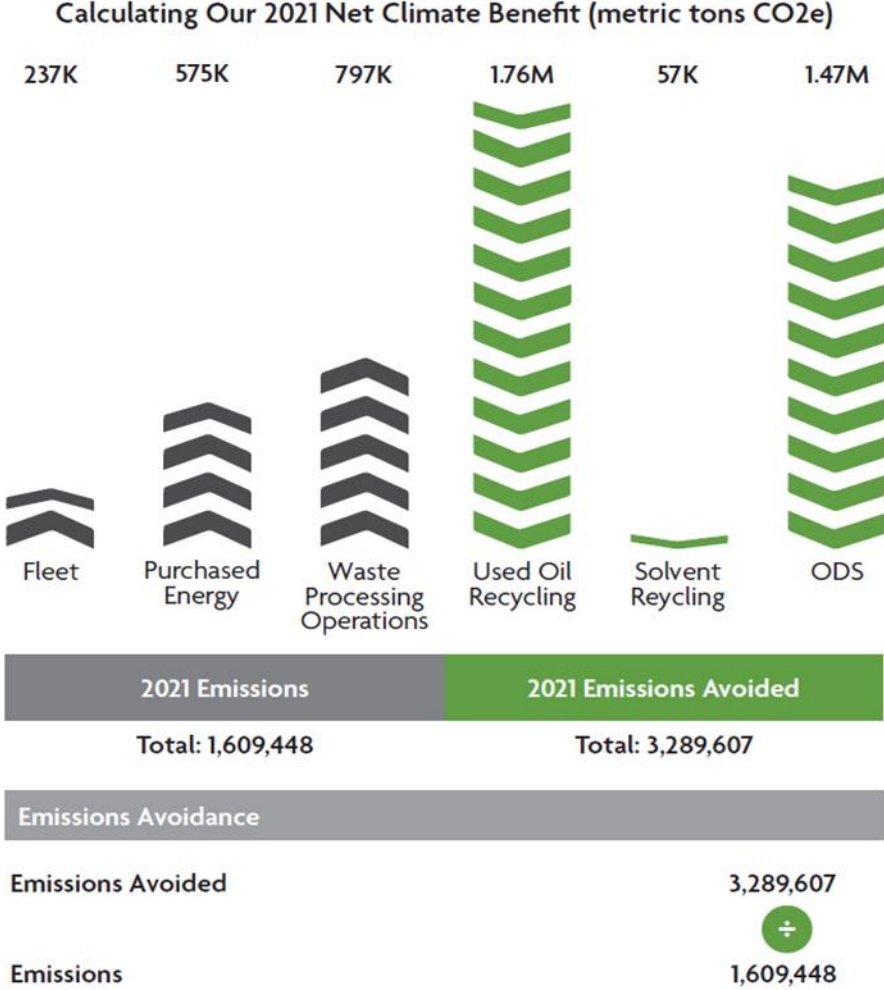
## Growth Drivers

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



# Sustainability Driving Opportunities

- Demand from customers for “green” solutions and sustainable partners is growing
- Potential financial benefits beyond increased sales include cost savings, additional recycling and other areas
- Improvement in ESG ratings
- Updated ESG supplement issued in late 2023



**NET CLIMATE BENEFIT FACTOR = 2X**





# CORPORATE STRATEGY

# Complementary Growth Strategies Creating Shareholder Value



**Cross-Sell  
Our  
Solutions**

**Expand  
Network and  
Suite of  
Offerings**

**Pursue  
Acquisitions  
and  
Divestitures**

**Execute Cost,  
Pricing and  
Productivity  
Initiatives**

**Foster  
Innovation  
Through  
Technology**



# Disciplined Capital Allocation Strategy – Driven by ROIC

**Organic Growth  
Investments**

**Share  
Repurchases**



**Acquisitions  
& Divestitures**

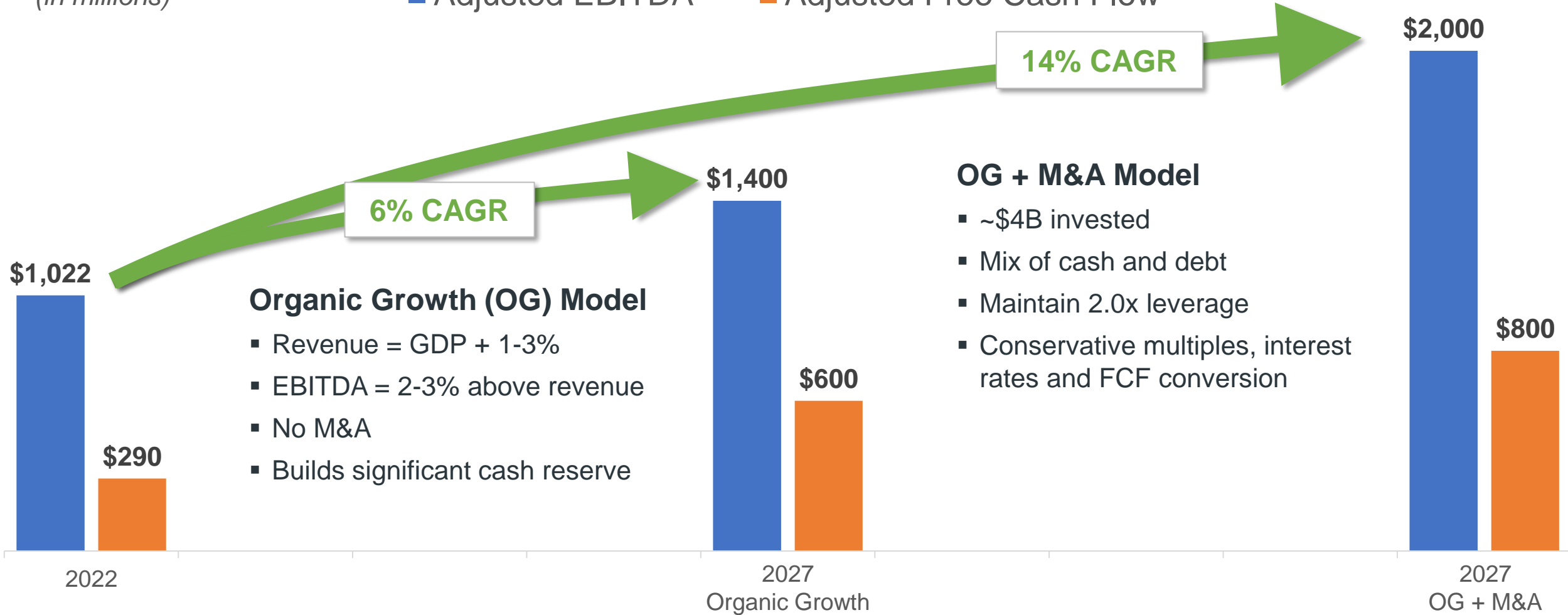
**Debt  
Repayment**

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

# “Vision 2027” – Five-Year Financial Targets

(in millions)

■ Adjusted EBITDA    ■ Adjusted Free Cash Flow



## Organic Growth (OG) Model

- Revenue = GDP + 1-3%
- EBITDA = 2-3% above revenue
- No M&A
- Builds significant cash reserve

## OG + M&A Model

- ~\$4B invested
- Mix of cash and debt
- Maintain 2.0x leverage
- Conservative multiples, interest rates and FCF conversion



# Proven Approach on Acquisitions

- Completed 70+ acquisitions in our history; will continue to be a key component of Vision 2027 plan
- Consistent due diligence approach to evaluate deals; review 4-5 opportunities per week
- Seasoned integration team and effective acquisition playbook
- Proven ability to maximize synergies and cross-selling opportunities
- Robust post merger integration process including aggressive cutover to our leading-edge systems
- Supported by strong balance sheet



# Favorable Market Dynamics Support Growth



## Reshoring

- Supply chain disruptions
- Natural gas prices
- Manufacturing renaissance



## Legislative

- Infrastructure Bill
- Chips and Science Act
- Inflation Reduction Act



## Regulatory

- Greater enforcement
- Pressure on captives
- Challenging permitting process
- PFAS framework coming



## Sustainability

- Green solutions – more recycling
- Emphasis on ESG
- SKSS has size and scale for collection and end products



# FINANCIAL OVERVIEW



# 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

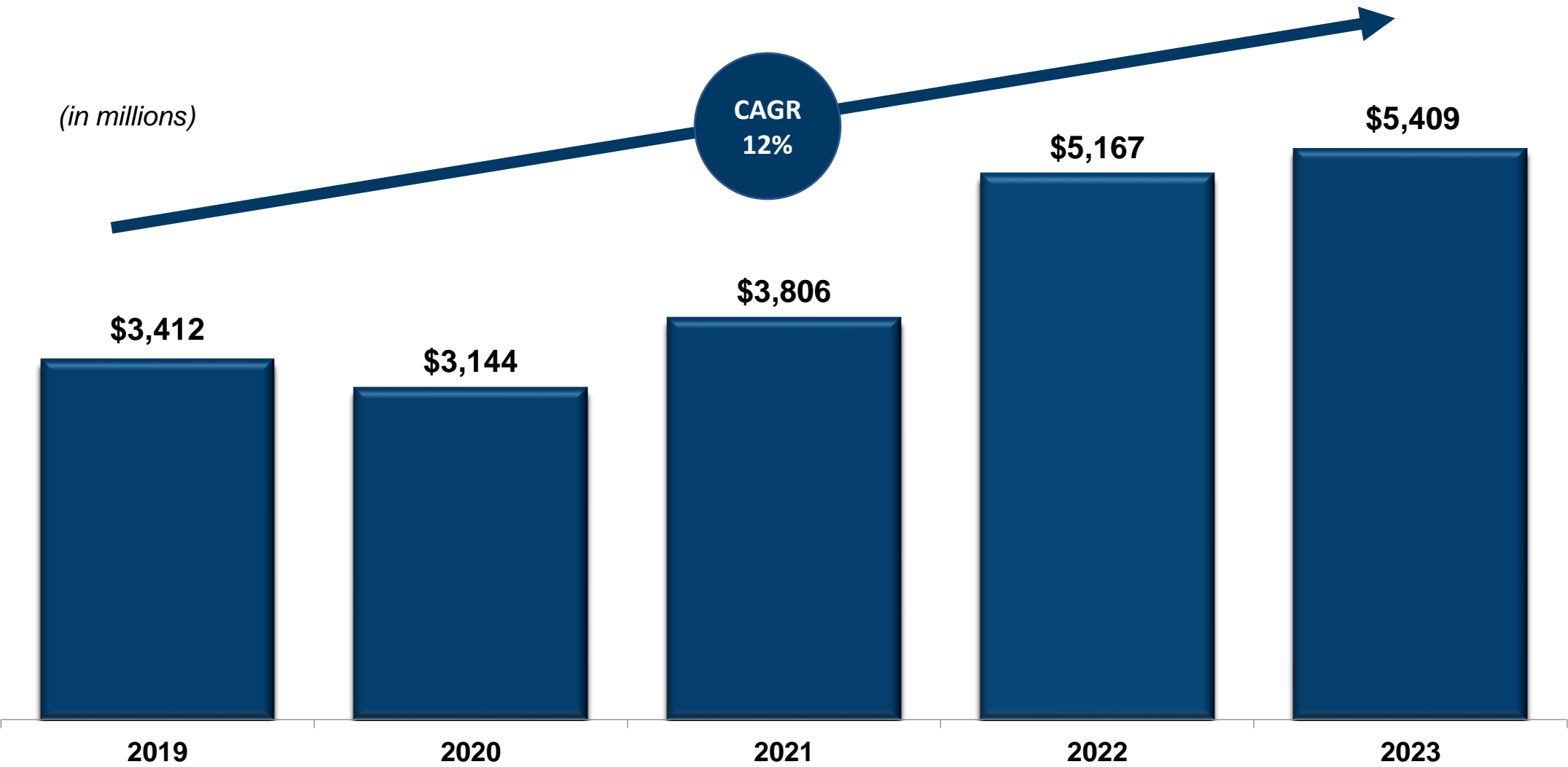
\* For a reconciliation of non-GAAP measures to its nearest GAAP equivalent, please refer to the appendix in this presentation.



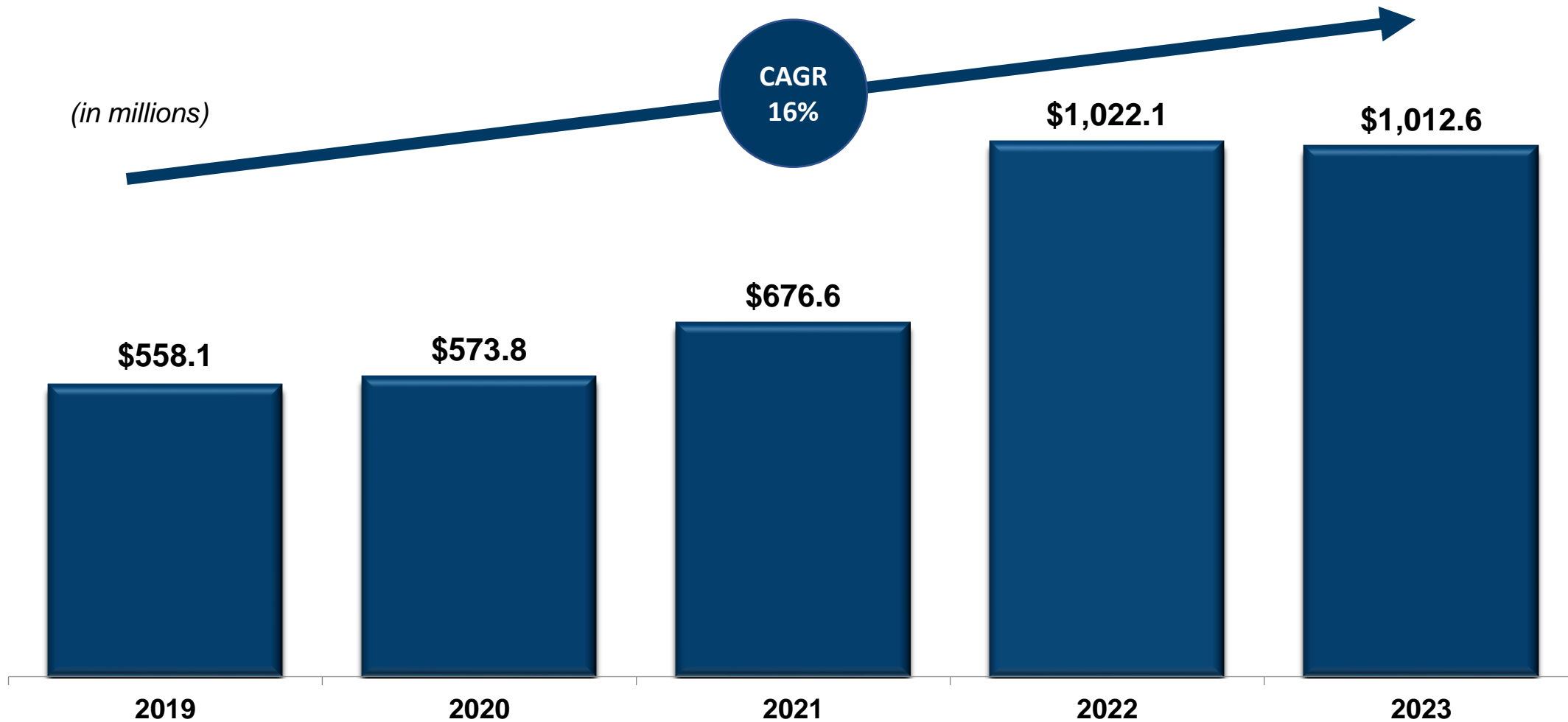
# Five-Year Revenue Performance

(in millions)

CAGR  
12%



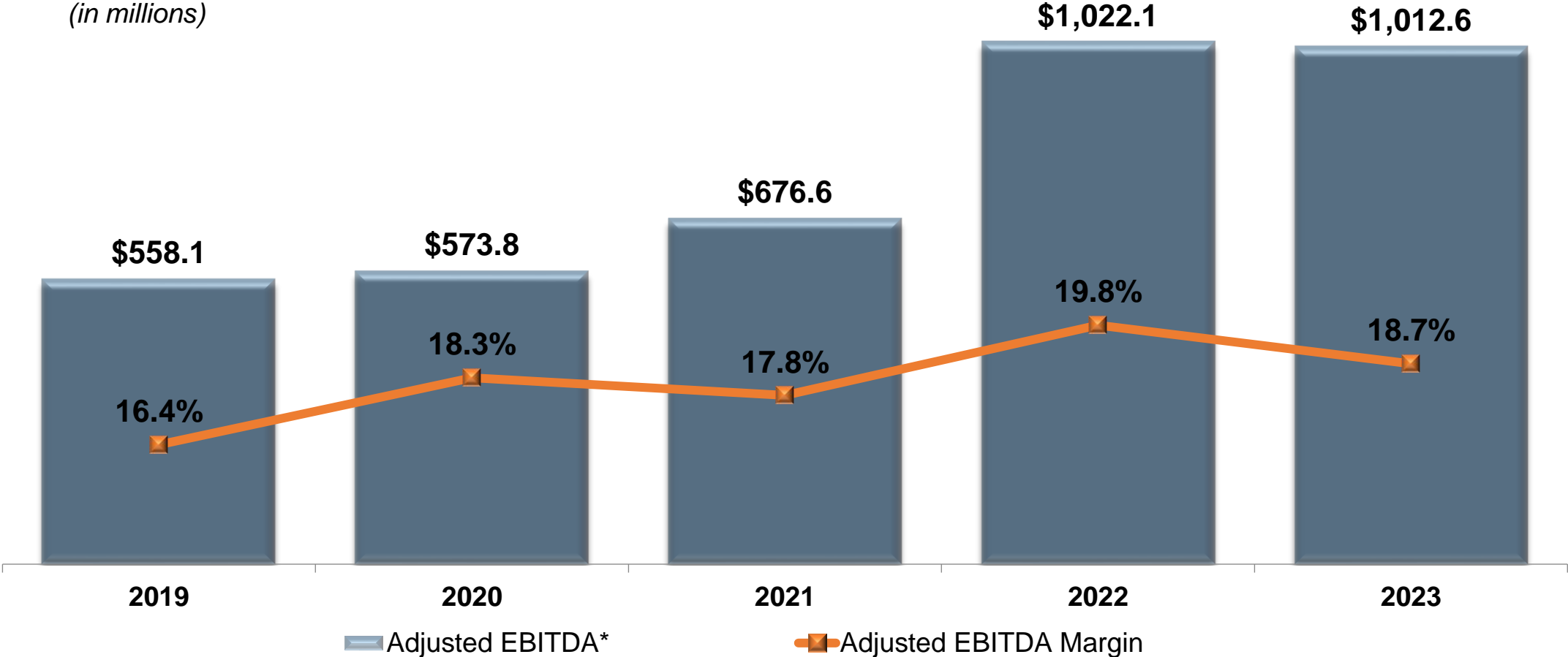
# Five-Year Adjusted EBITDA Performance



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



# 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 filed with the Securities and Exchange Commission.

# Balance Sheet Highlights

<i>(in millions)</i>	12/31/23	12/31/22
Cash and securities	\$550.8	\$554.6
Billed & unbilled receivables	\$1,091.0	\$1,071.6
Inventories and supplies	\$327.5	\$325.0
Accounts payable	\$451.8	\$446.6
Current and long-term debt	\$2,301.7	\$2,424.8
Environmental liabilities	\$229.8	\$235.1



# Historical Adjusted Free Cash Flow

<i>(in millions)</i>	2019	2020	2021	2022	2023
<b>Cash Flow from Operations</b>	<b>\$413.2</b>	<b>\$430.6</b>	<b>\$546.0</b>	<b>\$626.2</b>	<b>\$734.6</b>
<b>Capital Expenditures, net of disposals</b>	<b>(204.7)</b>	<b>(186.6)</b>	<b>(\$219.7)</b>	<b>(\$336.3)</b>	<b>(\$412.7)</b>
<b>Purchase and capital improvements of corporate headquarters</b>		<b>21.1</b>			
<b>Adjusted Free Cash Flow</b>	<b>\$208.5</b>	<b>\$265.0</b>	<b>\$326.3</b>	<b>\$289.9</b>	<b>\$321.9</b>

# Questions







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