

# First-Quarter 2024 Investor Review

May 1, 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, the impact of the HEPACO acquisition and 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, 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 net income to Adjusted EBITDA and adjusted net income, a reconciliation of net income per share to adjusted earnings per share and a reconciliation of net cash from operating activities to adjusted free cash flow, please refer to the appendix of this presentation.

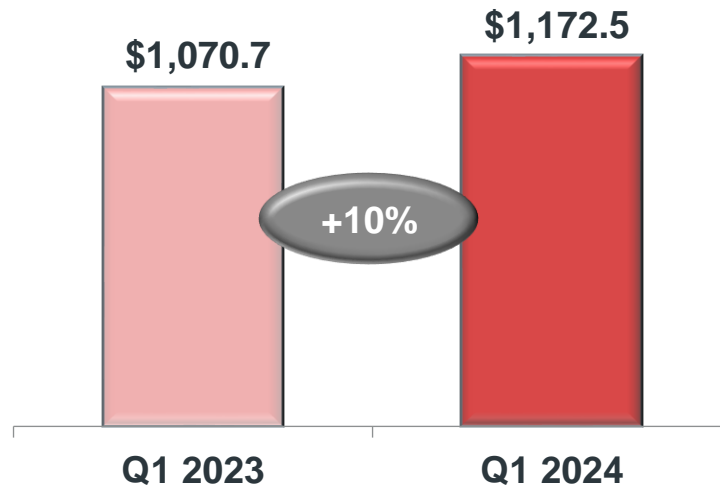
## Summary of Q1 Results

- Revenue of \$1.38B, up 5% YoY reflecting strong organic growth in ES segment
- Net income of \$69.8 million or EPS of \$1.29
- Adjusted EBITDA\* increased 7% to \$230.1M; Adjusted EBITDA\* margin of 16.7%
- Adjusted free cash flow\* was (\$118.4) million; in line with our expectations due to timing of certain items, such as year-end incentives, working capital and debt payments
- Environmental Services segment experienced continued robust demand within our service businesses and our disposal/recycling network; YoY margin up significantly due to volume, pricing, labor and equipment utilization, cost programs and productivity gains
- Safety-Kleen Sustainability Solutions segment delivered lower YoY profitability due to base oil and lubricant market pricing
- Corporate segment up YoY due to compensation, acquisitions and professional fees

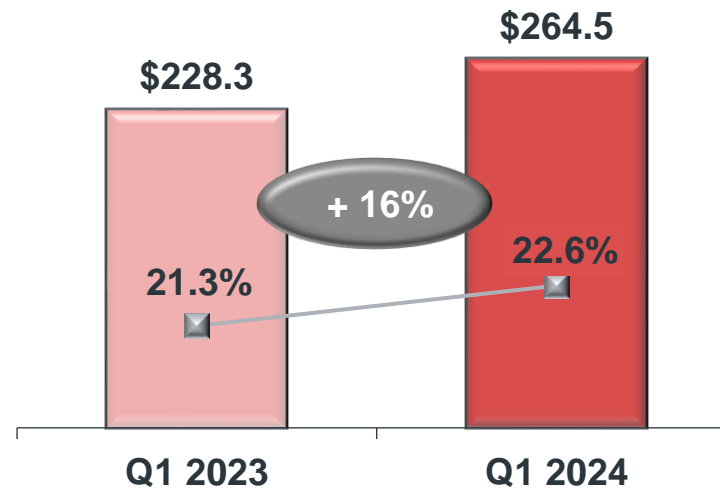
\* For a reconciliation of non-GAAP measures to its nearest GAAP equivalent, please refer to the appendix in this presentation.

# Environmental Services

Revenue  
(in millions)



Adjusted  
EBITDA\*  
(in millions)



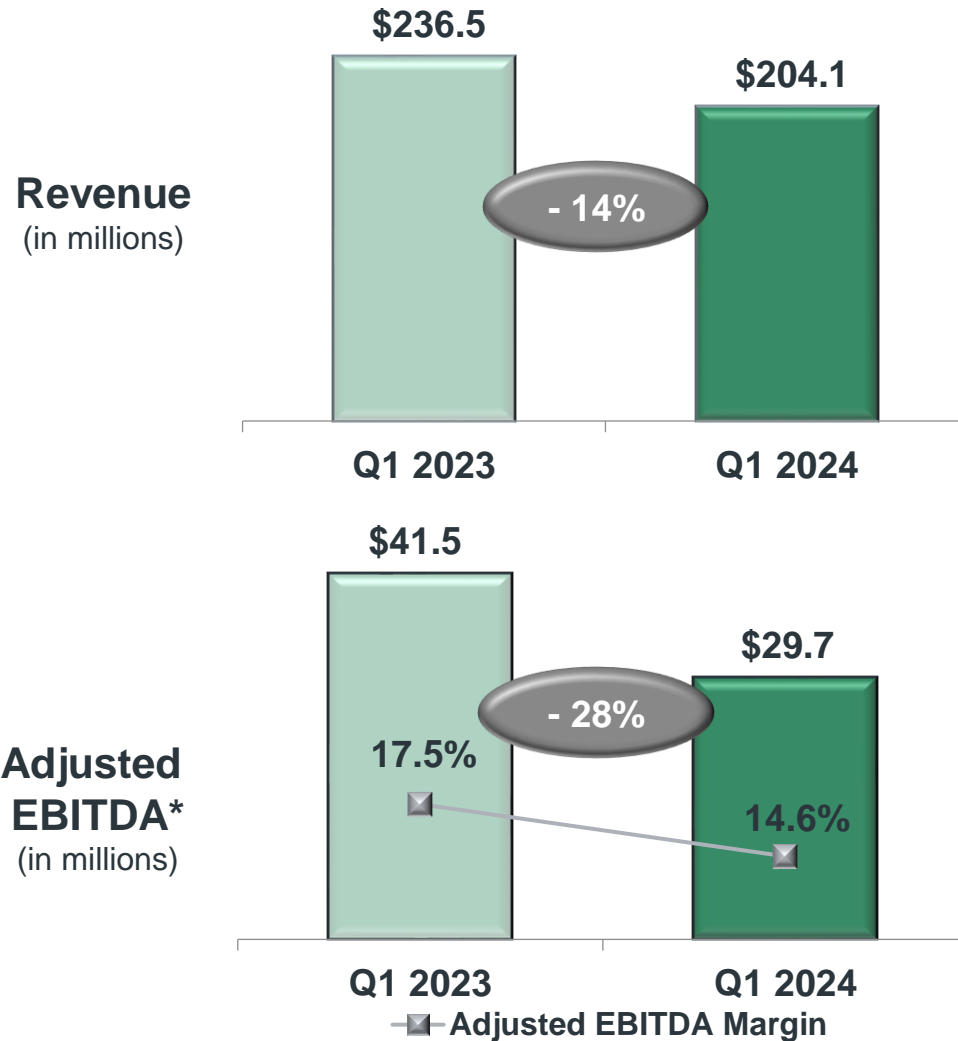
—■— Adjusted EBITDA Margin

## Q1 Performance

- Revenue increase driven by steady demand, growth in service businesses and pricing initiatives, as well as the additions of Thompson Industrial and HEPACO
- Adjusted EBITDA rose due to revenue growth and improved margins; Margins benefited from volumes, pricing, cost reduction programs and strong labor/equipment utilization
- Incinerator utilization was 79% vs. 80% in prior year period due to weather-related outages and planned maintenance; Average price was up 6% from Q1'23 due to a favorable mix and pricing initiatives
- Landfill tonnage was down 3% from prior year; Average price per ton increased 16% on mix and higher value projects
- Performed 247K parts washer services vs. 250K a year ago; SK branch core offerings, particularly containerized waste services, continued to grow with SK Environmental Services up 10%

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

# Safety-Kleen Sustainability Solutions



## Q1 Performance

- Revenue declined due to YoY base oil and lubricant pricing; Market demand was weak to start the year before picking up toward quarter end
- Adjusted EBITDA and margin decreases are a direct result of lower YoY pricing and a narrower spread than a year ago
- Gathered 55 million gallons of waste oil, compared with 59 million gallons in Q1'23; average collection costs were charge for oil (CFO), compared with pay for oil (PFO) in the year ago period
- Blended products sales increased to 21% of total volumes sold compared with 15% a year ago
- Group III production now underway at a dedicated plant

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

# 'Castrol MoreCircular' Program Set to Launch

- Safety-Kleen partnering with Castrol under multi-year collaboration agreement
- Offering will have SK collecting used oil from Castrol customers in program
- SK will sell re-refined base oil (RRBO) to Castrol as part of the agreement
- RRBO will account for at least 65% of the base oil used in MoreCircular lubricants enabling Castrol to offer a lower carbon alternative
- Agreement signed following a series of successful market trials; validates market demand for sustainable base oil
- MoreCircular will officially launch later this month at Advanced Clean Transportation Expo



# 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





# Q1 Income Statement

(in millions, except per share data)

	<b>Q1 2024</b>	<b>Q1 2023</b>
<b>Revenues</b>	<b>\$1,376.7</b>	<b>\$1,307.4</b>
<b>Cost of revenues</b>	<b>\$971.1</b>	<b>\$931.5</b>
<b>Gross profit</b>	<b>\$405.6</b>	<b>\$375.9</b>
<b><i>Gross margin %</i></b>	<b>29.5%</b>	<b>28.7%</b>
<b>Selling, general and administrative expenses</b>	<b>\$181.9</b>	<b>\$166.8</b>
<b><i>SG&amp;A %</i></b>	<b>13.2%</b>	<b>12.8%</b>
<b>Depreciation and amortization</b>	<b>\$95.1</b>	<b>\$84.8</b>
<b>Income from operations</b>	<b>\$125.5</b>	<b>\$121.0</b>
<b>Adjusted EBITDA*</b>	<b>\$230.1</b>	<b>\$215.1</b>
<b><i>Adjusted EBITDA* margin %</i></b>	<b>16.7%</b>	<b>16.5%</b>
<b>Net income</b>	<b>\$69.8</b>	<b>\$72.4</b>
<b>Diluted earnings per share</b>	<b>\$1.29</b>	<b>\$1.33</b>
<b>Adjusted earnings per share*</b>	<b>\$1.29</b>	<b>\$1.36</b>

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

# Balance Sheet Highlights

(in millions)

	<u>3/31/24</u>	<u>12/31/23</u>	<u>3/31/23</u>
<b>Cash and short-term marketable securities</b>	<b>\$442.6</b>	<b>\$550.8</b>	<b>\$376.1</b>
<b>Billed and unbilled receivables</b>	<b>\$1,205.4</b>	<b>\$1,091.0</b>	<b>\$1,101.2</b>
<b>Accounts payable</b>	<b>\$452.8</b>	<b>\$451.8</b>	<b>\$427.5</b>
<b>Current and long-term debt</b>	<b>\$2,793.7</b>	<b>\$2,301.7</b>	<b>\$2,419.7</b>
<b>Environmental liabilities</b>	<b>\$229.4</b>	<b>\$229.8</b>	<b>\$236.0</b>

# Cash Flow Highlights

(in millions)

**Cash from operations**

**Capital expenditures, net of disposals**

**Adjusted free cash flow\***

**Share repurchases**

	<u>Q1 2024</u>	<u>Q1 2023</u>
	\$18.5	\$28.0
	(\$136.9)	(\$79.8)
	<hr/> (\$118.4)	<hr/> (\$51.8)
	\$5.0	\$3.0

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

# Guidance (as of May 1, 2024)

## Full-Year 2024

*(in millions)*

### Range

<b>Net Income</b>	<b>\$376 to \$419</b>
<b>Adjusted EBITDA*</b>	<b>\$1,100 to \$1,150</b>
<b>Net Cash from Operating Activities</b>	<b>\$740 to \$830</b>
<b>Adjusted Free Cash Flow*</b>	<b>\$340 to \$400</b>

\* 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)

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Net income	\$ 69,832	\$ 72,401
Accretion of environmental liabilities	3,217	3,407
Stock-based compensation	6,338	6,018
Depreciation and amortization	95,065	84,758
Other expense (income), net	1,141	(116)
Loss on early extinguishment of debt	—	2,362
Interest expense, net of interest income	28,539	20,632
Provision for income taxes	25,963	25,676
Adjusted EBITDA	<u>\$ 230,095</u>	<u>\$ 215,138</u>
Adjusted EBITDA Margin	16.7 %	16.5 %

# Non-GAAP Results Reconciliation

(in thousands, except per share amounts)

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Adjusted net income</b>		
Net income	\$ 69,832	\$ 72,401
Loss on early extinguishment of debt	—	2,362
Tax-related valuation allowances and other*	—	(653)
Adjusted net income	<u>\$ 69,832</u>	<u>\$ 74,110</u>
<b>Adjusted earnings per share</b>		
Earnings per share	\$ 1.29	\$ 1.33
Loss on early extinguishment of debt	—	0.04
Tax-related valuation allowances and other*	—	(0.01)
Adjusted earnings per share	<u>\$ 1.29</u>	<u>\$ 1.36</u>

\* Other amounts include (\$0.7) million or (\$0.01) per share of tax impacts from the loss on early extinguishment of debt for the three months ended March 31, 2023.

# Non-GAAP Results Reconciliation

(in thousands)

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Adjusted free cash flow</b>		
Net cash from operating activities	\$ 18,549	\$ 28,008
Additions to property, plant and equipment	(137,913)	(81,686)
Proceeds from sale and disposal of fixed assets	1,008	1,855
Adjusted free cash flow	<u>\$ (118,356)</u>	<u>\$ (51,823)</u>



# Non-GAAP Guidance Reconciliation

(in millions)

	<b>For the Year Ending December 31, 2024</b>		
Projected GAAP net income	\$376	to	\$419
Adjustments:			
Accretion of environmental liabilities	15	to	14
Stock-based compensation	27	to	30
Depreciation and amortization	400	to	390
Interest expense, net	145	to	140
Provision for income taxes	137	to	157
Projected Adjusted EBITDA	<u>\$1,100</u>	to	<u>\$1,150</u>

(in millions)

	<b>For the Year Ending December 31, 2024</b>		
Projected net cash from operating activities	\$740	to	\$830
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>\$340</u>	to	<u>\$400</u>

# Questions





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