

Fourth-Quarter and Full-Year 2024 Investor Review February 19, 2025



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," "will," "should," "estimates," "projects," "may," "likely," "potential," "outlook" or similar expressions. Such statements may include, but are not limited to, statements about the Company's future financial and operating results, plans, strategy, objectives and goals, cost management initiatives, pricing and productivity initiatives, contingent liabilities, liquidity, business and market conditions, trends, customer demand, acquisitions, growth opportunities, expectations, challenges 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 the date of this presentation 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, 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 and adjusted free cash flow, 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 and adjusted free cash flow 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 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.

Adjusted EBITDA consists of GAAP 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 transactions not deemed representative of fundamental segment results and other (income) expense, net. The Company defines adjusted free cash flow as net cash from operating activities less additions to property, plant and equipment plus proceeds from sale and disposal of fixed assets. When necessary, the Company adjusts for the cash impact of items derived from non-operating activities. Starting in 2025, the Company is excluding significant one-time growth investments, which the Company expects to realize future long-term benefits from, as they are not indicative of free cash flow generation for the current period. All amounts in USD unless otherwise noted.

For a reconciliation of net income to Adjusted EBITDA and a reconciliation of net cash from operating activities to adjusted free cash flow, please refer to the appendix of this presentation.

Summary of Q4 and 2024 Results

Q4

- Revenue grew 7% to \$1.43 billion
- Net income of \$84.0 million; EPS of \$1.55
- Adjusted EBITDA* was \$257.2M; Adjusted EBITDA margin was 18.0%

Full-Year 2024

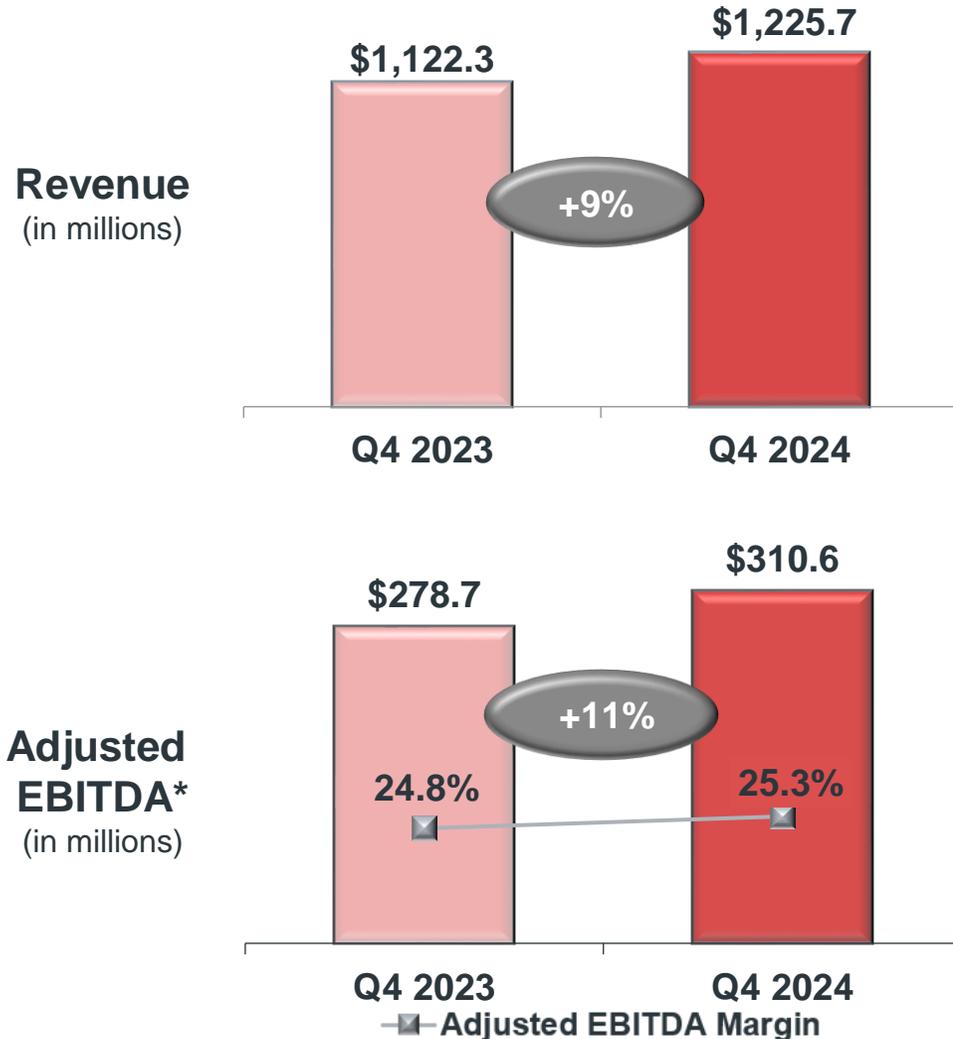
- Revenue grew 9% to \$5.89 billion
- Net income of \$402.3 million; EPS of \$7.42
- Adjusted EBITDA* increased 10% to \$1.12 billion; Adjusted EBITDA margin was 19.0%
- Adjusted free cash flow* was \$357.9M
- TRIR of 0.65 which surpassed our annual safety goal

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

Environmental Services

Q4 Performance

- Revenue increased YoY due to addition of HEPACO combined with organic growth driven by higher pricing, incineration utilization and overall waste volumes
- Adjusted EBITDA increased due to higher revenues along with increased margin; Margin up YoY due to pricing more than offsetting inflation, a healthy revenue mix, cost reduction and productivity initiatives. Segment margin increased YoY for the 11th consecutive quarter
- Incinerator utilization was 94% vs. 85% in Q4'23 given ongoing demand and strong backlog; Average price was up 4%
- Performed 246K parts washer services vs. 236K a year ago; Core offerings for SK branch continued to grow, particularly containerized waste services; SK Environmental Services revenue up 6%
- Field Services delivered another quarter of strong revenue driven by HEPACO and organic growth



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

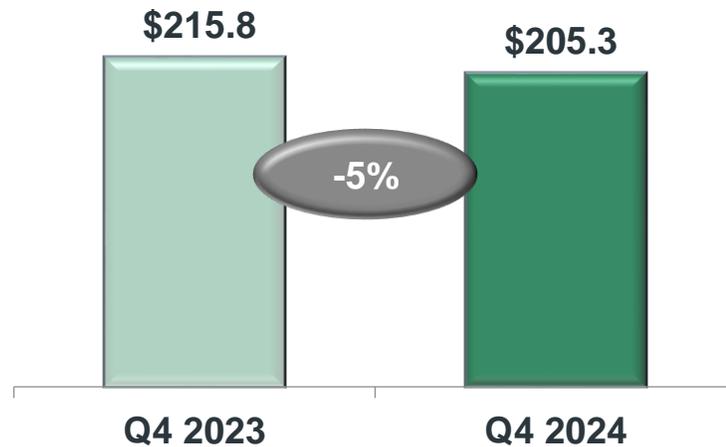
Kimball Incinerator – Commercial Launch Complete



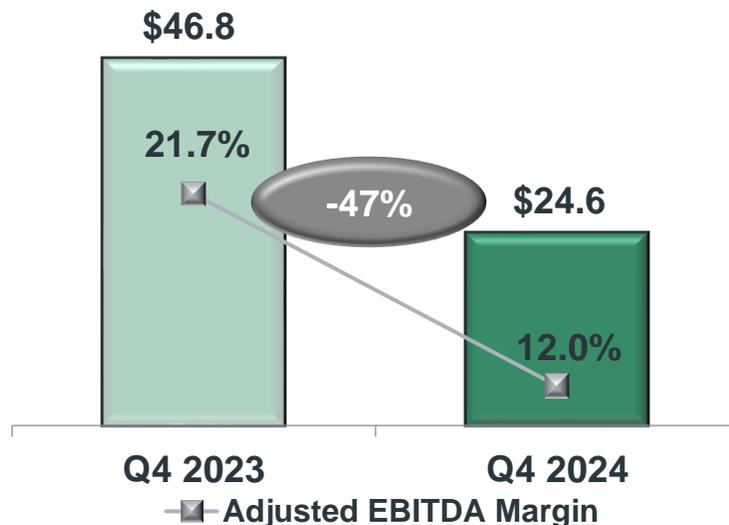
- 70,000-ton facility began processing hazardous waste in December
- Will ramp up volumes and mix over next 12-18 months as we optimize the facility
- Customer interest remains strong
- Opportunity to capitalize on captive incinerators and potential PFAS volumes

Safety-Kleen Sustainability Solutions

Revenue
(in millions)



Adjusted EBITDA*
(in millions)



Q4 Performance

- Revenue down YoY, reflecting lower pricing and demand for base oil and blended products, partially offset by the addition of Noble Oil.
- Adjusted EBITDA decline reflects lower revenue, pricing environment and weak market demand. Margin down YoY due to pricing and reflect working down higher cost inventory
- Gathered 63 million gallons of waste oil compared with 53 million gallons in Q4'23. Due to November shift in our collection approach, average collection costs were a charge for oil (CFO) vs. a pay for oil (PFO) in Q3
- Blended products sales volume accounted for 20% of total volumes sold, vs. 21% in Q3, and 23% in the year ago period
- Castrol announced first major fleet customer for MoreCircular offering as sales rollout continues

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

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



Q4 and Full-Year 2024 Income Statement

(in millions, except per share data)

	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>2024</u>	<u>2023</u>
Revenues	\$1,431.1	\$1,338.2	\$5,890.0	\$5,409.2
Cost of revenues	\$1,003.5	\$923.1	\$4,065.7	\$3,746.1
Gross profit	\$427.6	\$415.0	\$1,824.2	\$1,663.0
<i>Gross margin %</i>	<i>29.9%</i>	<i>31.0%</i>	<i>31.0%</i>	<i>30.7%</i>
Selling, general and administrative expenses	\$182.0	\$166.0	\$739.6	\$671.2
<i>SG&A %</i>	<i>12.7%</i>	<i>12.4%</i>	<i>12.6%</i>	<i>12.4%</i>
Depreciation and amortization	\$105.3	\$98.3	\$400.9	\$365.8
Income from operations	\$137.0	\$147.3	\$670.2	\$612.4
Adjusted EBITDA*	\$257.2	\$254.9	\$1,116.9	\$1,012.6
<i>Adjusted EBITDA* margin %</i>	<i>18.0%</i>	<i>19.0%</i>	<i>19.0%</i>	<i>18.7%</i>
Net income	\$84.0	\$98.3	\$402.3	\$377.9
Diluted earnings per share	\$1.55	\$1.81	\$7.42	\$6.95

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

Balance Sheet Highlights

(in millions)

	<u>12/31/24</u>	<u>9/30/24</u>	<u>12/31/23</u>
Cash and short-term marketable securities	\$789.8	\$594.7	\$550.8
Billed and unbilled receivables	\$1,177.6	\$1,305.0	\$1,091.0
Accounts payable	\$487.3	\$504.2	\$451.8
Current and long-term debt	\$2,786.2	\$2,788.8	\$2,301.7
Environmental liabilities	\$241.5	\$230.2	\$229.8

Cash Flow Highlights

(in millions)

	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>2024</u>	<u>2023</u>
Cash from operations	\$303.9	\$278.9	\$777.8	\$734.6
Capital expenditures, net of disposals	(\$59.7)	(\$105.9)	(\$423.1)	(\$412.7)
Adjusted free cash flow*	\$247.5	\$173.0	\$357.9	\$321.9
Share repurchases	\$25.0	\$33.2	\$55.2	\$51.2

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

Guidance (as of February 19, 2025)

Full-Year 2025

(in millions)

	Range
Net Income	\$376 to \$427
Adjusted EBITDA*	\$1,150 to \$1,210
Net Cash from Operating Activities	\$775 to \$865
Adjusted Free Cash Flow*	\$430 to \$490

* 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)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income	\$ 83,974	\$ 98,349	\$ 402,299	\$ 377,856
Accretion of environmental liabilities	3,317	3,386	13,456	13,667
Stock-based compensation	7,291	5,894	27,981	20,703
Depreciation and amortization	105,290	98,336	400,922	365,761
Kimball startup costs	4,343	--	4,343	--
Other (income) expense, net	(977)	(3,148)	1,454	(2,315)
Loss on early extinguishment of debt	371	518	371	2,880
Interest expense, net of interest income	34,197	28,195	134,964	108,595
Provision for income taxes	19,403	23,379	131,144	125,423
Adjusted EBITDA	<u>\$ 257,209</u>	<u>\$ 254,909</u>	<u>\$ 1,116,934</u>	<u>\$ 1,012,570</u>
Adjusted EBITDA Margin	18.0 %	19.0 %	19.0 %	18.7 %

Non-GAAP Results Reconciliation

(in thousands)

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Adjusted free cash flow				
Net cash from operating activities	\$ 303,938	\$ 278,860	\$ 777,771	\$ 734,552
Additions to property, plant and equipment	(62,415)	(110,394)	(432,241)	(422,300)
Proceeds from sale and disposal of fixed assets	2,746	4,521	9,099	9,650
Kimball startup costs	3,253	—	3,253	—
Adjusted free cash flow	<u>\$ 247,522</u>	<u>\$ 172,987</u>	<u>\$ 357,882</u>	<u>\$ 321,902</u>

Non-GAAP Guidance Reconciliation

(in millions)

	For the Year Ending December 31, 2025		
Projected net income	\$376	to	\$427
Adjustments:			
Accretion of environmental liabilities	15	to	14
Stock-based compensation	28	to	31
Depreciation and amortization	450	to	440
Interest expense, net	146	to	141
Provision for income taxes	135	to	157
Projected Adjusted EBITDA	<u>\$1,150</u>	to	<u>\$1,210</u>

(in millions)

	For the Year Ending December 31, 2025		
Projected net cash from operating activities	\$775	to	\$865
Additions to property, plant and equipment	(370)	to	(400)
Cash investment in Phoenix Hub	15	to	15
Proceeds from sale and disposal of fixed assets	10	to	10
Projected adjusted free cash flow	<u>\$430</u>	to	<u>\$490</u>

Questions





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