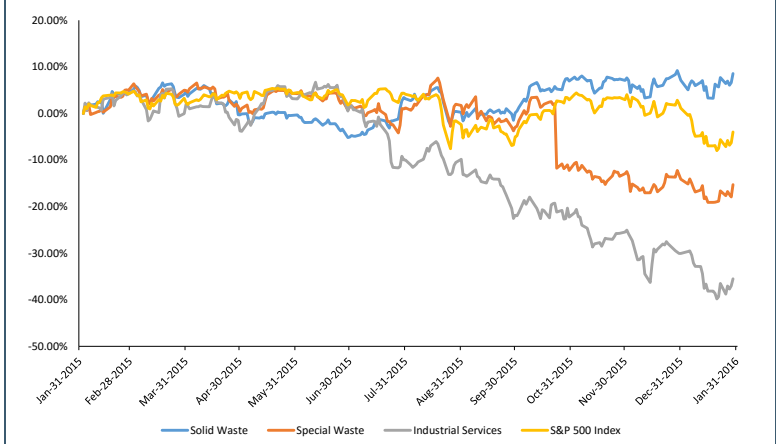
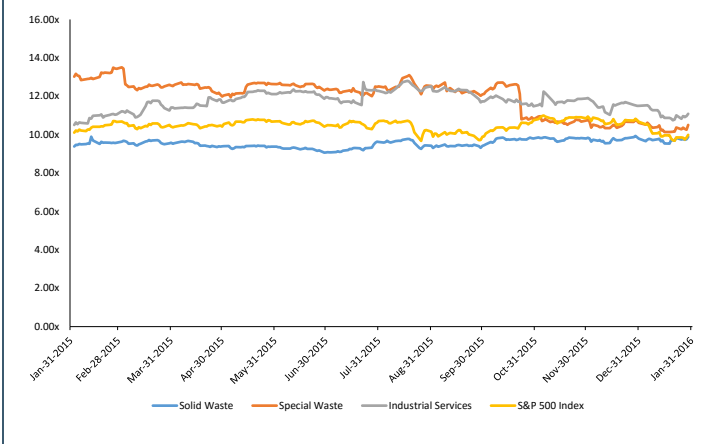


# Trash Talk

An Environmental Services Newsletter

## Environmental Services YTD TEV/EBITDA Environmental Services YTD Share Price (Shown as % change)



## Indices Performance (% change)

	January 2016	LTM		January 2016	LTM
S&P 500	(3.6%)	(4.0%)	Solid Waste	3.4%	8.6%
Dow Jones	(4.0%)	(5.2%)	Special Waste	(0.2%)	(15.3%)
NASDAQ	(5.9%)	(1.3%)	Industrial Services	(8.1%)	(35.5%)

(Source: CapitalIQ)

## Largest Environmental Services Movers and Losers (largest % changes in the month of January)

Waste Connections	14.5%	Industrial Services of America, Inc.	(31.3%)
Clean Harbors, Inc.	8.0%	Covanta Holding Corporation	(9.7%)
Waste Management	3.3%	Heritage-Crystal Clean, Inc.	(9.5%)
Perma-Fix Environmental Services Inc.	2.1%	Stericycle, Inc.	(8.1%)
Casella Waste Systems	1.8%	US Ecology, Inc.	(8.0%)

## Environmental Services Industry Contacts

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## Select Public Trading Statistics (as of 1/31/2016)

### Solid Waste:

(*\$ in millions, except per share data*)

Company	Share Price 01/31/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY14 P/E	CY15 P/E	Gross	EBIT	EBITDA		
Waste Management, Inc.	WM	\$52.95	94.7%	\$23,642	\$32,601	2.5x	9.6x	17.5x	22.7x	21.2x	22.1x	36.5%	16.0%	26.1%	2.6x
Republic Services, Inc.	RS	\$43.70	96.4%	\$15,174	\$22,635	2.5x	9.5x	16.6x	24.6x	21.1x	23.1x	38.9%	16.6%	28.1%	2.9x
Waste Connections Inc.	WCN	\$59.97	99.6%	\$7,340	\$9,300	4.4x	13.1x	21.0x	NM	26.6x	28.7x	44.4%	20.8%	33.5%	3.0x
Progressive Waste Solutions Ltd.	TSXB:BIN	\$28.54	97.2%	\$3,274	\$4,722	2.5x	10.0x	22.8x	34.3x	23.6x	23.8x	38.0%	11.0%	25.0%	3.1x
Casella Waste Systems Inc.	CWST	\$5.95	82.2%	\$244	\$773	1.4x	7.4x	18.5x	64.9x	(25.9x)	(43.6x)	31.0%	7.4%	18.3%	5.1x
Mean				\$9,935	\$14,006	2.7x	9.9x	19.3x	36.6x	13.3x	10.8x	37.8%	14.3%	26.2%	3.4x
Median				\$7,340	\$9,300	2.5x	9.6x	18.5x	29.5x	21.2x	23.1x	38.0%	16.0%	26.1%	3.0x
High				\$23,642	\$32,601	4.4x	13.1x	22.8x	64.9x	26.6x	28.7x	44.4%	20.8%	33.5%	5.1x
Low				\$244	\$773	1.4x	7.4x	16.6x	22.7x	-25.9x	-43.6x	31.0%	7.4%	18.3%	2.6x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

### Special Waste:

(*\$ in millions, except per share data*)

Company	Share Price 01/31/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY14 P/E	CY15 P/E	Gross	EBIT	EBITDA		
Stericycle, Inc.	SRCL	\$120.35	79.4%	\$10,228	\$11,093	4.0x	15.4x	18.1x	38.6x	31.0x	31.5x	44.5%	22.2%	26.4%	4.0x
Clean Harbors, Inc.	CLH	\$44.31	74.7%	\$2,552	\$3,768	1.1x	7.1x	15.0x	36.9x	37.0x	36.2x	28.3%	7.4%	15.5%	2.3x
Darling Ingredients Inc.	DAR	\$8.99	50.1%	\$1,481	\$3,459	1.0x	7.2x	16.5x	23.7x	32.9x	NM	21.4%	4.5%	12.0%	4.4x
US Ecology, Inc.	ECOL	\$33.97	64.1%	\$738	\$1,095	1.9x	8.5x	13.2x	27.8x	25.3x	26.1x	30.4%	13.9%	21.9%	2.3x
Sharps Compliance Corp.	SMED	\$6.10	58.2%	\$94	\$80	2.4x	33.9x	49.6x	76.0x	NM	82.5x	35.2%	5.0%	7.3%	(6.0x)
Perma-Fix Environmental Services Inc.	PESI	\$3.76	80.2%	\$43	\$53	0.8x	9.9x	34.6x	54.1x	NM	NM	23.6%	2.4%	8.4%	1.3x
Mean				\$2,523	\$3,258	1.9x	13.7x	24.5x	42.8x	31.6x	44.1x	30.6%	9.2%	15.2%	3.4x
Median				\$1,110	\$2,277	1.5x	9.2x	17.3x	37.7x	32.0x	33.8x	29.3%	6.2%	13.7%	2.3x
High				\$10,228	\$11,093	4.0x	33.9x	49.6x	76.0x	37.0x	82.5x	44.5%	22.2%	26.4%	4.4x
Low				\$43	\$53	0.8x	7.1x	13.2x	23.7x	25.3x	26.1x	21.4%	2.4%	7.3%	(6.0x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

### Industrial Services:

(*\$ in millions, except per share data*)

Company	Share Price 01/31/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY14 P/E	CY15 P/E	Gross	EBIT	EBITDA		
Covanta Holding Corporation	CVA	\$14.14	61.4%	\$1,883	\$4,266	2.6x	11.5x	25.4x	NM	55.4x	105.9x	31.4%	9.2%	21.3%	6.8x
CECO Environmental Corp.	CECE	\$7.80	50.9%	\$266	\$435	1.3x	10.0x	15.0x	NM	18.5x	13.3x	29.7%	8.5%	12.7%	3.8x
Heritage-Crystal Clean, Inc.	HCCI	\$9.54	59.2%	\$213	\$267	0.7x	8.7x	20.8x	NM	(102.2x)	33.2x	20.4%	3.5%	8.4%	1.7x
Cypress Energy Partners, L.P.	CELP	\$9.08	45.8%	\$107	\$206	0.5x	9.1x	12.6x	NM	19.4x	15.9x	11.9%	4.3%	5.9%	5.1x
Quest Resource Holding Corporation	QRHC	\$0.58	40.3%	\$65	\$63	0.4x	NM	NM	NM	(30.0x)	NM	8.0%	(3.7%)	(1.4%)	0.8x
Ecology & Environment, Inc.	EEL	\$9.93	82.8%	\$43	\$36	0.3x	3.6x	4.2x	13.3x	NM	NM	44.1%	6.9%	7.9%	(1.0x)
Fuel-Tech, Inc.	PTEK	\$1.79	52.6%	\$41	\$27	0.4x	NM	NM	NM	(966.7x)	NM	41.2%	(9.2%)	(2.3%)	8.4x
Industrial Services of America, Inc.	ISDA	\$1.15	19.2%	\$9	\$16	0.2x	NM	NM	NM	NM	NM	(6.2%)	(14.6%)	(10.7%)	(0.9x)
Mean				\$328	\$665	0.8x	8.6x	15.6x	13.3x	-167.6x	42.1x	22.5%	0.6%	5.2%	3.1x
Median				\$86	\$135	0.5x	9.1x	15.0x	13.3x	-5.7x	24.5x	25.1%	3.9%	6.9%	2.7x
High				\$1,883	\$4,266	2.6x	11.5x	25.4x	13.3x	55.4x	105.9x	44.1%	9.2%	21.3%	8.4x
Low				\$9	\$16	0.2x	3.6x	4.2x	13.3x	-966.7x	13.3x	-6.2%	-14.6%	-10.7%	(1.0x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months





# Trash Talk

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## Select Mergers and Acquisitions & Capital Raising News

### ❖ Santek Waste Expands Kentucky Presence with Buy of Waste Transport

January 7, 2016 – Santek Waste Services LLC has purchased Waste Transport Service LLC, based in Elizabethtown, Kentucky, for an undisclosed amount. Cleveland, Tennessee-based Santek formed a new, wholly owned subsidiary, Waste Services of Kentucky LLC, to acquire Waste Transport. Santek, which calls itself the largest privately held manager of publicly owned solid waste landfills in the United States, acquired Waste Transport's residential, commercial and industrial waste collection customers in Hardin, Meade and LaRue counties. The transaction includes 14,000 residential customers, 346 commercial and industrial waste customers and 24 collection vehicles. The move complements Santek's Pearl Hollow Landfill operation.

### ❖ Advanced Disposal Makes Its First Buy of 2016: FDS Disposal

January 8, 2016 – Advanced Disposal has acquired waste hauler FDS Disposal LLC, based in Lecanto, Florida, for an undisclosed amount. Ponte Vedra, Florida-based Advanced Disposal's purchase of FDS includes a hauling facility and commercial and residential customers in Florida's Citrus County. The acquisition strengthens Advanced Disposal's existing Florida footprint. It is the first acquisition for Advanced Disposal in 2016. In 2015, the waste and recycling company made 13 hauler acquisitions.

### ❖ Waste Connections, Progressive Waste to Merge into \$4B Giant

January 19, 2016 – The solid waste industry's No. 3 and No. 4 haulers, Waste Connections Inc. and Progressive Waste Solutions Ltd., are merging to form a \$4.1 billion company. The all-stock, reverse merger transaction provides an implied exchange ratio of 0.4815 of a share of Waste Connections stock for each share of Progressive Waste stock. Waste Connections stockholders will receive 2.076843 shares of Progressive Waste stock for each share of Waste Connections stock they own. Based on Friday's closing price of \$24.55 per share, that puts the transaction value at about \$2.7 billion. When the transaction is completed Waste Connections shareholders will own about 70 percent of the combined company, while Progressive Waste shareholders will own about 30 percent.

Both boards have approved the transaction, which they expect to close in the second quarter. Shareholders for both companies have to approve the transaction. The transaction value represents about a 16% premium to Progressive Waste's 20-day volume-weighted average stock price prior to Progressive's January 4 announcement that it was reviewing its strategic alternatives. Upon closing, the combined company will use the Waste Connections name, with expectations that its shares will trade on both the New York and Toronto stock exchanges. The combined company will be led by Waste Connections' current management team. The new board of directors will include five current Waste Connections board members and two members from Progressive Waste's board.

With pro forma revenue of \$4.1 billion, the move brings an integrated network of solid waste operations across North America. It combines two companies that have delivered strong organic growth within the industry. Waste Connections is in mostly secondary and exclusive U.S. markets, while Progressive has a strong position in Canada and complementary U.S. markets, particularly in its commercial services line. The combined company expects to generate about \$50 million in SG&A cost savings within the first 12 months after closing. Operational and safety-related improvements and market rationalization will contribute additional savings long-term. The company's financial profile should remain strong, as the all-stock transaction should remain at about 3x debt to EBITDA.

### ❖ Covanta Expands Midwest Presence with Latest Buy

January 21, 2016 – Waste-to-energy firm Covanta Holding Corp. has acquired Chief Industrial Services, a Wisconsin environmental services firm, expanding and complementing its capabilities in the Midwest. Winneconne, Wisconsin-based Chief Industrial specializes in custom non-hazardous waste management and cleaning services for industrial and commercial customers in the Midwest. Morristown, New Jersey-based Covanta's subsidiary, Covanta Environmental Solutions, purchased the privately held Chief Industrial for an undisclosed amount. The move adds two locations to Covanta Environmental and increases the services and customized solutions to current and future customers. The transaction also follows Covanta's 2015 acquisition of Milwaukee-based Advanced Waste Services.

### ❖ Organics Recycler, Yard Works, Buys Waltrip to Expand in Virginia

January 25, 2015 – Recycling and organics firm Yard Works LLC has acquired a firm with similar operations, Waltrip Recycling Inc., to expand its operations in Virginia. Richmond, Virginia-based Yard Works expanded into the greater Williamsburg area with its sixth location. The transaction was made for an undisclosed amount. Yard Works will begin serving Waltrip residential and commercial customers immediately by bringing its premium brands of mulch and other land improvement products and services to the market. The transaction expands Yard Works into the Virginia regions of Williamsburg, Jamestown and Yorktown.

Yard Works provides landscape products, recycling and land clearing services for central Virginia. The company opened a mulching and recycling facility in nearby West Point, near Williamsburg, in 2013. Yard Works serves Richmond and Charlottesville, and has retail operations in Powhatan, Goochland, Chesterfield, Henrico and Hanover counties. To strengthen operations at the Williamsburg retail location, Yard Works will be adding new staff, services and products.



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## Select Industry News

### ❖ Plastic Microbead Ban Signed into Law, Wins Industry Support

January 4, 2016 – The plastics industry says it supports a new law that phases out plastic microbeads starting in 2017. President Barack Obama signed the law, which bans personal-care products from containing microbeads and aims to help remove plastic pollution from water supplies. The law defines microbeads as “any solid plastic particle that is less than 5 millimeters in size,” and prohibits soaps, body washes, toothpaste and other personal-care products from containing the traditional plastic or bioplastic beads as of July 1, 2017. The law also prohibits the sale of products containing microbeads as of July 1, 2019.

### ❖ California’s New Laws Aim to Push Organics Recycling

January 5, 2016 – Five laws have taken effect in California in 2016 to further organic waste management and recycling. Those laws involve mandatory commercial organics recycling, tax exemptions for recycling and composting equipment, detailing organics infrastructure, recycling and composting reporting requirements and composting promotion. These pending laws and previous aggressive legislation in the state have helped prompt steady construction in the organics management field. In November, Agromin opened an organics recycling facility in Chino to turn green waste into organic compost. Oxnard, California-based Agromin is aiming to produce 50,000 tons of 100-percent organic compost annually at the location.

### ❖ Styrofoam Bans Expand as Plastic Falls Out of Favor

January 5, 2016 – New bans on polystyrene foam food containers took effect in the District of Columbia, Montgomery County, Maryland and even the South American nation Guyana on the first of January. Plastic foam cups and clamshells have been falling further out of favor since the city of Berkeley, California, outlawed them in the late 1980s. Last year, the New York Supreme Court overturned New York City’s ban, but restaurants in Seattle, San Francisco and Miami Beach are among those free of the containers.

### ❖ Low Energy Prices Prompting Covanta to Close Temporarily Two Biomass Units

January 11, 2016 – Covanta Energy Corp. will close at least temporarily two biomass-to-energy plants in Maine because of slumping energy prices. Morristown, New Jersey-based Covanta will take operations at biomass plants in Jonesboro and West Enfield offline at the end of March. The facilities employ 44 people total and produce a combined 49 megawatts of power. The closings could affect more than 2,500 jobs in the state’s logging industry.

### ❖ North American Battery Recycling Program Sets New Record in 2015

January 19, 2016 – Atlanta-based Call2Recycle Inc., North America’s first and largest product stewardship organization managing the only no-cost battery and cellphone collection program, reported that its collections increased 5 percent during 2015 to a record 12.6 million pounds (5.7 million kilograms). Enhanced awareness contributed to record-breaking battery collections in the United States and Canada. This marks the 19th consecutive year the organization has generated a year-over-year increase (since collections began in 1996) in the volume of batteries diverted from landfills and recycled. Call2Recycle ensures that these items, which contain valuable resources, are responsibly recycled to create new batteries and other products, keeping potentially hazardous materials from entering the waste stream.

### ❖ Progressive Waste Names Pio as CEO; Quarin Leaving Firm

January 26, 2016 – Progressive Waste Solutions Ltd. has appointed Dan Pio CEO of the company, while Joseph Quarin, current CEO and president, is leaving the firm. Pio, who was just named executive vice president and chief integration officer when the proposed merger of Progressive Waste Solutions and Waste Connections was announced earlier this month, took over the role at the end of January. Quarin, who also is leaving his position on the Vaughan, Ontario-based company’s board of directors, is departing to pursue other opportunities. Quarin had planned to step down during the integration period for the joining of the industry’s third and fourth biggest waste haulers.

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Sources include Waste360, Waste Dive and various publicly available news publications. Additional information is available upon request.