

Market Overview

Indices Performance (% change)

	<u>March 2020</u>	<u>LTM</u>		<u>March 2020</u>	<u>LTM</u>
S&P 500	(12.5%)	(10.7%)	NASDAQ	(10.1%)	(3.0%)
Dow Jones Industrial Average	(13.7%)	(17.1%)	Russell 3000	(13.9%)	(12.7%)

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

Environmental Services Movers and Losers (largest % changes in the month in March)

Sharps Compliance	31.0%	Fuel Tech	(49.9%)
		Quest Resource Holding	(46.6%)
		Heritage-Crystal Clear	(38.3%)
		Covanta	(36.0%)
		EEl	(35.7%)

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 03/31/2020	% 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	CY18 P/E	Gross	EBIT	EBITDA		
Waste Management	WM	\$92.56	73.0%	\$39,211	\$49,150	3.2x	12.0x	19.5x	23.7x	16.9x	38.6%	16.3%	26.5%	2.4x
Republic Services	RSG	\$75.06	74.4%	\$23,956	\$32,864	3.2x	11.7x	19.5x	22.5x	17.2x	38.8%	16.3%	27.2%	3.2x
Waste Connections	WCN	\$77.50	73.7%	\$20,436	\$24,674	4.6x	15.3x	29.3x	36.2x	26.9x	40.6%	15.7%	29.9%	2.6x
Advanced Disposal	ADSW	\$32.80	98.9%	\$2,949	\$4,805	3.0x	13.6x	65.0x	NA	43.5x	NA	4.6%	21.7%	5.3x
Casella Waste Systems	CWST	\$39.06	69.6%	\$1,867	\$2,457	3.3x	17.6x	47.5x	59.2x	30.3x	31.6%	7.0%	18.7%	4.2x
Mean				\$17,684	\$22,790	3.4x	14.1x	36.2x	35.4x	27.0x	37.4%	12.0%	24.8%	3.5x
Median				\$20,436	\$24,674	3.2x	13.6x	29.3x	29.9x	26.9x	38.7%	15.7%	26.5%	3.2x
High				\$39,211	\$49,150	4.6x	17.6x	65.0x	59.2x	43.5x	40.6%	16.3%	29.9%	5.3x
Low				\$1,867	\$2,457	3.0x	11.7x	19.5x	22.5x	16.9x	31.6%	4.6%	18.7%	2.4x

Source: PitchBook

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

LTM = Last Twelve Months

Environmental Services Industry Contacts

Tom Denison

(312) 283-0819

thomas.denison@thechicagocorp.com

Phil Clarke

(312) 283-0803

philip.clarke@thechicagocorp.com

Publicly Traded Company Performance: Special Waste

(\$ in millions, except per share data)

Company	Share Price 03/31/2020	% 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	CY18 P/E	Gross	EBIT	EBITDA		
Stericycle	SRCL	\$48.58	71.5%	\$4,434	\$7,518	2.3x	265.7x	NA	NA	21.2x	35.5%	(7.4%)	0.9%	108.9x
Clean Harbors	CLH	\$51.34	58.1%	\$2,866	\$4,176	1.2x	7.9x	18.4x	29.5x	21.1x	30.0%	6.6%	15.5%	2.5x
Darling Ingredients	DAR	\$19.17	64.8%	\$3,145	\$4,928	1.5x	6.3x	10.7x	10.3x	19.2x	23.0%	13.6%	23.3%	2.2x
US Ecology	ECOL	\$30.40	45.2%	\$958	\$1,743	2.5x	13.9x	25.5x	21.7x	20.8x	30.6%	10.0%	18.3%	6.3x
Sharps Compliance	SMED	\$7.94	99.9%	\$129	\$134	2.7x	44.8x	100.7x	132.3x	NA	30.7%	2.7%	6.0%	1.8x
Perma-Fix Environmental Services	PEFI	\$5.21	52.2%	\$63	\$69	0.9x	15.1x	21.5x	21.7x	15.7x	21.2%	4.3%	6.2%	1.5x
Mean				\$1,933	\$3,095	1.9x	59.0x	35.4x	43.1x	19.6x	28.5%	5.0%	11.7%	20.5x
Median				\$1,912	\$2,959	1.9x	14.5x	21.5x	21.7x	20.8x	30.3%	5.5%	10.8%	2.3x
High				\$4,434	\$7,518	2.7x	265.7x	100.7x	132.3x	21.2x	35.5%	13.6%	23.3%	108.9x
Low				\$63	\$69	0.9x	6.3x	10.7x	10.3x	15.7x	21.2%	(7.4%)	0.9%	1.5x

Source: PitchBook

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

LTM = Last Twelve Months

Publicly Traded Company Performance: Industrial Services

(\$ in millions, except per share data)

Company	Share Price 03/31/2020	% 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	CY18 P/E	Gross	EBIT	EBITDA		
Covanta	CVA	\$8.55	46.5%	\$1,124	\$3,603	1.9x	10.0x	25.7x	122.1x	6.4x	NA	7.5%	19.3%	6.9x
Heritage-Crystal Clean	HCCI	\$16.24	49.8%	\$389	\$448	1.1x	14.4x	34.8x	45.1x	22.3x	17.1%	3.0%	7.4%	1.9x
CECO Environmental	CECE	\$4.67	47.5%	\$165	\$208	0.6x	7.1x	11.1x	9.3x	NA	33.4%	5.5%	8.6%	1.5x
Cypress Energy Partners	CELP	\$4.45	43.9%	\$54	\$166	0.4x	5.6x	6.6x	5.1x	6.5x	13.1%	5.7%	7.1%	2.5x
EEL	EEL	\$0.10	45.0%	\$104	\$294	0.7x	NA	9.8x	8.4x	8.0x	13.6%	6.8%	9.7%	NA
Fuel Tech	FTEK	\$0.40	13.1%	\$10	(\$0)	NA	NA	NA	NA	NA	35.5%	(25.9%)	(22.6%)	1.4x
Quest Resource Holding	QRHC	\$1.17	37.7%	\$18	\$20	0.2x	9.9x	33.1x	NA	NA	18.9%	0.6%	2.0%	0.9x
Mean				\$266	\$677	0.8x	9.4x	20.2x	38.0x	10.8x	21.9%	0.5%	4.5%	2.5x
Median				\$104	\$208	0.6x	9.9x	18.4x	9.3x	7.3x	18.0%	5.5%	7.4%	1.7x
High				\$1,124	\$3,603	1.9x	14.4x	34.8x	122.1x	22.3x	35.5%	7.5%	19.3%	6.9x
Low				\$10	(\$0)	0.2x	5.6x	6.6x	5.1x	6.4x	13.1%	(25.9%)	(22.6%)	0.9x

Source: PitchBook

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

LTM = Last Twelve Months

Select M&A and Capital Raising News

❖ Waste Pro Acquires Residential Customers, Landfill in Mississippi

March 12, 2020 - Waste Pro of Mississippi will begin servicing 700 customers previously serviced by Resourceful Environmental Services, Inc. (RES). The arrangement includes the lease of a 6,000-square-foot RES facility, located at 3939 Highway 61 in Cleveland, Mississippi, which will become a satellite facility of Waste Pro's Greenwood Division. The office will be home to 33 employees who are joining Waste Pro, in addition to rear load, front load and roll-off garbage trucks. In addition to providing new service to residents of 13 municipalities in Cleveland, Waste Pro will assume operations of the construction and demolition and Class I rubbish landfill located on Twiner Road in Ruleville.

❖ Modern Disposal Acquires Republic's Western New York Operations

March 24, 2020 - Waste management company Modern Disposal Services has acquired the Western New York operations of Republic Services. The acquisition includes Republic's area headquarters in Western New York and all of its hauling and recycling operations in Erie, Niagara and Orleans Counties. Modern plans to integrate the Republic customers into its current operations. Modern officials will begin contacting Republic customers to assure them of uninterrupted service.

Recent Industry News

❖ Florida County Approves 39% Trash Contract Increase

March 2, 2020 - Florida County commissioners have voted for a new trash contract with Waste Management at a 39 percent rate increase. Under the new contract, the annual bill for trash collection at a single family home will jump to an estimated \$194.28 a year, up from the current \$139.70 a year. The \$54.58-a-year increase will take effect for the next budget year, which begins October 1, and will appear as a separate charge on property tax bills.

❖ 4ocean, Safe Harbor Marinas Partner to Eliminate Ocean Plastic

March 3, 2020 - 4ocean, a corporation founded to help end the world's ocean plastic crisis, announced its latest partnership with Safe Harbor Marinas—the world's largest owner and operator of marinas. Safe Harbor will install 4ocean's Harbor Skimmers at several of its 97 locations with the intention of nationwide deployment over time. In an effort to minimize ocean plastic pollution, Safe Harbor will install and utilize 4ocean's latest technology—the 4ocean Harbor Skimmer—as part of its pilot program to remove plastics and other pollution from marinas and harbors. 4ocean's Harbor Skimmer is a 450-gallon unit that acts like a pool skimmer for the ocean. As unwanted debris and plastic pollution float into the vicinity of the skimmer, they are gently sucked into the machine and held in the collection bin until it is serviced. The machine runs 24 hours a day and is monitored regularly by trained employees to ensure no wildlife is harmed during the cleaning process.

❖ South Carolina Mandates Solid Waste Tax

March 4, 2020 - An electronic mandate requiring all solid waste taxpayers in South Carolina to file and pay electronically has taken effect. South Carolina's Solid Waste Tax applies to the sale of motor oil and lubricants, tires and lead-acid batteries, among other items. The easiest way to file and pay South Carolina business taxes electronically is by using the South Carolina Department of Revenue's free online tax portal, MyDORWAY. That allows business owners and tax professionals to manage all their tax accounts from one login, make payments, file returns, calculate penalties and interest and view related correspondence.

❖ Reps Launch Investigation into Bottled Water Industry Practices

March 5, 2020 – Rep. Harley Rouda, the chairman of the House Subcommittee on Environment, and Rep. Rashida Tlaib, the vice chairwoman of the subcommittee, sent a letter to Nestlé Waters North America seeking documents and information related to the bottled water industry's practices, specifically regarding the extraction, bottling and selling of America's groundwater for financial gain. According to the subcommittee, Nestlé Waters North America and its subsidiaries have financially benefited from low-cost or no-cost permits from communities across the United States as well as the federal government. For example, Nestlé customarily pays approximately \$200 per facility to extract groundwater from Michigan cities and communities, the subcommittee added.

❖ Loop Industries Signs Multiyear Supply Agreement with L'Oréal

March 12, 2020 – Loop Industries, Inc. has entered into a multiyear offtake agreement with beauty industry brand L'Oréal to supply it with polyethylene terephthalate (PET) resin made of 100 percent recycled materials for its packaging needs. This resin is to be supplied from Loop Industries' joint venture facility in Spartanburg, South Carolina, with Indorama Ventures, a global integrated leader in PET plastic and polyester fiber manufacturing. The growing demand for Loop Industries' resin has driven the joint venture's decision to increase the facility's production capacity to 40,000 tons per year, thus enabling Loop Industries to broaden its array of partnerships and supply more brands with resin made from waste PET plastic and polyester fiber. Via Loop Industries' low-energy technology, waste PET plastic and polyester fiber can be diverted away from landfills and natural areas and depolymerized into its base building blocks, purified and polymerized into virgin-quality Loop PET resin. The collaboration between L'Oréal and Loop Industries, which began in 2018, is now entering a new step forward with this agreement for the supply of sustainable PET resin.

❖ New Jersey Senate Votes in Favor of Bag Ban

March 12, 2020 - The New Jersey Senate recently voted 22-14 in favor of legislation that would ban single-use bags and Styrofoam takeout containers. The bill, S864, has three major components: a ban on film plastic bags, regardless of thickness, and a ban on paper bags; a ban on polystyrene (Styrofoam) clamshell food containers, plates, cups, food trays and utensils; a reduction in plastic straws, which would only be available upon request at foodservice establishments. The bill now heads to the state Assembly for consideration, where a similar bill stalled during the last legislative session.

❖ Washington State Moves Forward with Recycled Content Bill

March 13, 2020 - A bill requiring beverage manufacturers to use at least 10 percent post-consumer plastic content in bottles starting in 2022, 25 percent starting in 2025 and 50 percent starting in 2030 is moving forward in Washington state. Under the measure, the Washington Department of Ecology would be charged with deciding whether to give beverage companies waivers of the requirements. In making the determination, the department director would have to evaluate several factors, including the supply and demand for post-consumer plastics, collection rates, bale availability, availability of recycled plastics suitable for meeting the requirements and more.

❖ Hollywood, Florida Offers New Recycling Incentives

March 18, 2020 - Beginning April 1, the city of Hollywood, Florida, is switching up its incentives program to encourage residents to recycle more. The city is partnering with service provider Waste Pro for Waste Pro Rewards, where residents can earn points by recycling and redeem them at restaurants and certain retailers, like Office Depot and LA Fitness. The new rewards program has more options for retailers where residents can use their points locally. In addition, the city is also renewing its push to educate civic associations and residents about what can and can't be recycled.

❖ EPA Awards \$2.3M for the Development of Environmental Technologies

March 20, 2020 - The U.S. Environmental Protection Agency (EPA) announced \$2.3 million in funding for 23 contracts with small businesses through its Small Business Innovation Research (SBIR) program to develop technologies that will help protect human health and the environment. This year's funded technologies are focused on clean and safe water, air quality monitoring, land revitalization, homeland security, sustainable materials management and safer chemicals. These small businesses are receiving Phase I funding of up to \$100,000 from EPA's SBIR program, which awards contracts annually through a two-phase competition. After receiving a Phase I award, companies are eligible to compete for a Phase II award of up to \$400,000 to further develop and commercialize the technology.

❖ Pensacola, Florida Mayor Donates Salary for Residential Trash Pickup

March 25, 2020 - The mayor of Pensacola, Florida, is donating his \$100,000 salary to pay his residents' bills for trash pickup and energy amid the COVID-19 pandemic. The move reportedly comes days after Mayor Grover Robinson ordered all entertainment venues in the city to close as state officials work to limit the spread of COVID-19. He also reportedly ordered all restaurants in the city to reduce their businesses to takeout and delivery options amid the pandemic, joining a number of other states and municipalities that have done the same in recent weeks to combat the outbreak.

❖ Judge Dismisses Baltimore's Clean Air Act

March 30, 2020 - On March 27, the U.S. District Court for the District of Maryland tossed out air pollution limits that the city of Baltimore set last year, agreeing with the city's incinerator companies and other co-plaintiffs including the National Waste & Recycling Association (NWRA) that the Baltimore Clean Air Act is "fundamentally flawed" and in conflict with existing federal and state laws and regulations. The act, which was unanimously passed by the City Council in February 2019 and signed into law by Baltimore Mayor Catherine Pugh in March 2019, mandated real-time monitoring of 20 pollutants at the city's two waste incinerators by September 2020 and required that they meet the strongest standards in North America for four major air pollutants: mercury and sulfur dioxides by September 2020 and dioxins and nitrogen oxides (NOx) by January 1, 2022.

The Chicago Corporation Overview

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Sources include waste360.com, PitchBook and various publicly available news publications.

Additional information is available upon request.