

Market Overview

Indices Performance (% change)

	April 2020	LTM		April 2020	LTM
S&P 500	10.9%	5.8%	NASDAQ	15.4%	19.3%
Dow Jones Industrial Average	11.1%	(1.9%)	Russell 3000	13.1%	4.0%

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

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

Fuel Tech	25.6%	Sharps Compliance	(24.2%)
Cypress Energy Partners	23.1%	Covanta	(9.0%)
Casella Waste Systems	18.7%	Advanced Disposal	(1.7%)
CECO Environmental	16.1%		
Perma-Fix Environmental Services	14.4%		

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 04/30/2020	% 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	\$100.02	78.9%	\$42,371	\$52,310	3.4x	12.8x	20.8x	25.6x	16.9x	38.6%	16.3%	26.5%	2.4x
Republic Services	RSG	\$78.34	77.6%	\$25,002	\$33,911	3.3x	12.1x	20.2x	23.5x	17.2x	38.8%	16.3%	27.2%	3.2x
Waste Connections	WCN	\$85.91	81.7%	\$22,682	\$26,920	5.0x	16.7x	31.9x	40.1x	26.9x	40.6%	15.7%	29.9%	2.6x
Advanced Disposal	ADSW	\$32.25	97.3%	\$2,899	\$4,755	2.9x	13.5x	64.3x	NA	43.5x	NA	4.6%	21.7%	5.3x
Casella Waste Systems	CWST	\$46.38	82.6%	\$2,241	\$2,830	3.8x	20.3x	54.7x	70.3x	30.3x	31.6%	7.0%	18.7%	4.2x
Mean				\$19,039	\$24,145	3.7x	15.1x	38.4x	39.9x	27.0x	37.4%	12.0%	24.8%	3.5x
Median				\$22,682	\$26,920	3.4x	13.5x	31.9x	32.9x	26.9x	38.7%	15.7%	26.5%	3.2x
High				\$42,371	\$52,310	5.0x	20.3x	64.3x	70.3x	43.5x	40.6%	16.3%	29.9%	5.3x
Low				\$2,241	\$2,830	2.9x	12.1x	20.2x	23.5x	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

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Publicly Traded Company Performance: Special Waste

(\$ in millions, except per share data)

Company	Share Price 04/30/2020	% 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	\$48.80	71.8%	\$4,461	\$7,545	2.3x	266.6x	NA	NA	21.2x	35.5%	(7.4%)	0.9%	108.9x
Clean Harbors	CLH	\$53.43	60.4%	\$2,970	\$4,346	1.2x	8.0x	18.1x	27.5x	21.1x	30.4%	6.9%	15.5%	2.5x
Darling Ingredients	DAR	\$20.59	69.6%	\$3,378	\$5,161	1.5x	6.6x	11.2x	11.1x	19.2x	23.0%	13.6%	23.3%	2.2x
US Ecology	ECOL	\$32.78	48.8%	\$1,019	\$1,804	2.6x	14.4x	26.4x	23.4x	20.8x	30.6%	10.0%	18.3%	6.3x
Sharps Compliance	SMED	\$6.02	73.4%	\$98	\$104	2.0x	63.5x	125.6x	150.5x	NA	30.7%	2.7%	6.0%	1.8x
Perma-Fix Environmental Services	PEFI	\$5.96	59.7%	\$72	\$78	1.1x	17.1x	24.3x	24.8x	15.7x	21.2%	4.3%	6.2%	1.5x
Mean				\$2,000	\$3,173	1.8x	62.7x	41.1x	47.5x	19.6x	28.6%	5.0%	11.7%	20.5x
Median				\$1,994	\$3,075	1.8x	15.8x	24.3x	24.8x	20.8x	30.5%	5.6%	10.8%	2.4x
High				\$4,461	\$7,545	2.6x	266.6x	125.6x	150.5x	21.2x	35.5%	13.6%	23.3%	108.9x
Low				\$72	\$78	1.1x	6.6x	11.2x	11.1x	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 04/30/2020	% 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	\$7.78	42.3%	\$1,024	\$3,503	1.9x	9.7x	25.0x	111.1x	6.4x	NA	7.5%	19.3%	6.9x
Heritage-Crystal Clean	HCCI	\$18.35	56.3%	\$427	\$489	1.1x	11.5x	21.2x	26.6x	22.3x	18.7%	5.3%	9.8%	1.5x
CECO Environmental	CECE	\$5.42	55.1%	\$192	\$235	0.7x	8.0x	12.5x	10.8x	NA	33.4%	5.5%	8.6%	1.5x
Cypress Energy Partners	CELP	\$5.48	54.0%	\$67	\$179	0.4x	5.9x	7.1x	6.2x	6.5x	13.4%	6.2%	7.6%	2.1x
EI	EI	\$0.11	47.9%	\$111	\$271	0.6x	NA	6.9x	5.0x	8.0x	12.6%	8.7%	12.1%	NA
Fuel Tech	FTFC	\$0.50	18.5%	\$12	\$2	0.1x	NA	NA	NA	NA	35.5%	(25.9%)	(22.6%)	1.4x
Quest Resource Holding	QRHC	\$1.18	38.1%	\$18	\$20	0.2x	10.0x	33.4x	NA	NA	18.9%	0.6%	2.0%	0.9x
Mean				\$264	\$671	0.7x	9.0x	17.7x	32.0x	10.8x	22.1%	1.1%	5.3%	2.4x
Median				\$111	\$235	0.6x	9.7x	16.9x	10.8x	7.3x	18.8%	5.5%	8.6%	1.5x
High				\$1,024	\$3,503	1.9x	11.5x	33.4x	111.1x	22.3x	35.5%	8.7%	19.3%	6.9x
Low				\$12	\$2	0.1x	5.9x	6.9x	5.0x	6.4x	12.6%	(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

❖ Stericycle Completes Divestiture of Domestic Environmental Solutions Business

April 8, 2020 - Stericycle, Inc. has completed the previously reported divestiture of the Domestic Environmental Solutions business, excluding the healthcare customer and unused consumer pharmaceutical take-back services, to Harsco Corporation for approximately \$462.5 million in cash. Following the transaction, Stericycle will continue to offer solutions for unused consumer pharmaceutical take-back and provide hazardous waste services to healthcare customers as an integrated services provider. Stericycle has subcontracted with Harsco to perform hazardous waste services, including collection, transportation and disposal as necessary. The transaction will not impact the operations of Stericycle's regulated medical waste and secure information destruction businesses. Stericycle intends to use net proceeds from the divestiture to pay down outstanding debt.

❖ IWSG to Acquire Central Texas Refuse and 130 Environmental Park

April 9, 2020 - Integrated Waste Solutions Group, LLC (IWSG) announced funding from NOVA Infrastructure, the completion of the acquisition of Central Texas Refuse, Inc. (CTR) and its affiliates and the agreement with Green Group Holdings to acquire 130 Environmental Park (130 EP). CTR is a full-service waste collection and recycling company serving Austin, Texas, and surrounding areas. The Company is one of the largest independent waste collection service organizations in Central Texas. 130 EP is the holder of a municipal solid waste (MSW) permit for a Type I MSW landfill facility issued by the Texas Commission on Environmental Quality (TCEQ). 130 EP is a mixed-use development in northern Caldwell County that is located east of the 130 Toll Road and north of FM 1185. The development will include the landfill, a facility for processing recyclable materials and an industrial park.

Recent Industry News

❖ MES to Award More Than \$2M in Supplemental Compensation to Employees

April 1, 2020 - As the not-for-profit Maryland Environmental Service (MES) marks its 50th year in operation, hundreds of its employees will share in the largest performance incentive compensation distribution ever awarded, under a proposal to give funds earlier than normal to MES' employees during the ongoing coronavirus crisis. Through MES' performance incentive program—BEST (Building Excellence and Success Together)—incentive compensation may be awarded based on how the organization performs overall across a range of business metrics. Nearly two-thirds of MES' 850 employees are considered "essential," and they continue reporting to worksites across Maryland and the region, where they keep critical environmental infrastructure and projects operating. Key among these are water and wastewater operations for 228 local cities and towns, as well as solid waste management and recycling services for some of the largest communities in the Baltimore-Washington area, including Montgomery, Prince George's and Harford counties.

❖ EPA Solicits Grant Applications for Recycling, Food Waste Reduction Projects

April 2, 2020 - U.S. Environmental Protection Agency (EPA) Region 5 is now accepting applications for sustainable materials management grants to fund recycling markets or food waste reduction projects in the states of Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. Proposed projects must focus on enhancing plastics and paper recycling markets, or preventing food waste or diverting food waste from landfills. The EPA plans to award grants of \$30,000 to \$60,000 to fund three or four projects. Sustainable materials management is a systemic approach to use and reuse materials through a product's entire lifecycle to reduce environmental impacts, conserve resources and reduce costs.

❖ Cascades to Supply Recycled Plastic for Medical Visors

April 7, 2020 - Cascades, a packaging solutions provider based in Kingsey Falls, Quebec, announced that it will supply recycled plastic needed to make medical visors to help in the fight against COVID-19. This comes in response to an initiative led by Tristan, a Quebec-based clothing company, and Bauer, a hockey equipment provider, which will ensure the final assembly of the components. Cascades already manufactures rolls of extruded plastic to supply Tristan. On April 6, it also started production of a minimum of 1 million pre-cut visors for Bauer. The first units will be delivered this week. All of these products will be made at the Cascades Inopak plant in Drummondville, Quebec. Cascades' efforts are supported by nu-b, a company located in Vaudreuil, Quebec, which supplies extruded rolled plastic for this project.

❖ Strategic Materials Deploys InfinityQS' Enact Platform

April 9, 2020 - InfinityQS International, Inc., a global authority on data-driven enterprise quality, announced that one of North America's largest glass recyclers, Strategic Materials, has deployed InfinityQS' cloud-based Quality Intelligence platform, Enact, to standardize data collection and quality programs at 31 of its recycling plants—with plans to expand to others. Using Enact, quality professionals at Strategic Materials gain real-time visibility into the process performance within these plants—empowering immediate issue detection and corrections, as well as the cross-site analysis needed to drive continuous improvement. Founded in 1896, Strategic Materials supplies recycled glass to manufacturers of glass containers, fiberglass insulation, highway bead, decorative glass, glass fillers and other specialty glass. Previously, the Company used non-standardized data collection methods.

❖ Utility FortisBC to Launch Third Landfill Renewable Gas Project

April 17, 2020 - Utility FortisBC in British Columbia will soon launch its third and largest landfill renewable natural gas (RNG) project to make RNG from decomposing waste. The utility will own and operate the system at the Delta landfill and pay the city of Vancouver for its gas, which will go back to the municipality to fuel its compressed natural gas trucks. The gas will also be used for city buildings and for a central energy system serving residential and commercial customers in downtown Vancouver.

❖ Eriez Appoints Guenthardt to President and CEO

April 17, 2020 - Eriez Chairman Richard Merwin has appointed Lukas Guenthardt to the position of president and CEO. Eriez, a world authority in separation technologies, selected Guenthardt to fill this leadership role when Timothy Shuttleworth retired after serving as the Company's president and CEO since 2004. Guenthardt joined the Eriez Board of Directors in 2011 and was named executive vice president of global strategy and development in 2014. Prior to joining Eriez, Guenthardt was with K-Tron International for 20 years, serving in various executive capacities during that time. He started in K-Tron's research and development department and then relocated to Switzerland to direct European and Asian operations. Guenthardt later moved back to the United States to head K-Tron's strategy and acquisition activities and subsequently was named president of K-Tron's Size Reduction Group.

❖ Los Angeles County Co-digests Food, Sludge to Make Transportation Fuel

April 17, 2020 - In 2014, Los Angeles County Sanitation Districts (LACSD) saw the writing on the wall; SB 1383 requiring diversion of organics from landfill was not drafted yet but already the push was on to divert food from landfills. So, the agency began exploring what has since turned into a multimillion-dollar program to be able to co-digest food and biomass at its wastewater treatment plant. The end product will be transportation fuel it will sell at its public compressed natural gas (CNG) station and possibly inject into the pipeline. Partnering with Waste Management, the agency spent three years assessing the feasibility of using the existing anaerobic digestion operation at its wastewater treatment plant in Carson to co-digest food and sludge. They experimented at one of LACSD's 24 anaerobic digesters to ensure parameters were acceptable such as pH, conductivity, total solids and contamination levels from inerts like plastics and glass. The conclusion was that up to 62 tons of food waste could be handled per day.

❖ Republic Services Launches \$20 Million "Committed to Serve" Initiative

April 19, 2020 - Republic Services, Inc. (NYSE: RSG) launched its "Committed to Serve" initiative to help its employees, customers and communities across the United States. The Company has committed \$20 million to support frontline employees and their families, as well as its small business customers that are the economic engines of local communities. The "Committed to Serve" initiative includes multiple benefits designed to support Republic Services' employees, customers and local communities. Key elements over the next two months include: a weekly meal for all frontline employees, weekly dinner for frontline employees and their families, and bi-weekly \$100 gift cards to all frontline employees (or \$400 per employee in total). All meals will be purchased from local, small businesses to help support the Company's customers and the communities it serves. Additionally, Republic Services will donate \$3 million to the Republic Services Charitable Foundation to fund its long-term nonprofit partners that operate locally and serve local communities and small businesses.

❖ NWRA Backs Effort to Suspend Excise Tax on Heavy-duty Trucks

April 29, 2020 - The National Waste & Recycling Association (NWRA) and several of its member companies joined with dozens of other national, state, and local organizations and companies on a letter to congressional leaders urging the suspension of the 12 percent Federal Excise Tax (FET) on the purchase of new heavy-duty trucks and trailers. The FET increases the cost of new trucks and trailers by \$22,000 on average. Truck sales in the United States are predicted to decline by 50 percent in 2020 due to the current global health crisis. In March, truck orders dropped 52 percent compared to last year. A suspension of the FET would increase sales of trucks and, in turn, save or bring back the livelihoods of almost 8 million Americans employed in jobs related to trucking.

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.