

Market Overview

Indices Performance (% change)

	June 2020	LTM		June 2020	LTM
S&P 500	1.8%	4.0%	NASDAQ	6.0%	23.0%
Dow Jones Industrial Average	0.8%	(4.7%)	Russell 3000	2.1%	3.1%

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

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

CECO Environmental	24.1%	Cypress Energy Partners	(10.5%)
EEI	14.4%	Republic Services	(4.0%)
Perma-Fix Environmental Service	14.3%	Advanced Disposal	(3.2%)
Fuel Tech	13.0%	Sharps Compliance	(1.0%)
Covanta	6.6%	Waste Management	(0.8%)

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 06/30/2020	% 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	\$105.91	83.5%	\$44,697	\$55,026	3.6x	13.4x	22.0x	26.8x	16.9x	38.5%	16.2%	26.6%	2.5x
Republic Services	RSO	\$82.05	81.3%	\$26,118	\$35,049	3.4x	12.4x	20.7x	24.3x	17.2x	38.9%	16.3%	27.2%	3.2x
Waste Connections	WCN	\$93.79	89.2%	\$24,657	\$28,827	5.2x	17.6x	33.4x	42.6x	26.9x	40.3%	15.7%	29.7%	2.5x
Advanced Disposal	ADSW	\$30.17	91.0%	\$2,721	\$4,557	2.8x	13.1x	65.5x	NA	43.5x	NA	4.3%	21.3%	5.3x
Casella Waste Systems	CWST	\$52.12	92.8%	\$2,518	\$3,125	4.1x	21.5x	57.9x	72.4x	30.3x	31.9%	7.1%	19.1%	4.2x
Mean				\$20,142	\$25,317	3.8x	15.6x	39.9x	41.5x	27.0x	37.4%	11.9%	24.8%	3.5x
Median				\$24,657	\$28,827	3.6x	13.4x	33.4x	34.7x	26.9x	38.7%	15.7%	26.6%	3.2x
High				\$44,697	\$55,026	5.2x	21.5x	65.5x	72.4x	43.5x	40.3%	16.3%	29.7%	5.3x
Low				\$2,518	\$3,125	2.8x	12.4x	20.7x	24.3x	16.9x	31.9%	4.3%	19.1%	2.5x

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

*(S in millions, except per share data)*

Company	Share Price 06/30/2020	% 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	\$55.98	82.4%	\$5,118	\$8,110	2.5x	NA	NA	NA	21.2x	35.7%	(8.3%)	(0.3%)	(360.1x)
Clean Harbors	CLH	\$59.98	67.9%	\$3,334	\$4,710	1.3x	8.7x	19.6x	30.9x	21.1x	30.4%	6.9%	15.5%	2.5x
Darling Ingredients	DAR	\$24.62	83.3%	\$3,985	\$5,853	1.7x	6.7x	10.9x	10.9x	19.2x	23.6%	15.9%	25.7%	2.1x
US Ecology	ECOL	\$33.88	50.4%	\$1,067	\$1,872	2.4x	NA	NA	NA	20.8x	29.6%	(29.6%)	(20.4%)	(5.0x)
Sharps Compliance	SMED	\$7.03	85.7%	\$115	\$121	2.4x	49.5x	146.5x	175.8x	NA	30.5%	1.6%	4.8%	2.5x
Perma-Fix Environmental Services	PEFI	\$6.39	64.0%	\$78	\$81	0.9x	12.4x	15.7x	16.4x	15.7x	20.5%	5.9%	7.5%	0.7x
<b>Mean</b>				\$2,283	\$3,458	1.9x	19.3x	48.2x	58.5x	19.6x	28.4%	(1.3%)	5.5%	(59.5x)
<b>Median</b>				\$2,200	\$3,291	2.0x	10.6x	17.7x	23.7x	20.8x	30.0%	3.8%	6.2%	1.4x
<b>High</b>				\$5,118	\$8,110	2.5x	49.5x	146.5x	175.8x	21.2x	35.7%	15.9%	25.7%	2.5x
<b>Low</b>				\$78	\$81	0.9x	6.7x	10.9x	10.9x	15.7x	20.5%	(29.6%)	(20.4%)	(360.1x)

Source: PitchBook

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

LTM = Last Twelve Months

## Publicly Traded Company Performance: Industrial Services

*(S in millions, except per share data)*

Company	Share Price 06/30/2020	% 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	\$9.59	52.9%	\$1,265	\$3,780	2.0x	11.9x	40.6x	NA	6.4x	NA	4.9%	16.8%	7.9x
Heritage-Crystal Clean	HCCI	\$17.46	53.6%	\$406	\$468	1.1x	11.0x	20.3x	25.3x	22.3x	18.7%	5.3%	9.8%	1.5x
CECO Environmental	CECE	\$6.59	67.8%	\$233	\$272	0.8x	9.2x	13.8x	12.2x	NA	33.9%	5.9%	8.8%	1.3x
Cypress Energy Partners	CELP	\$4.13	40.7%	\$50	\$163	0.4x	5.8x	7.2x	6.5x	6.5x	13.6%	5.9%	7.4%	2.2x
EI	EI	\$0.10	45.3%	\$105	\$274	0.6x	NA	8.1x	5.5x	8.0x	11.4%	7.4%	11.1%	NA
Fuel Tech	FTFK	\$0.84	56.4%	\$21	\$14	0.6x	NA	NA	NA	NA	34.6%	(37.6%)	(33.7%)	0.9x
Quest Resource Holding	QRHC	\$1.35	45.2%	\$21	\$23	0.2x	12.7x	57.6x	NA	NA	19.2%	0.4%	1.8%	1.0x
<b>Mean</b>				\$300	\$713	0.8x	10.1x	24.6x	12.4x	10.8x	21.9%	(1.1%)	3.2%	2.5x
<b>Median</b>				\$105	\$272	0.6x	11.0x	17.1x	9.4x	7.3x	18.9%	5.3%	8.8%	1.4x
<b>High</b>				\$1,265	\$3,780	2.0x	12.7x	57.6x	25.3x	22.3x	34.6%	7.4%	16.8%	7.9x
<b>Low</b>				\$21	\$14	0.2x	5.8x	7.2x	5.5x	6.4x	11.4%	(37.6%)	(33.7%)	0.9x

Source: PitchBook

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

LTM = Last Twelve Months

## Select M&amp;A and Capital Raising News

## ❖ Kinderhook Partners to Recapitalize EcoSouth Services, the Southeast Market Leader in Industrial Waste Management

June 17, 2020 - Kinderhook Industries, LLC (Kinderhook) announced the recapitalization of EcoSouth Services of Mobile, LLC (EcoSouth) in partnership with Jeff Claunch, a waste industry veteran with more than 30 years of experience. EcoSouth represents Kinderhook's 10<sup>th</sup> environmental services platform since inception and 47<sup>th</sup> transaction in the space. Financial terms of the transaction were not disclosed. Headquartered in Axis, Alabama, EcoSouth is an integrated waste company operating the Axis Industrial Landfill, the only private EPA, RCRA Subtitle D compliant landfill in Mobile County. In addition to non-hazardous solid and liquid waste disposal capabilities, the Company also provides transportation and in-plant services for businesses that generate non-hazardous solid and liquid waste throughout the Gulf Coast. Since its founding in 2012, the Company has successfully modified its permits to allow for additional waste streams as well as expanded its service area from two to nineteen counties. As part of the transaction, Kinderhook will be adding Mack Mandell and Jeffrey Keenan, both Kinderhook Operating Partners, to the Board of Directors. Each of these Board members has over 30 years of industry experience.

**❖ Caterpillar Acquires Company Focused on Robot and Autonomy Technology**

June 23, 2020 - Caterpillar Inc. has acquired select assets and hired employees from San Francisco, California-based robot and autonomy technology solutions company Marble Robot, Inc. The acquisition is part of Caterpillar's automation and autonomy strategy and demonstrates its commitment to the next generation of jobsite solutions. Building on its leadership in autonomous mining, the company plans to leverage the deep expertise of the new team to bring scalable solutions to meet the changing needs of construction, quarry, industrial and waste industries. The new team is comprised of leading roboticists with a deep background in the robotics industry.

**❖ WM and Advanced Disposal: A Closer Look at the New Deal**

June 26, 2020 - The Waste Management (WM) team announced some revisions to its blockbuster deal to acquire Advanced Disposal Services (ADSW). After more than a year without approval, a revised deal has finally been made public. The new deal will lower the price of the transaction and reduce the assets Waste Management will own once the deal is finalized. Initially, Waste Management struck a deal to acquire Advanced Disposal for \$33.15 per share. This valued the Company's equity at around \$3 billion, plus net debt of \$1.9 billion took the purchase price to \$4.9 billion. Due to changing economic conditions, and assumed pressure from regulators, Waste Management was forced to modify the deal. To abide by this DOJ request, Waste Management agreed to sell off assets worth around \$835 million to GFL Environmental (GFL). The assets GFL is acquiring include solid waste collection, transfer, and landfill assets that last year brought in sales of \$345 million. Specifically, it includes 32 collection operations, 36 transfer stations, and 18 landfills, all located across 10 U.S. states. It also includes more than 350 vehicles and employs more than 900 workers. Fifty-one percent of revenue by region will come from the U.S. According to the revised terms of the deal, the Company will now acquire Advanced Disposal in exchange for \$30.30 per unit. This values the firm's equity at \$2.73 billion, about \$260 million lower than the prior deal. Net debt of \$1.84 billion brings the total deal value up to about \$4.57 billion on an enterprise value (EV) basis.

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**Recent Industry News**

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**❖ Waste Management Named to the 100 Best Corporate Citizens Ranking**

June 17, 2020 - For the sixth consecutive year, Waste Management has been named to 3BL Media's 100 Best Corporate Citizens ranking, which recognizes outstanding environmental, social and governance transparency and performance among the 1,000 largest U.S. public companies.

**❖ Enevo Awarded as Technology Pioneer by World Economic Forum**

June 17, 2020 - Enevo, the global pioneer in smart waste technology, was selected as one of the World Economic Forum's "Technology Pioneers". Enevo's unique IoT sensor technology, analytics and logistics software monitor and predict waste behavior to create custom, sustainable, and efficient waste services. The World Economic Forum's Technology Pioneers are early to growth-stage companies from around the world that are involved in the design, development and deployment of new technologies and innovations, and are poised to have a significant impact on business and society. Enevo's waste technology was recognized for its innovative and practical use in the waste world and the benefits it creates for civilian life. Enevo's smart waste sensor monitors fill levels and collections while its analytics software employs sensor data to create custom waste services.

**❖ Senate Breathes New Life into Federal Recycling Conversation**

June 18, 2020 - On June 17, the Senate Committee on Environment and Public Works (EPW) held an oversight hearing on "Responding to the Challenges Facing Recycling in the United States." The hearing began with an opening statement from Senator John Barrasso (R-WY), the Chairman of the Committee. He noted that, in the aftermath of the implementation of China's National Sword policy in 2018, which all but ended imports of recyclable paper and plastics, "local governments have had to decide to increase users' fees or end, suspend, or scale back their programs." He also touched on challenges including the prevalence of recyclables ending up in landfills and ongoing concerns related to contamination. In addition to the oral testimony and subsequent discussion, written statements were also submitted by organizations including the Solid Waste Association of North America (SWANA) and The Recycling Partnership.

### The Chicago Corporation Overview

- Highly regarded investment bank with a long, distinguished history.
- Focused on middle market private companies owned by families and entrepreneurs with revenue up to \$250 million.
- Over 35 experienced professionals with broad industry experience.
- Providing traditional investment banking services as well as broader financial advisory services to assist clients facing issues of growth, capital structure, ownership transition, shareholder value and liquidity.
- All we do is advise clients on corporate finance matters. We don't trade or underwrite securities, provide wealth management services, or engage in principal investing.

### Why the Chicago Corporation?

Deep Environmental Services Experience

Trusted Advisors to Business Owners

Two Managing Directors on Every Engagement

Seasoned Bankers with 200+ Years of Combined Experience

Best-in-Class Unbiased Advice

Exceptional Transaction Execution



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

Additional information is available upon request.