

Market Overview

Indices Performance (% change)

	<u>July 2020</u>	<u>LTM</u>		<u>July 2020</u>	<u>LTM</u>
S&P 500	5.5%	11.8%	NASDAQ	6.8%	34.9%
Dow Jones Industrial Average	2.4%	0.1%	Russell 3000	5.6%	8.8%

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

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

Darling Ingredients	13.4%	Cypress Energy Partners	(26.6%)
Perma-Fix Environmental Services	10.0%	Heritage-Crystal Clean	(20.2%)
Waste Connections	9.1%	Clean Harbors	(0.6%)
Sharps Compliance	8.8%		
Stericycle	8.0%		

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 07/31/2020	% 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	\$109.60	86.4%	\$46,302	\$56,429	3.7x	14.0x	23.3x	29.0x	16.9x	38.7%	16.0%	26.7%	2.5x
Republic Services	RSG	\$87.25	86.5%	\$27,773	\$36,704	3.5x	13.0x	21.7x	25.8x	17.2x	38.9%	16.3%	27.2%	3.2x
Waste Connections	WCN	\$102.37	97.3%	\$26,912	\$31,082	5.7x	19.3x	36.0x	46.5x	26.9x	40.3%	15.7%	29.3%	2.6x
Advanced Disposal	ADSW	\$30.16	91.0%	\$2,737	\$4,510	2.8x	12.4x	48.9x	3,392.2x	43.5x	NA	5.8%	22.9%	4.9x
Casella Waste Systems	CWST	\$55.41	98.7%	\$2,677	\$3,284	4.3x	22.6x	60.8x	77.0x	30.3x	31.9%	7.1%	19.1%	4.2x
Mean				\$21,280	\$26,402	4.0x	16.2x	38.1x	714.1x	27.0x	37.4%	12.2%	25.1%	3.5x
Median				\$26,912	\$31,082	3.7x	14.0x	36.0x	46.5x	26.9x	38.8%	15.7%	26.7%	3.2x
High				\$46,302	\$56,429	5.7x	22.6x	60.8x	3,392.2x	43.5x	40.3%	16.3%	29.3%	4.9x
Low				\$2,677	\$3,284	2.8x	12.4x	21.7x	25.8x	16.9x	31.9%	5.8%	19.1%	2.5x

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 07/31/2020	% 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	\$60.44	89.0%	\$5,525	\$8,517	2.6x	NA	NA	NA	21.2x	35.7%	(8.3%)	(0.3%)	(360.1x)
Clean Harbors	CLH	\$59.60	67.4%	\$3,313	\$4,689	1.3x	8.7x	19.5x	30.7x	21.1x	30.4%	6.9%	15.5%	2.5x
Darling Ingredients	DAR	\$27.93	94.5%	\$4,521	\$6,389	1.9x	7.4x	11.9x	12.4x	19.2x	23.6%	15.9%	25.7%	2.1x
US Ecology	ECOL	\$34.68	51.6%	\$1,093	\$1,897	2.4x	NA	NA	NA	20.8x	29.6%	(29.6%)	(20.4%)	(5.0x)
Sharps Compliance	SMED	\$7.65	93.3%	\$125	\$131	2.6x	53.6x	158.7x	191.3x	NA	30.5%	1.6%	4.8%	2.5x
Perma-Fix Environmental Services	PESI	\$7.03	70.4%	\$85	\$88	1.0x	13.6x	17.2x	18.0x	15.7x	20.5%	5.9%	6.3%	0.9x
Mean				\$2,443	\$3,619	2.0x	20.8x	51.8x	63.1x	19.6x	28.4%	(1.3%)	5.3%	(59.5x)
Median				\$2,203	\$3,293	2.1x	11.1x	18.4x	24.4x	20.8x	30.0%	3.8%	5.6%	1.5x
High				\$5,525	\$8,517	2.6x	53.6x	158.7x	191.3x	21.2x	35.7%	15.9%	25.7%	2.5x
Low				\$85	\$88	1.0x	7.4x	11.9x	12.4x	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

(\$ in millions, except per share data)

Company	Share Price 07/31/2020	% 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	\$9.84	54.8%	\$1,299	\$3,793	2.0x	11.6x	37.6x	NA	6.4x	NA	5.4%	17.4%	7.7x
Heritage-Crystal Clean	HCCI	\$13.93	42.8%	\$324	\$388	1.0x	12.2x	35.6x	51.6x	22.3x	15.3%	2.7%	7.8%	2.0x
CECO Environmental	CECE	\$6.70	73.5%	\$237	\$276	0.8x	9.3x	14.0x	12.4x	NA	33.9%	5.9%	6.7%	1.7x
Cypress Energy Partners	CELP	\$3.03	29.9%	\$37	\$149	0.4x	5.3x	6.6x	4.8x	6.5x	13.6%	5.9%	7.4%	2.2x
EI	EI	\$0.10	47.1%	\$105	\$274	0.6x	NA	8.1x	5.5x	8.0x	11.4%	7.5%	11.1%	NA
Fuel Tech	FTFK	\$0.88	59.1%	\$22	\$15	0.6x	NA	NA	NA	NA	34.6%	(37.6%)	(33.7%)	0.9x
Quest Resource Holding	QRHC	\$1.42	47.5%	\$22	\$24	0.2x	13.3x	60.4x	NA	NA	19.2%	0.4%	0.5%	4.2x
Mean				\$292	\$703	0.8x	10.4x	27.0x	18.6x	10.8x	21.3%	(1.4%)	2.4%	3.1x
Median				\$105	\$274	0.6x	11.6x	24.8x	9.0x	7.3x	17.2%	5.4%	7.4%	2.1x
High				\$1,299	\$3,793	2.0x	13.3x	60.4x	51.6x	22.3x	34.6%	7.5%	17.4%	7.7x
Low				\$22	\$15	0.2x	5.3x	6.6x	4.8x	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&A and Capital Raising News

❖ Waste Pro Acquires Angie's Disposal Service, Inc.

July 6, 2020 - Waste Pro has acquired Angie's Disposal Service, Inc., based in Citrus County, Florida. The Company has been servicing approximately 4,500 customers in the area for the past four years. As part of the arrangement, Waste Pro will now provide service to those customers and welcome Angie's employees at its facility in Hernando, Florida. Waste Pro USA, Inc. is one of the country's fastest growing privately-owned waste collection, recycling, processing and disposal companies, operating in ten southeastern states. Waste Pro, with revenue exceeding \$700 million, serves more than two million residential and 40,000 commercial customers from over 75 operating locations. Waste Pro maintains approximately 300 exclusive municipal contracts and franchises.

❖ Capital Waste Prioritizes Charleston Market with Priority-1 Waste Acquisition

July 13, 2020 - Capital Waste Services, LLC (“Capital Waste” or “CWS”), a portfolio company of Kinderhook Industries, LLC (“Kinderhook”), announced the acquisition of Priority-1 Waste, LLC (“Priority-1 Waste” or the “Company”), a roll-off collection company serving industrial and construction and demolition waste customers in the Charleston market. Priority-1 Waste represents Capital Waste’s second add-on acquisition and Kinderhook’s 48th environmental services transaction since inception. Headquartered in Columbia, South Carolina, Capital Waste is a leading regional provider of solid waste hauling services for residential, commercial and industrial waste generators. The Company operates three hauling locations in Ridgeville, South Carolina, Columbia, South Carolina, and Florence, South Carolina. Capital Waste currently services over 48,000 residential customers across seven long-term municipal contracts as well as over 3,400 commercial, industrial, and construction and demolition waste customers.

❖ Waste Pro Acquires AmeriSouth Business in Atlanta

July 22, 2020 - Waste Pro has acquired AmeriSouth Recycling’s business in the Atlanta, Georgia area. The arrangement, which got underway in June 2020, expands the Atlanta Materials Recovery Facility’s (MRF) industrial customer base. As part of the arrangement, AmeriSouth’s Atlanta site has closed and all business will now be based out of Waste Pro’s MRF in Atlanta. Industrial recycling, most of which is corrugated cardboard, will now be collected and processed by Waste Pro.

Recent Industry News

❖ NWRA Urges Congress to Pass Legislation to Fix IRS Ruling on Taxability of PPP Loans

July 7, 2020 - The National Waste & Recycling Association (NWRA) joined other associations on a letter to Congressional leaders in the House and Senate urging them to pass the bipartisan Small Business Expense Protection Act (S.3612/H.R. 6821). The legislation would ensure that small businesses can deduct eligible expenses paid with funds from the Paycheck Protection Program (PPP). The legislation is in response to an interpretation from the IRS that states that normally deductible expenses will not be deductible if the business pays the expense with PPP funds. NWRA believes the IRS decision is contrary to what Congress intended when it passed the CARES Act.

❖ Michigan County Seeks Anchor Tenant for Sustainable Business Park

July 16, 2020 - The Kent County, Michigan, Department of Public Works has issued a request for proposals seeking an anchor tenant as it continues to work toward converting part of its South Kent landfill into a sustainable business park. The project, whose goal is to attract companies that specialize in reclaiming and converting waste material that would otherwise be dumped into the landfill, will be built on 250 acres adjacent to the waste facility in Byron Center. The master plan for the business park was approved in 2018. The request for proposals solidifies its progress toward reclaiming or converting a significant portion of the 2.1 million cubic yards of solid waste landfilled by residents and businesses in Kent County each year. The master plan guides work that needs to be done to develop the business park in context with the other pieces of Kent County’s plan to maintain an integrated solid waste system that moves the county closer to a material management planning process and further away from landfilling as its primary disposal outlet.

❖ Feeding America Responds to Food Shortage Amid Pandemic

July 16, 2020 - In response to the COVID-19 pandemic causing demand to rise at food banks, Feeding America, a hunger-relief and food rescue organization, has expanded its MealConnect platform and partnered with The Coca Cola Co. and Uber Eats to donate meals to those in need. Rising demand is a result of lost wages or sudden expenses due to illness that have affected millions in the U.S. Based upon annual unemployment rising to 11.5 percent and annual poverty rising to 16.6 percent, Feeding America estimates that an additional 17 million people could be food insecure in 2020 as a result of this crisis – for a total of 54 million people, or 1 in every 6 people. This is a 46 percent increase over the 37 million people who were food insecure prior to the COVID-19 crisis (in 2018). To further expand food donations, Feeding America joined Coca Cola and Uber Eats for a limited promotion to help provide more meals to people in need and raise awareness of the issue of hunger in communities across the country.

❖ First-Ever Wastequip WRXTM Equipment Service Facility Opens in Florida

July 17, 2020 - Wastequip®, the leading North American manufacturer of waste handling equipment, opened its first Wastequip WRX equipment service facility in Pompano Beach, Florida. Wastequip WRX provides parts, service and installation for a variety of Wastequip equipment. Wastequip WRX will offer parts, service and installation for Mountain Tarp and Pioneer tarping systems, Galbreathhoists and Amrep refuse trucks as well as Go To Parts OEM and aftermarket parts. Customers will receive service from a Wastequip-owned facility with technicians who are trained in servicing Wastequip, Galbreath, Pioneer, Mountain Tarp and Amrep branded equipment. Wastequip WRX enhances Wastequip's expansive dealer network, providing access to service and parts for the Company's leading equipment brands.

❖ Rubicon Launches RUBICONSmartCity on the Geotab Marketplace

July 21, 2020 - Rubicon, a software company that provides smart waste and recycling solutions to businesses and governments worldwide, today announced the availability of RUBICONSmartCity on the Geotab Marketplace, a go-to source for top organizations seeking to better manage their fleets. Designed to improve service and reduce costs, RUBICONSmartCity equips city partners with a full-service software system for managing municipal waste and recycling collection in residential and commercial settings. Waste and recycling collection is one of the largest annual expenses that city governments face. The data and insights collected by RUBICONSmartCity deliver direct taxpayer savings for cities. Rubicon's inaugural Environmental, Social, and Governance (ESG) Report highlighted the potential for over \$200 million in taxpayer savings across a broad swath of American cities during a ten-year time horizon. RUBICONSmartCity has been rolled out in more than 50 cities across the United States.

❖ Wheelabrator Kemsley Enters Full Commercial Operation

July 23, 2020 - Wheelabrator Kemsley, a new waste-to-energy facility at Kemsley in Kent, England, enters full commercial operation following a successful commissioning phase throughout early 2020. Wheelabrator Kemsley is now operational as a combined heat and power facility and will generate up to 49.9 MW (gross) / 44 MW (net) of sustainable, baseload electricity to power U.K. homes and businesses. The facility will process up to 606,000 tons (550,000 tonnes) of non-recyclable waste from across Kent and the South East. The facility is pending planning approval for additional waste capacity and electrical output. The facility will play a major role in reducing waste sent to landfill or for European export, saving carbon emissions when compared with sending the waste to landfill and making better use of non-recyclable material in the U.K. through the energy recovery process. It will also provide valuable steam heat – up to 77.4 tons (70 tonnes) per hour – to DS Smith's adjacent Kemsley Paper Mill, helping to diversify its energy requirements.

❖ NWRA Urges President Trump to Suspend FET Through 2021

July 30, 2020 - In a letter to President Donald Trump, the National Waste & Recycling Association (NWRA) joined other state and national trade associations, as well as private companies, urging the President to suspend the 12 percent Federal Excise Tax (FET) on new heavy-duty trucks and trailers until the end of 2021. Truck sales in the United States are expected to decline by 50 percent in 2020. Suspending the FET could save or bring back almost 8 million jobs. The average age of a truck on the road is 10 years. During the COVID-19 pandemic, the U.S. has become more dependent on the trucking fleet for the delivery of goods and supplies as well as the collection and disposal of waste and recycling.

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.