

Market Overview

Indices Performance (% change)

	September 2020	LTM		September 2020	LTM
S&P 500	(3.9%)	10.7%	NASDAQ	(5.2%)	34.7%
Dow Jones Industrial Average	(2.3%)	2.7%	Russell 3000	(3.3%)	11.3%

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

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

EEI	21.6%	Covanta	(17.9%)
Darling Ingredients	12.7%	Sharps Compliance	(17.9%)
Fuel Tech	6.0%	CECO Environmental	(14.0%)
Waste Connections	3.8%	Cypress Energy Partners	(12.4%)
Republic Services	0.7%	US Ecology	(12.0%)

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 09/30/2020	% 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	\$113.17	89.3%	\$47,810	\$57,937	3.8x	14.4x	23.9x	29.9x	16.9x	38.7%	16.0%	26.7%	2.5x
Republic Services	RSG	\$93.35	92.5%	\$29,731	\$38,376	3.8x	13.7x	23.2x	28.3x	17.2x	39.5%	16.1%	27.3%	3.1x
Waste Connections	WCN	\$103.80	98.0%	\$27,289	\$31,401	5.8x	27.1x	76.1x	133.1x	26.9x	40.2%	7.6%	21.3%	3.6x
Advanced Disposal	ADSW	\$30.23	91.2%	\$2,744	\$4,516	2.8x	12.4x	48.9x	3,400.1x	43.5x	NA	5.8%	22.9%	4.9x
Casella Waste Systems	CWST	\$55.85	93.6%	\$2,702	\$3,312	4.3x	22.1x	59.2x	77.6x	30.3x	32.7%	7.3%	19.6%	4.1x
Mean				\$22,055	\$27,108	4.1x	18.0x	46.3x	733.8x	27.0x	37.7%	10.6%	23.6%	3.6x
Median				\$27,289	\$31,401	3.8x	14.4x	48.9x	77.6x	26.9x	39.1%	7.6%	22.9%	3.6x
High				\$47,810	\$57,937	5.8x	27.1x	76.1x	3,400.1x	43.5x	40.2%	16.1%	27.3%	4.9x
Low				\$2,702	\$3,312	2.8x	12.4x	23.2x	28.3x	16.9x	32.7%	5.8%	19.6%	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

(\$ in millions, except per share data)

Company	Share Price 09/30/2020	% 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	\$63.06	92.8%	\$5,769	\$8,239	2.7x	1,471.3x	NA	NA	21.2x	36.2%	(8.2%)	0.2%	440.3x
Clean Harbors	CLH	\$56.03	63.4%	\$3,117	\$4,399	1.3x	8.4x	19.4x	31.0x	21.1x	30.8%	6.8%	15.8%	2.4x
Darling Ingredients	DAR	\$36.03	98.5%	\$5,835	\$7,559	2.2x	8.2x	13.0x	14.5x	19.2x	24.4%	17.1%	27.0%	1.8x
US Ecology	ECOL	\$32.67	48.6%	\$1,029	\$1,821	2.1x	NA	NA	NA	20.8x	28.1%	(30.0%)	(19.6%)	(4.7x)
Sharps Compliance	SMED	\$6.27	69.7%	\$103	\$111	2.2x	46.3x	139.6x	44.8x	NA	30.8%	1.6%	4.7%	3.6x
Perma-Fix Environmental Services	PEFI	\$7.05	70.6%	\$86	\$90	1.0x	15.5x	17.7x	18.6x	15.7x	19.4%	5.6%	6.3%	1.0x
Mean				\$2,657	\$3,703	1.9x	309.9x	47.4x	27.2x	19.6x	28.3%	(1.2%)	5.7%	74.1x
Median				\$2,073	\$3,110	2.2x	15.5x	18.5x	24.8x	20.8x	29.4%	3.6%	5.5%	2.1x
High				\$5,835	\$8,239	2.7x	1,471.3x	139.6x	44.8x	21.2x	36.2%	17.1%	27.0%	440.3x
Low				\$86	\$90	1.0x	8.2x	13.0x	14.5x	15.7x	19.4%	(30.0%)	(19.6%)	(4.7x)

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 09/30/2020	% 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	\$7.75	44.0%	\$1,023	\$3,517	1.9x	10.8x	34.8x	NA	6.4x	NA	5.4%	17.4%	7.7x
Heritage-Crystal Clean	HCCI	\$13.35	41.0%	\$311	\$374	0.9x	11.8x	34.4x	49.4x	22.3x	15.3%	2.7%	7.8%	2.0x
CECO Environmental	CECE	\$7.29	81.0%	\$259	\$308	0.9x	11.7x	14.2x	15.2x	NA	34.2%	6.6%	8.0%	1.9x
Cypress Energy Partners	CELP	\$2.12	20.9%	\$26	\$131	0.4x	5.9x	7.9x	9.2x	6.5x	13.8%	5.2%	6.9%	2.5x
EEL	EEI	\$0.14	67.2%	\$148	\$317	0.8x	NA	65.2x	NA	8.0x	9.9%	1.2%	5.7%	NA
Fuel Tech	FTEK	\$0.84	56.5%	\$21	\$15	0.8x	NA	NA	NA	NA	25.8%	(54.4%)	(50.0%)	0.6x
Quest Resource Holding	QRHC	\$1.90	71.7%	\$35	\$36	0.4x	12.3x	23.6x	27.4x	NA	19.5%	1.6%	3.1%	0.2x
Mean				\$260	\$671	0.9x	10.5x	30.0x	25.3x	10.8x	19.8%	(4.5%)	(0.1%)	2.5x
Median				\$148	\$308	0.8x	11.7x	29.0x	21.3x	7.3x	17.4%	2.7%	6.9%	1.9x
High				\$1,023	\$3,517	1.9x	12.3x	65.2x	49.4x	22.3x	34.2%	6.6%	17.4%	7.7x
Low				\$21	\$15	0.4x	5.9x	7.9x	9.2x	6.4x	9.9%	(54.4%)	(50.0%)	0.2x

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

❖ Wynnchurch Acquires Labrie Environmental Group

September 8, 2020 - Wynnchurch Capital, L.P. (“Wynnchurch”) has acquired Labrie Environmental Group, LLC (“Labrie” or the “Company”). Labrie is a leading manufacturer of refuse collection vehicles and related parts. Founded in 1971, Labrie is an industry leader with a full suite of highly engineered side loader, front loader, and rear loader vehicles that it sells through a network of dealers. Wynnchurch Capital is actively seeking investment opportunities for its \$2.3 billion Fund V. In February, Wynnchurch acquired Pennsylvania Machine Works and in April, Western Flange. These businesses were consolidated into a fully integrated manufacturer of high pressure forged fittings, flanges, and branch connections that are sold into refining, petrochemical, LNG, industrial and military end markets. Other recent Wynnchurch investments include: Clyde Industries, a leading designer and manufacturer of sootblowers, a critical component within recovery, power, and steam boilers; Eastern Metal Supply, a leading value-added distributor of aluminum extrusions and related products; MPL Holdings, a leader in cultured marble products for the hospitality and multi-family housing markets; and two closed-die forging facilities of Allegheny Technologies that produce high-value, complex forgings for OEMs.

❖ GFL Environmental Announces Receipt of DOJ Approval for Acquisition of WCA Waste Corporation

September 29, 2020 - GFL Environmental Inc. ("GFL" or the "Company") announced that the U.S. Department of Justice ("DOJ") has approved the Company's proposed acquisition of WCA Waste Corporation ("WCA") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. As previously announced, on August 12, 2020, GFL entered into a definitive agreement with an affiliate of Macquarie Infrastructure Partners II to purchase WCA and its subsidiaries for an aggregate purchase price of \$1.2 billion. With the receipt of DOJ approval, one of the conditions to the closing of the acquisition, the parties expect to close on October 1, 2020. WCA operates a vertically-integrated network of solid waste assets, including 37 collection and hauling operations, 27 transfer stations, three material recovery facilities and 22 landfills supported by over 1,000 collection vehicles, across 11 states. WCA has an established regional platform with a growing footprint across the Midwest and Southeast

Recent Industry News

❖ NUMIX Materials Metals Recycling Technology Aims to Promote Circular Economy

September 1, 2020 - Startup company NUMiX Materials has developed a technology it hopes will provide what NUMiX CEO Katie Kollhoff calls a missing link in the metals supply chain to promote a circular economy. The Company makes engineered sorbents to remove dissolved metals in water, allowing water to be filtered and the metals to be recovered. There are similar processes to deal with these materials, but Kolloff says what differentiates NUMiX's technology is the concentration that the sponge-like sorbent can take up. Wastewater treatment plants leverage a similar purification process to the one that requires more treatment materials in order to comply with discharge limits of metal contaminants. But existing methods generally result in high sludge, which must be solidified and landfilled, and does not allow for recovery of metals.

❖ Baltimore City Councilman Endorses Hourly Raises for Sanitation Workers

September 24, 2020 - Baltimore City councilman Isaac Schleifer is endorsing hourly raises of \$4 per hour for sanitation workers. Schleifer believes that the trash delays and halted recycling will only get worse without this raise and the City would have to look into outsourcing or privatizing the work. Temporary worker's salaries begin at \$11 an hour and full-time employees are making \$16 per hour. The raises would cost about \$1.2 million dollars. The City's mayoral candidates provided their thoughts on the situation. Independent candidate Bob Wallace agrees that the employees should receive higher wages and also thinks the city should look into privatization. Republican candidate Shannon Wright says a pay increase is part of her platform and council president. Democratic mayoral candidate Brandon Scott believes solid waste workers have one of the hardest jobs in the city and deserve to be paid fairly for the essential services they provide and a complete analysis of the city's solid waste department must be conducted to ensure workers are paid a decent and livable wage.

❖ Ontario Waste Operators Lobby Government Over Controversial Landfill Approval Bill

September 25, 2020 - Ontario has 122 million tons of landfill capacity, which should last until 2032, estimates the Ontario Waste Management Association (OWMA) — but the province's last landfill may have been built for some time, if not indefinitely. New legislation, the COVID-19 Economic Recovery Act (Bill 197), will not only require host municipalities to approve new landfills, but it also will require approval by any municipality within about 2.2 miles of a proposed site. Bill 197, written by The Ministry of the Environment, Conservation and Parks, is part of the Environmental Assessment Act, which regulates the landfill approval process. The Ministry of the Environment says it has enacted Bill 197 after hearing from over 150 Ontario jurisdictions that they wanted more say in the construction of nearby disposal sites and that municipal support in the approval process is key to reducing local conflicts when operating landfills.

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



The Trash Talk is a monthly newsletter published by The Chicago Corporation. To subscribe, please visit, www.thechicagocorp.com.

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of The Chicago Corporation, or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise.

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

Additional information is available upon request.