

Market Overview

Indices Performance (% change)

	March 2021	LTM		March 2021	LTM
S&P 500	7.0%	36.4%	NASDAQ	1.3%	49.0%
Dow Jones Industrial Average	10.0%	35.5%	Russell 3000	6.5%	41.4%

Source: Federal Reserve; Bank of St. Louis

Environmental Services Market Overview

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

Quest Resource Holding	29.6%	Cypress Energy Partners	(28.7%)
Darling Ingredients	16.7%	Fuel Tech	(10.8%)
Waste Management	16.3%	EEI	(10.7%)
Sharps Compliance	13.0%	CECO Environmental	(3.3%)
Republic Services	11.5%	Covanta	(1.4%)
Waste Connections	10.5%	Clean Harbors	(1.3%)

Source: PitchBook

Publicly Traded Company Performance: Solid Waste

(\$ in millions, except per share data)

Company	Share Price 03/31/2021	% 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	CY19 P/E	Gross	EBIT	EBITDA		
Waste Management	WM	\$129.02	98.2%	\$54,452	\$67,711	4.4x	17.0x	29.2x	36.7x	27.9x	38.6%	15.2%	26.2%	3.3x
Republic Services	RSG	\$99.35	95.7%	\$31,683	\$40,824	4.0x	15.4x	27.3x	32.9x	26.7x	39.9%	14.7%	26.1%	3.4x
Waste Connections	WCN	\$107.98	97.2%	\$28,316	\$32,615	6.0x	28.0x	79.3x	138.4x	42.4x	39.8%	7.5%	21.4%	3.7x
Casella Waste Systems	CWST	\$63.57	96.0%	\$3,248	\$3,703	4.8x	23.7x	64.2x	34.2x	287.7x	33.4%	7.4%	20.2%	2.9x
Mean				\$29,424	\$36,213	4.8x	21.0x	50.0x	60.5x	96.2x	37.9%	11.2%	23.5%	3.3x
Median				\$29,999	\$36,719	4.6x	20.3x	46.7x	35.4x	35.1x	39.2%	11.1%	23.7%	3.4x
High				\$54,452	\$67,711	6.0x	28.0x	79.3x	138.4x	287.7x	39.9%	15.2%	26.2%	3.7x
Low				\$3,248	\$3,703	4.0x	15.4x	27.3x	32.9x	26.7x	33.4%	7.4%	20.2%	2.9x

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

Securities transactions conducted through TCC Securities LLC, an affiliated company, registered Broker / Dealer and Member of FINRA / SIPC.

Publicly Traded Company Performance: Special Waste

(\$ in millions, except per share data)

Company	Share Price 03/31/2021	% 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	CY19 P/E	Gross	EBIT	EBITDA		
Stericycle	SRCL	\$67.51	84.9%	\$6,185	\$8,301	3.1x	32.0x	320.5x	NA	NA	39.4%	1.0%	9.7%	8.1x
Clean Harbors	CLH	\$84.06	91.4%	\$4,606	\$5,743	1.8x	10.6x	23.2x	34.7x	53.6x	32.0%	7.9%	17.2%	2.1x
Darling Ingredients	DAR	\$73.58	92.4%	\$12,005	\$13,643	3.8x	17.6x	32.0x	41.3x	43.2x	24.7%	11.9%	21.7%	2.0x
US Ecology	ECOL	\$41.64	91.1%	\$1,312	\$2,076	2.2x	NA	NA	NA	25.5x	26.2%	(38.7%)	(27.6%)	(3.0x)
Sharps Compliance	SMED	\$14.37	92.9%	\$237	\$245	4.6x	122.1x	869.6x	159.7x	84.4x	29.5%	0.5%	3.8%	4.0x
Perma-Fix Environmental Services	PEFI	\$7.33	91.7%	\$89	\$90	0.9x	18.6x	27.9x	28.2x	NA	15.1%	3.1%	4.6%	0.5x
Mean				\$4,072	\$5,016	2.7x	40.2x	254.6x	66.0x	51.7x	27.8%	(2.4%)	4.9%	2.3x
Median				\$2,959	\$3,910	2.7x	18.6x	32.0x	38.0x	48.4x	27.9%	2.0%	7.1%	2.1x
High				\$12,005	\$13,643	4.6x	122.1x	869.6x	159.7x	84.4x	39.4%	11.9%	21.7%	8.1x
Low				\$89	\$90	0.9x	10.6x	23.2x	28.2x	25.5x	15.1%	(38.7%)	(27.6%)	(3.0x)

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 03/31/2021	% 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	CY19 P/E	Gross	EBIT	EBITDA		
Covanta	CVA	\$13.86	89.1%	\$1,829	\$4,313	2.3x	14.0x	52.0x	NA	371.0x	25.4%	4.4%	16.1%	8.1x
Heritage-Crystal Clean	HCCI	\$27.13	90.4%	\$655	\$697	1.8x	16.4x	38.7x	53.2x	56.0x	15.7%	4.7%	11.2%	1.0x
CECO Environmental	CECE	\$7.93	83.7%	\$280	\$329	1.0x	13.0x	21.4x	34.5x	27.4x	33.3%	4.9%	8.0%	1.9x
Cypress Energy Partners	CELP	\$2.38	36.1%	\$29	\$125	0.6x	12.5x	29.7x	NA	11.8x	11.5%	2.0%	4.9%	4.7x
EEl	EEl	\$0.15	81.0%	\$155	\$360	1.0x	NA	NA	NA	16.2x	6.4%	(3.3%)	1.8%	NA
Fuel Tech	FTEK	\$3.14	44.6%	\$95	\$86	3.8x	NA	NA	NA	NA	47.2%	(18.7%)	(14.9%)	2.6x
Quest Resource Holding	QRHC	\$3.90	85.2%	\$72	\$81	0.8x	24.7x	40.5x	78.0x	NA	19.3%	2.0%	3.3%	2.7x
Mean				\$445	\$856	1.6x	16.1x	36.5x	55.2x	96.5x	22.7%	(0.6%)	4.3%	3.5x
Median				\$155	\$329	1.0x	14.0x	38.7x	53.2x	27.4x	19.3%	2.0%	4.9%	2.6x
High				\$1,829	\$4,313	3.8x	24.7x	52.0x	78.0x	371.0x	47.2%	4.9%	16.1%	8.1x
Low				\$29	\$81	0.6x	12.5x	21.4x	34.5x	11.8x	6.4%	(18.7%)	(14.9%)	1.0x

Source: PitchBook

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

LTM = Last Twelve Months

Recent Industry News

❖ PPP Funds for Waste and Recycling Companies Slow to Roughly \$41 Million in Early 2021

March 3, 2021 - The demand for funds from the coronavirus-era Paycheck Protection Program (PPP) allocated to small businesses in the waste and recycling industry appears to be falling off this year when compared to the program at large. Loans awarded to industry operators in January 2021 across businesses classified in the solid waste collection, landfill, MRF, and combustion categories, totaled approximately \$40.7 million. That amount accounts for close to 5% of the overall funds secured by waste and recycling industry recipients over the course of the program's history.

❖ Garbage Bags, Minimum Recycled Content Mandates Could Help Drive Demand for Recycled Plastic Film

March 12, 2021 - In the search for better end markets for recycled plastic film, trash bags could be an ideal candidate — but only if recycled content laws and public demand also play a role. Industry leaders are looking for more long-term end markets for post-consumer resin (PCR) made from PE film, and they see trash bags as one major avenue for using recycled content.

❖ GFL Environmental Acquires Terrapure Environmental for CAD \$927.5 Million

March 16, 2021 - GFL Environmental announced an agreement to acquire Canadian company Terrapure Environmental's Solid Waste and Environmental Solutions business, excluding its battery recycling operations, for CAD \$927.5 million. Pending regulatory approval, the deal could close by the third or fourth quarter. This deal has been pursued by the Company for nearly seven years and marks yet another notable expansion. GFL attempted the deal in 2014 and 2019, but couldn't reach an agreement around excluding the battery recycling business. The current version of Terrapure, owned by Birch Hill Equity Partners, was formed via the acquisition of Newalta Corporation's industrial division in 2015 and has since grown through multiple other deals.

❖ Reopening of Hampden Waste Plant Delayed

March 18, 2021 - "Fundamental differences" during the sales process of a Hampden, Maine waste plant are stalling the facility's opening. Negotiations for the sale of the Coastal Resources of Maine waste plant have been ongoing for months. The parties involved previously said the deal would be completed by the end of March. Members of the Municipal Review Committee did not reveal the reasons for the delay.

❖ LIFT America Act's Infrastructure Proposals List Landfill Gas among Renewable Energy Sources

March 24, 2021 - The federal Leading Infrastructure For Tomorrow's America (LIFT America) Act calls for a wide array of infrastructure improvement proposals, including renewable energy projects. The bill names landfill gas, biomass and municipal solid waste under the definition of "renewable energy resources," meaning technologies such as combustion and anaerobic digestion would be included as renewables in the clean energy portion of the bill.

❖ Republic Drives Forward as CEO Slager Announces Intent to Retire, Vander Ark to Succeed

March 31, 2021 - After more than a decade of leading Republic Services, CEO Donald W. Slager has announced his intent to retire. Slager rose throughout various leadership positions at National Waste Services, which Allied Waste Industries acquired in 1992. Republic Services purchased Allied Waste in 2008 in a \$6.1 billion deal, a merger in which Slager played an integral role. He quickly succeeded to become the Company's CEO in 2011.

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.

Sources include Waste Dive, PitchBook and various publicly available news publications.

Additional information is available upon request.