Harsco to Combine Stericycle's Environmental Solutions (ESOL) Business with Clean Earth

February 7, 2020

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Safe Harbor Statement

The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the “safe harbor” provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as “may,” “could,” “expect,” “anticipate,” “intend,” “believe,” “likely,” “estimate,” “outlook,” “plan” or other comparable terms. Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including general economic conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards and amounts; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the integration of the Company's strategic acquisitions; (13) potential severe volatility in the capital markets and the impact on the cost of the Company to obtain debt financing as may be necessary to consummate the acquisition; (14) failure to retain key management and employees; (15) the amount and timing of repurchases of the Company's common stock, if any; (16) the outcome of any disputes with customers, contractors and subcontractors; (17) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (18) implementation of environmental remediation matters; (19) risk and uncertainty associated with intangible assets; (20) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement entered into for the acquisition; and (21) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, “Risk Factors,” of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, together with those described in Item 1A, “Risk Factors,” of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2019. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

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Transforming Into a Global Market Leading Single-Thesis Environmental Solutions Platform

Harsco is undergoing a strategic transformation to:

- Simplify the portfolio
- Increase scale and capabilities in environmental solutions
- Shift to less cyclical, capital-light businesses with attractive growth potential
- Unlock value and drive potential re-rating over time

May 2018	May 2019	June 2019	July 2019	November 2019	January 2020	February 2020
Acquired ALTEK	Harsco M&M Becomes Harsco Environmental	Acquired Clean Earth	Sold Air-X	Sold Patterson-Kelley	Sold IKG	Acquired ESOL

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Combination of ESOL and Clean Earth is Unique Opportunity to Create a Leading National Hazardous Waste Management Platform

- Highly complementary assets aligned with Harsco's environmental services focus
- Expands geographic portfolio across U.S., creating leading national hazardous waste processing platform
- Broadens and deepens customer relationships across diverse industries
- Leverages Clean Earth team's institutional knowledge and proven ability to optimize ESOL assets
- Expands exposure across value chain through large logistics fleet
- Expected to deliver earnings accretion and cash flow generation
- Meaningful opportunities for operational improvement cost synergies and revenue growth
- Creates attractive value proposition for shareholders

Upon close, ~85% of Harsco revenue will come from environmental solutions and services

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ESOL Acquisition Summary

Transaction Structure and Valuation

- $462 million cash acquisition, subject to post-closing adjustments
- Transaction valued at 13x 2020 EBITDA
- Targeting to double EBITDA in Year 3

Financial Impact and Attractive Financial Benefits

- Combined Clean Earth and ESOL business expected to generate annual revenues of approximately $850 million
- ESOL expected to contribute revenues of approximately $550 million in 2020 (full-year basis)
- ESOL expected to generate adjusted EBITDA of approximately $35 million in 2020 (full-year basis); historical average adjusted EBITDA much higher
- Expected to be modestly accretive to Harsco cash earnings per share within the first (partial) year of ownership
- Expected to contribute positively to free cash flow and provide meaningful EPS accretion in first full year after close

Synergies

- Expected to generate approximately $15 million of run-rate cost synergy savings in Year 3
- Anticipate additional opportunities for revenue growth

Balance Sheet and Financing

- Combination of borrowings under revolving credit facility and new debt financing
- Future excess cash flow to be used to reduce debt
- Anticipated pro forma net leverage ratio of ~3.5x, with maintained commitment to target long-term leverage ratio of 2.5x

Timing and Closing

- Transaction approved by Boards of Directors of both companies
- Anticipated to close by the end of Q1, subject to customary closing conditions, including regulatory approval
- ESOL to be combined with Clean Earth Segment

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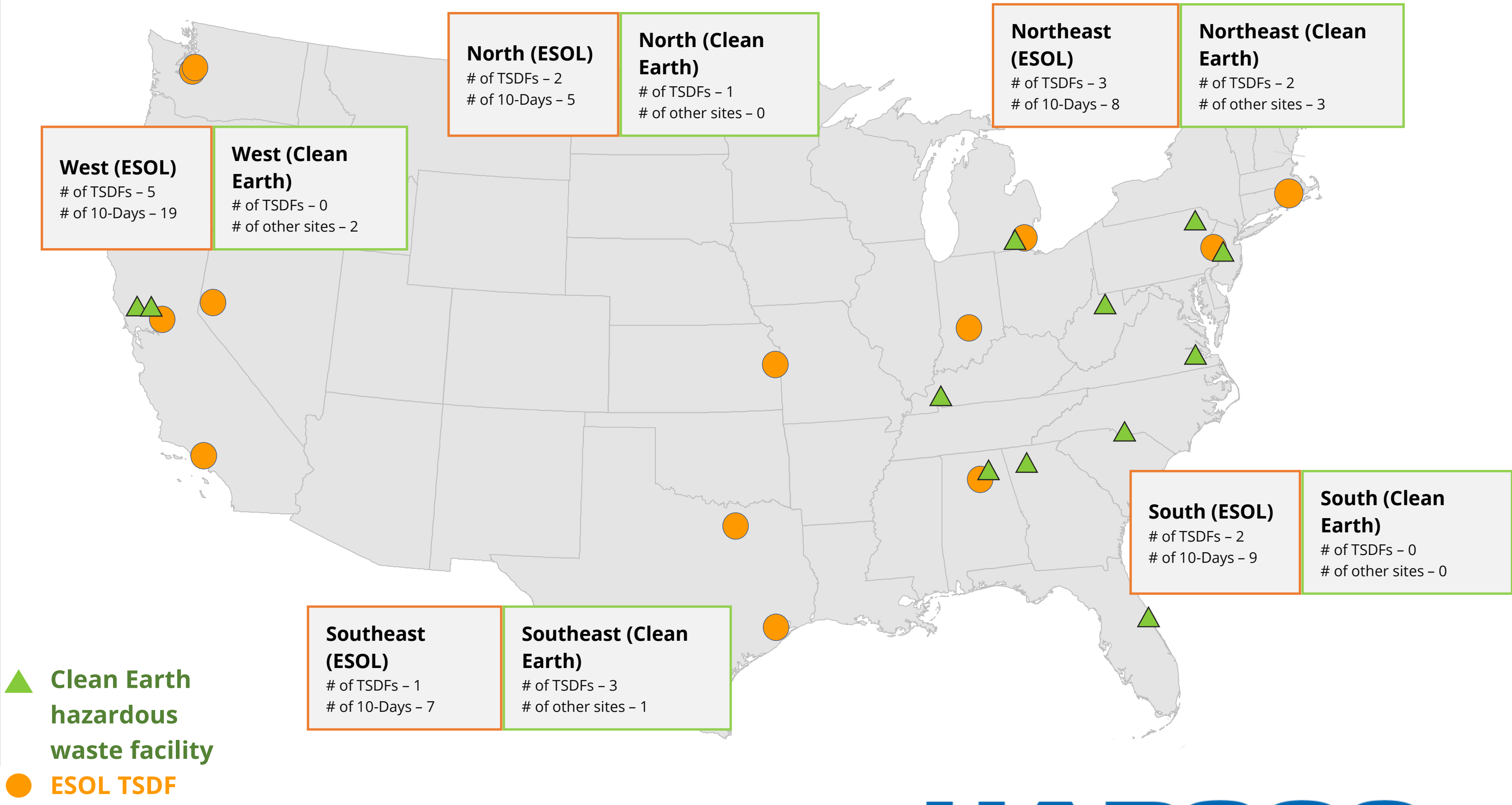
ESOL is a Leader in Environmental and Regulated Waste Management

- Provides **comprehensive hazardous waste solutions** to **diverse customers** across the industrial, retail and healthcare industries
- Operates valuable network of **13 federally permitted TSDFs** (treatment, storage and disposal facilities) and **48 ten-day transfer facilities**
- Serves **more than 90,000 customer** locations with **450,000 service stops** annually through a **fleet of 700+ vehicles**
- Collects, receives, and processes more than **500,000 tons of waste annually** across **more than 569 unique waste codes**

ESOL's Facility Footprint is Highly Complementary to Clean Earth's Existing Hazardous Waste Processing Network



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ESOL Provides Comprehensive Solutions to Blue-Chip Customers Across Three Primary Industry Segments

	Industrial	Retail	Healthcare
Segment Overview	Hazardous waste collection, transportation, disposal, recycling, remediation, field services and emergency response Offerings include fuels blending, waste water treatment, solidification and stabilization, neutralization, solvent distillation and recovery, E-waste recycling and U-waste recycling Customers across aerospace, chemical, education, consumer products, and pharmaceutical industries	Turn-key services to manage the safe processing and disposal of hazardous waste from retail environments Primary waste streams include items that were mislabeled / returned, items that have batteries, chemicals, beauty products, personal healthcare products, fertilizers and pesticides and other basic household items Customers include superstores, home centers pharmacies, groceries and e-commerce platforms	Services include logistics, transfer and disposal of hazardous waste, lab packing and emergency response Waste generators include hospitals, physician offices, dental practices, nursing homes, veterinarians and others
Segment Revenue[1]	45%	40%	15%
# of Waste Generators	7,800	150	25,000
Selected Waste Generators	Boeing, paintcare, Toyota, P&G, GE, valspar, Dow, Sherwin-Williams, WM Waste Management, Temple University	Costco Wholesale, Walgreens, amazon, The Home Depot, Walmart, Whole Foods Market, petco, FedEx, CVS pharmacy	HCA Hospital Corporation of America, LabCorp, Adventist Health Feather River, Dr. Campbell Century Dentists & Orthodontists, U.S. Renal Care, VCA, Long Island Jewish Medical Center Northwell Health, Center for Elders' Independence

1. Estimated 2019 revenue mix for ESOL.

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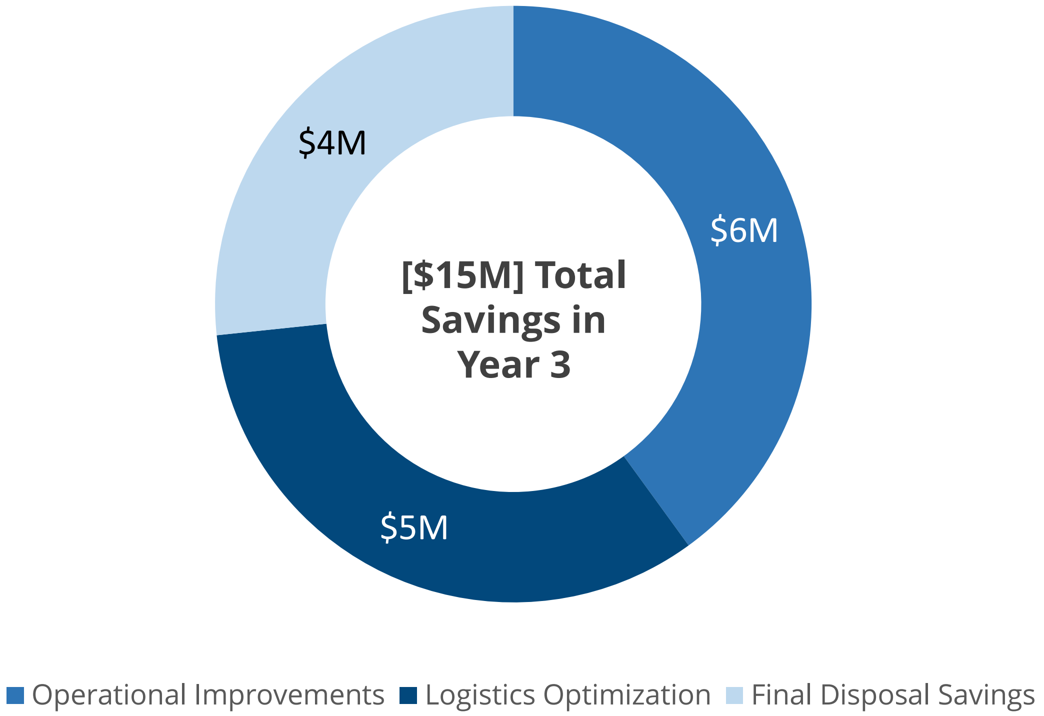
Clearly Identified and Achievable Synergies

Annual Run-Rate Cost Synergies + Incremental Growth Opportunities



- Expanded customer base with greater exposure to Western and Mid-West states
- Exposure to new retail customers, and deeper exposure in healthcare
- Scale advantages from larger processing capacity across a national network
- Cross-selling opportunities across Clean Earth and ESOL customer bases, as well as the Harsco Environmental platform

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Provides Compelling Benefits to All Stakeholders

Customers

Broader selection of service offerings and capabilities throughout the value chain

Large, valuable network of federally-permitted facilities across the U.S.

Service expanded to new customers, while deepening industrial and healthcare expertise

Investors

Expected to deliver meaningful earnings accretion and cash flow generation

Significant cost and revenue growth opportunities

Meaningful value creation opportunity through execution of operational improvements

Employees

Unites two customer-centric cultures with a shared focus on sustainability

Better positioned to serve customers' needs with enhanced resources

Provides more opportunities for development and advancement as part of a larger organization

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