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PRESENTATION

Operator

Good morning, everyone. My name is Jamie, and I'll be your conference facilitator. At this time, I would like to welcome everyone to the Enviri Corporation fourth quarter release conference call. (Operator Instructions)

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I would now like to introduce Dave Martin of Enviri Corporation. Mr. Martin, you may begin your call.

David Martin - Enviri Corp - Vice President of Investor Relations

Thank you, Jamie, and welcome to everyone joining us this morning. I do apologize for the technical issue this morning, and appreciate your patience. I'm Dave Martin, VP of Investor Relations for Enviri. Again, with me today is Nick Grasberger, our Chairman and Chief Executive Officer; and Tom Vadaketh, our Senior Vice President and Chief Financial Officer.

This morning, we will discuss our results for the fourth quarter of 2024 and our outlook for 2025. We'll then take your questions. Before our presentation, let me mention a few items. First, our earnings release and slide presentation for this call are available on our website. Second, we will make statements today that are considered forward-looking within the meaning of the Federal securities laws. These statements are based on our current knowledge and expectations and are subject to certain risks and uncertainties that may cause actual results to differ from these forward-looking statements.

For a discussion of such risks and uncertainties, see the Risk Factors section in our most recent 10-K and as updated in our subsequent 10-Qs. The company undertakes no obligation to revise or update any forward-looking statement. Lastly, on this call, we will refer to adjusted financial results that are considered non-GAAP for SEC reporting purposes. A reconciliation to GAAP results is included in the earnings release as well as the slide presentation.

With that being said, I'll turn the call to Nick.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Thank you, Dave, and good morning, everyone. We delivered a solid fourth quarter at Enviri driven by Clean Earth, which produced another quarter of record revenue, EBITDA and cash flow. Harsco Environmental performance was challenged by much weaker global steel production and a strong U.S. dollar, while Harsco Rail's adjusted results were similar to those in Q4 of last year.

For the full year 2024, some key highlights include Enviri delivered the highest adjusted EBITDA in over 10 years, marked by an increase of 10% on an organic basis and a 100 basis point lift in margins. Cash flow from Clean Earth and Harsco Environmental improved to a record of nearly \$200 million. And importantly, we delivered better safety performance across the company.

I'll share a bit more about each of our businesses, starting with Clean Earth. For the full year, Clean Earth delivered cash earnings, profit margins and free cash flow that were each 2 times higher than at the time of acquisition a few years ago.

We're entering 2025 with great momentum in this segment and expect a further double-digit EBITDA improvement this year. Our strategic goal is to continue to shift our portfolio to align with Clean Earth's profile of a specialty waste business with higher underlying growth rates and healthy cash flow conversion.

To that end, since we fully integrated Clean Earth in 2021, the business' contribution to our consolidated EBITDA has grown from 25% to over 50% as of this year-end. The contribution of Clean Earth's cash flow is even higher and has improved at a similar rate.

Clean Earth has become a very valuable business in an attractive and consolidating industry. The significant increase in the value of Clean Earth has been driven not only by the much-improved performance of the business but also by the substantial expansion of industry valuation multiples. Our Clean Earth team has done a remarkable job improving the profile of the business through better pricing dynamics, productivity initiatives as well as boosting customer service to industry-leading levels. Over the next few years, we expect that volume growth benefits of a common IT platform, facility improvements and more efficient disposal solutions will serve as Clean Earth's main growth drivers.

Turning to Harsco Environmental. The business is managing well through the most challenging conditions the global steel industry has seen in many years. Beginning in the middle of 2024, low-priced Chinese steel began to flood export markets, most notably in Europe and Latin America. The drivers behind this are threefold. Low domestic steel prices in China, significant excess capacity in China as well as weak trade barriers.

In response to this market shift, many of our customers have reduced production and a few have declared bankruptcy and closed operations. We have been through similar cycles before, and we know how to manage it. While the reversal of this trend is difficult to predict, we are moving aggressively to mitigate its impact through lower capital spending, cost reduction and other efficiency programs at our sites. Our operating leverage to the upside will be significant when the industry recovers.

Given the extremely challenging backdrop, it's even more impressive how well our team is executing. If we exclude the impact of a strong U.S. dollar and a few small divestitures had on the HE business, adjusted EBITDA in 2024 was essentially flat versus that of 2023. We expect adjusted EBITDA in 2025 to be mostly unchanged on the same basis. HE's cash flow profile continues to improve, largely due to capital efficiency improvements as well as better equipment maintenance practices.

Over the past few years, free cash flow in HE has been in the range of \$75 million to \$90 million per annum compared to an average of \$40 million to \$45 million per annum over the previous five years. And we expect to maintain this level of free cash flow in 2025.

Moving to Harsco Rail. This has clearly been our most challenging business over the past few years, having a significant impact on the execution of our portfolio strategy and on cash flow. As we've said before, chief among the challenges are a small number of contracts to produce highly engineered and bespoke equipment in the face of unprecedented supply chain disruptions and inflation. A few projects were completed last year and a few more will be completed by the end of this year, leaving only a few remaining after that.

We are in the process of executing and concluding these obligations while continuing an active dialogue with our customers for relief as well as exploring alternative options to further mitigate the associated risks. The senior corporate executive team is leading these efforts and it is among our top priorities this year.

As these projects are completed and we remove the overhead costs, we anticipate the EBITDA in our rail business to be in the range of \$35 million to \$40 million with a healthy cash flow profile. In further support of these efforts, we've made meaningful upgrades to Rail's leadership team. And of course, we've not signed any new engineered to order contracts, and we do not intend to do so in the future.

The completion of these projects will yield a material boost to our consolidated free cash flow generation. At our Analyst Day in Philadelphia last June, we projected free cash flow of \$150 million in 2027, and our expectation has not changed. Nor of our plans changed to divest the rail business and reduce financial leverage to our target range of 2.5 times to 3 times EBITDA. The Board and management continue to consider other value-enhancing portfolio options as well on a regular basis.

Turning to our outlook for 2025, we expect EBITDA growth in Clean Earth to offset the year-over-year decline in HE's EBITDA due to the stronger dollar and lost earnings of divested businesses. We also expect Rail's EBITDA to improve.

The most notable change in our financial profile this year will be improved cash flow due to lower net outflows on rail contracts and the end of our UK pension plans funding. And although free cash flow will improve in Clean Earth, we are planning a sizable increase in growth-oriented capital spending in the business given the meaningful opportunities we see ahead.

Finally, as we announced last month, we are continuing to refresh our Board with skill sets that shift towards expertise in our core markets and in portfolio strategy. I'm very pleased to announce the next step in our process with the nomination of Nick Fanandakis to our Board. Nick is the former CFO of DuPont and brings valuable transformational and operational expertise from running several businesses throughout his career.

We are excited to welcome Nick to our Board and look forward to his engagement with our leadership team as we work to capitalize on the value creation potential we believe inherent in our company.

I'll now turn the call over to Tom.

Tom Vadaketh - *Enviri Corp - Chief Financial Officer, Senior Vice President*

Thank you, Nick, and good morning, everyone. We had a solid finish to 2024 in the fourth quarter, which was broadly in line with our expectations. Full year revenues for 2024 were \$2.3 billion. Adjusted EBITDA reached \$319 million, which was up 4% year-on-year as reported or up 11% on an organic basis. This was our highest adjusted EBITDA in 10 years.

From a segment standpoint, HE performed well while facing challenging market conditions. Clean Earth drove our growth by again delivering record earnings and margins. As Nick said, Clean Earth EBITDA in 2024 was more than double its earnings in 2021, our first full year of ownership. We're very pleased with the execution at Clean Earth and the returns now being generated on our initial investment.

Enviri's free cash flow for the year was a negative \$34 million. This was a result of cash usage for our large engineered-to-order projects in the rail business as well as delayed collections in our base rail business with certain shipments being pushed out into 2025.

HE and Clean Earth together generated free cash flow of more than \$190 million in 2024, an improvement over 2023. Our covenant net leverage ratio at the end of 2024 was 4.07 times, an improvement from the beginning of the year.

Now let me turn to our fourth quarter performance details, starting on slide 5. Similar to quarter three, we faced some headwinds in Q4 within our Harsco Environmental and Rail businesses as a result of market conditions, customer shipment delays and supply chain pressures.

However, our operating teams performed very well, and I'm pleased that we delivered adjusted EBITDA within our guidance range for the quarter. We saw positive momentum in the quarter. Clean Earth delivered over 25% EBITDA growth and record Q4 margins. Rail showed strong quarter-on-quarter improvement in both EBITDA and free cash flow. And importantly, these positive trends in rail are expected to continue in 2025. And HE met our expectations for the quarter despite very difficult conditions within the global steel market. So net-net, a positive quarter for the company.

In the fourth quarter, revenues totaled \$559 million, which was little changed from the prior year quarter after adjusting for the impact of FX translation and business divestitures. Adjusted EBITDA was \$70 million, which is 5% higher year-over-year on a similar or organic basis, again reflecting the strong improvement in growth at Clean Earth. Relative to guidance, Clean Earth and Harsco Environmental performed in line with our expectations.

In HE, incremental FX and volume pressures were offset by better cost performance. Clean Earth performance was steady and strong in Q4, and while rail results were modestly below our target due to shipment delays in North America, which will be realized in 2025 as well as cost adjustments in a few small projects, which will also be completed in 2025.

Our adjusted diluted loss per share was \$0.04 for the quarter. This figure excludes the impact of special items totaling \$90 million. This is a significant amount for such charges and reflects the fact that we are actively and aggressively working to address certain issues, including some legacy matters.

In the fourth quarter, this included roughly half a dozen items in Harsco Environmental and rail with about \$40 million of the \$90 million representing asset impairments or write-downs that are not noncash in nature. In HE, these items include exit costs following a site closure in the UK an asset impairment for an underperforming US site where improvement initiatives are underway and anticipated costs to address an environmental matter in the Middle East.

In rail, the charges include further adjustments in our three large European contracts and a goodwill impairment charge. Q4 was an unusual quarter as we work through these issues, and we understand the importance of minimizing the impact of special items in the future.

Lastly on this slide, our adjusted free cash flow for the quarter was \$8 million, reflecting a \$42 million improvement versus the third quarter of 2024 driven by working capital improvements in rail, which we had expected.

Our fourth quarter cash flow also benefited from timing of interest and lower pension payments. Clean Earth and HE generated over \$40 million of free cash flow in Q4 combined. Rail's free cash flow in the quarter netted out to nil with positive cash generation from the base business offset by cash usage from its large ETO contracts, which continue to weigh on overall cash generation, as we've discussed previously.

I'll come back to rail and our outlook in a bit. Finally, as you may recall, we extended our revolver and accounts receivable facilities in Q3 of 2024. Earlier this month, we amended our credit agreement to provide additional cushion under our covenants and strengthen our financial flexibility. We also increased the size of our accounts receivable facility by \$10 million. Overall, I'm pleased with our capital structure. And while our next debt maturity is not until 2027, we expect to continue to be proactive and opportunistic in addressing future maturities.

Please turn to slide 6 and our Harsco Environmental segment. Segment revenues totaled \$240 million adjusting for an FX impact of \$14 million and a divestiture impact of \$26 million, the organic decline in revenues was 4%. This change reflects lower service levels as a result of weaker steel production as well as site exits, which relates to the site closures we discussed in October.

Adjusted EBITDA for the quarter totaled \$41 million compared with \$56 million in the prior year quarter.

Operating rates or production rates at our customer sites are very low in Q4. For customers that provide this information, mill utilization was below 73% in the quarter. And relative to the prior year quarter, steel production was weakest in Europe, North America and the Middle East. The fourth quarter is traditionally a soft period for the steel industry as well, and there is some positive steel price momentum in the marketplace today.

And while it's too early to call this a trend, higher steel prices often lead to increased production and mill service activity. As Nick mentioned, HE's operating leverage to higher production levels remain significant, positioning us well to benefit when markets recover.

Next, please turn to slide 7 to discuss Clean Earth. For the quarter, revenues totaled \$241 million, and adjusted EBITDA reached \$36 million, up 26% year-on-year. The increase in revenues is attributable to price initiatives and the growth in EBITDA reflects higher prices as well as cost efficiencies. The Clean Earth team continues to realize benefits from its efforts to drive down costs within its major spending categories, the largest of which include transportation and disposal.

CE also generated over \$30 million of free cash flow in the quarter and its free cash flow for the year exceeded \$100 million for the second consecutive year. Overall, these very strong results for Clean Earth reflects positively on the leadership in the business, who many of you met at our Investor Day and the high level of execution throughout the CE organization.

Now please turn to Slide 8 in our Rail business. Rail revenues totaled \$77 million and its adjusted EBITDA was \$2 million in the fourth quarter. The increase in revenues is a result of higher equipment and technology volumes, offset by lower aftermarket volumes. The year-on-year EBITDA change can be attributed to lower aftermarket sales as well as a less favorable business mix, including the contracting services work performed in each quarter.

Relative to the third quarter of 2024, rail's adjusted earnings improved as did its cash -- free cash flow, which I mentioned earlier. We continue to strengthen the rail team while also making progress in addressing rail supply chain and operational challenges. Our operations team is driving several improvement projects which will be completed during 2025, and will progressively improve our ability to meet delivery expectations and increase the throughput and capacity of the operation.

We're investing in the new IT ERP system for rail, which we also expect to drive operating improvements by better visibility and control for our team. Making progress on our large engineered-to-order contracts is also a top priority for the company. Additional forward losses of \$13 million under these contracts were recorded in Q4 as we continue to make progress in manufacturing the equipment for our customers. We also continue to work with these customers to clarify future schedules and to limit our financial exposure. We'll provide you an update on these efforts when appropriate.

In an effort to provide more clarity on rail's underlying performance, we've included slide 9 in the deck detailing the revenue, EBITDA and free cash flow split for its ETOs and base business in 2024. Let me make a few observations.

Demand for rail standard equipment and services remained strong. Base business profits are significant and margins are steady with a healthy conversion to cash. Our largest ETOs are reported at 0 gross margin given our forward loss provisions, but we have overheads that support these projects.

And lastly, we've been consuming cash through working capital for our ETO projects as we build the related equipment in advance of delivery to our customers. Now specifically, rail's adjusted EBITDA in 2024, totaled \$9 million, including a loss of \$20 million on its ETOs and a positive contribution of \$30 million from its base business.

And rail consumed \$62 million of cash in the year. The ETOs consumed approximately \$79 million of cash, while the base business generated a positive \$17 million. Overall, rail's base business is a valuable part of our portfolio. And as we've discussed before, the ETOs are for now a headwind to the business and company for that matter. We hope this additional detail is helpful. And importantly, the impact of rail's ETO contracts is set to improve in the future as certain contracts and others mature starting in 2025.

Now let me turn to our 2025 outlook on slide 10. Enviri's full year adjusted EBITDA is expected to be within a range of \$305 million to \$325 million, which represents 5% organic growth. Revenues are expected to increase less than that on a similar basis. And note that the revenue headwind from divestitures and FX is roughly \$100 million year-on-year.

Importantly, our EBITDA change reflects a continued shift in our business mix among our two largest segments, which have very different valuation considerations. For the year, Clean Earth EBITDA is projected to grow double digits, and this growth will be offset by HE on a reported basis, including FX and divestiture impacts.

Free cash flow is anticipated to increase to between \$30 million and \$50 million. This reflects considerable improvement in 2025 with the increase largely due to rail and pensions. A \$40 million improvement in rail's free cash flow is expected as some small ETO projects conclude, and we are paid by our customers. The rail cash flow improvement in 2025 is also driven by an improvement in working capital in its base business with lower inventory and higher collections.

The other large change for 2025 is that our cash pension contributions will decrease by approximately \$20 million. For the three large ETO projects, we expect to start delivering a significant portion of the equipment to our customers in 2026. At which point, we expect cash flows on these three projects to start improving. Capital spending of \$130 million to \$140 million is planned for the year with less spending in HE and higher year-on-year spending at Clean Earth to drive its growth.

Our per share guidance for adjusted earnings ranges from a loss of \$0.01 to a loss of \$0.25. This range considers that our interest expense will decline modestly and various other assumptions are included in our press release.

Now let's turn to our segment guidance on slide 11. Harsco Environmental's profitability is expected to be lower. The year-on-year negative impact of a stronger U.S. dollar and divestitures is nearly \$20 million. Operating improvements and new contracts will offset a weaker service mix and contract exits. We have not assumed much improvement in underlying steel production at our customer sites.

For Clean Earth, revenues are anticipated to grow mid-single digits, with this increased slightly more weighted to volume over price. Clean Earth's EBITDA will grow at a low double-digit rate with its margin approaching 17%. And I would note that Clean Earth had a bad debt benefit in 2024 that will not recur in 2025.

Net-net, we again expect a strong contribution from its revenue lift in 2025. Rail's adjusted EBITDA is projected to increase approximately 50% at the midpoint with the improvement driven by price, volume and efficiency initiatives. And lastly, corporate costs are expected to be approximately \$38 million in 2025 with the increase largely due to noncash equity compensation.

Let me conclude on slide 12 with our first quarter guidance. Q1 adjusted EBITDA is expected to range from \$57 million to \$63 million. Clean Earth results are expected to be above prior year quarter, while HE and rail are expected to be lower year-on-year. For HE, the change reflects the impact of divestitures, site closures and exits. We do have new contracts in 2025, but these positive impacts won't offset the exit until the second half of the year.

For rail, the change reflects the lumpiness of the business, particularly in Q1 each year, and we've anticipated a weaker business mix this year. Lastly, on Q1, we expect free cash flow will be negative as a result of business seasonality as well as the timing of interest and incentive compensation payments.

Thank you, and I'll now hand the call back to the operator for Q&A.

QUESTIONS AND ANSWERS

Operator

Ladies and gentlemen, we'll now begin that question-and-answer session. (Operator Instructions). Devin Dodge, BMO Capital Markets.

Devin Dodge - *BMO Capital Markets - Analyst*

So I'm going to start with Clean Earth. Really solid performance again this quarter, some good pricing. I think some efficiency benefits, but volumes, I think they continue to be a bit soft. Just wondering if you can provide some context for why volumes have been a little bit sluggish in 2024 and at least based on the guidance, why that should change in 2025.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Sure. Devin, it's Nick. In terms of 2024 volume in Clean Earth, there was a lot of churn amongst the top retail accounts, that should actually be a bit of a tailwind for us in 2025. Our pipeline on the industrial side of our end markets was somewhat weak in 2024, but the pipeline has grown significantly and I think we have a 4% or 5% volume lift in industrial within haz waste and Clean Earth in 2025, and we feel pretty confident about that.

Health care was reasonably strong in 2024. We expect that to continue. But overall, in Clean Earth, we expect the top line to grow say, around 5%, half of that price and about half of that volume. And you're right, we haven't had volume growth at that level in the last couple of years, but we're pretty confident given our pipeline that we'll achieve that this year.

Devin Dodge - *BMO Capital Markets - Analyst*

Okay. Okay. Good color. And then switching over to Harsco Environmental. So your contracts there, I know they provide some downside protection or have some minimum volume guarantees, look, recognizing it's hard to generalize -- but how much more downside from a volume perspective is there across the portfolio before we reach the floors set in those contracts?

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Well, I think we likely are kind of at the bottom in terms of volume at most of our plants. The bigger impact has really been site closures, right? We've had 1 in the UK, one in the Czech Republic, one in Chile. We've had other large sites reduce production or close the blast furnace, let's say, or idle their facility for a period of time. So I'm really kind of -- as we look across the portfolio now of our sites, we don't see further risk for bankruptcies or sites being idled.

And to your question, yeah, it's hard to generalize. It's different on a contract-by-contract basis. But I think we're still a ways away at most sites from kind of hitting that floor in terms of volume, yeah.

Operator

Rob Brown, Lake Street Capital Markets.

Robert Brown - *Lake Street Capital Markets - Analyst*

On the Clean business, you were working on operating improvements in terms of -- I think you talked about IT and facility type improvements. How far are you into that effort? And how much can you kind of see in the next year in terms of improvement there?

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Well, in terms of IT, we are a little more than halfway through kind of a two and a half year program to harmonize our systems. We under the banner of one Clean Earth, it's a very, very broad initiative across many different components of our IT systems. But this year, let's say, at the end of this

year, I think we expect to be, I don't know, 80%, 90% finished with that effort. And that's -- given the complexity of it has actually gone quite well. We're very, very pleased with that.

I'm sorry, what was the other part of your question, Rob?

Robert Brown - *Lake Street Capital Markets - Analyst*

Yeah, it was really on the facility side as well, where are you in terms of getting that done and how much to go.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Yeah. I think that what we're spending on are new capabilities and capacity in the facilities, we expect very high returns and very quick paybacks relative to what's typical for those kinds of investments. So even though we're spending an extra \$20 million, \$30 million on CapEx in Clean Earth this year, we think that's a very good investment for the business. But this level of capital spending, this \$50 million or so that we're looking at in 2025 is certainly higher than what we have spent and likely to be higher than what we'll spend in the future.

Robert Brown - *Lake Street Capital Markets - Analyst*

Okay. Got it. And then on the rail business, you continue to sort of see incremental cost there. How much, I guess, visibility do you have on those incremental costs in the engineered to order that you're getting kind of into the meat of deliveries. I think you said '26, you get a fair amount of deliveries done. But just a sense of how much more risk you see in those and maybe when -- or how that gets -- starts to taper off in '26 and '27 in terms of the amount of remaining risk.

Tom Vadaketh - *Enviri Corp - Chief Financial Officer, Senior Vice President*

Yeah, Rob, let me -- it's Tom Vadaketh. I'll just try and take that. As I think you've heard us say before, the risk sort of truly dissipates dramatically once we have delivered the very first vehicle in the series of vehicles of equipment that we're meant to deliver to the customer. And once that customer has accepted that.

So at that point, you have your bill of material locked in. You've got supplier contracts from your various vendors locked in and you kind of know where you are. And so we are, I would say, from today about a year to 15, 18 months away from that occurring for our three big -- for two of the three big contracts. On one of them, we have made quite a bit of progress already. and expect to kind of actually end to get to the end of that contract during 2026.

So I'd say a long way to answer your question. Look, we learned a little bit every quarter. Sometimes, there are changes in the supply chain. The supply chains and these are complex. And so some of the charges we had to take in the fourth quarter reflect just changes in supply chain.

We've had to switch suppliers. The new supplier happens to be a little bit more expensive than the old supplier and that sort of thing. But we are full flow in terms of the production process. And yeah, like I said, risk will really dissipate dramatically once we've delivered that very first vehicle. And we're about 12 to 15 months away from that occurring.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Yes, I'll just add to that. Again, referencing the 3 large contracts, which are really the only ones, I'll say, relevant at this point because the others have either been completed or will be this year. On two of the three large remaining contracts, the net risks and opportunities probably close to 0 because we have some expected relief coming on one of those.

The largest remaining risk that we have is really in a contract in the UK. And that's where Tom and myself and our General Counsel and others are very focused on trying to mitigate the risk and improve the outcome on that contract.

Operator

(Operator Instructions) Brian Butler, Stifel.

Brian Butler - *Stifel, Nicolaus & Company, Incorporated - Analyst*

I guess on the first one, what's assumed in '25 guidance from perspective of steel production? What's embedded into that estimate?

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Yeah. So Brian, -- of course, it varies a good bit by region. So our fastest-growing region has been India, the Middle East and Africa. And that's grown quite nicely. We expect volume in that region to grow kind of 3% or 4% this year.

And then I'll say, essentially flat in the other regions. So North America, Europe, Latin America, primarily. And (multiple speakers) of course, it also varies a good bit by sites. But I think we overall have volume from liquid steel tonnage up 1% or 2%, I think, overall.

Brian Butler - *Stifel, Nicolaus & Company, Incorporated - Analyst*

Okay. That's helpful. And when you think of your -- the kind of the new footprint in the HE business in the sense of at post the closing, in a normalized production environment, what would be the expectation for annualized revenue in this business now if we ever get back there.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Yeah. So it's a function of that as well as the dollar. We've lost \$30 million of EBITDA in HE just from a strengthening dollar over the last four years. So let's assume constant currency. But I'd say, if we got back to kind of mid-cycle on production of the revenue base today, which is, what, \$1.1 or \$1 billion, about \$1 billion, there's at least another \$100 million of revenue there just from getting back to mid-cycle, probably more, I'd say, 100 to 200.

Brian Butler - *Stifel, Nicolaus & Company, Incorporated - Analyst*

Okay. Great.

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

With a fall-through rate, that's pretty high, right? It's, I don't know, 30%, 35%, 40%.

Brian Butler - *Stifel, Nicolaus & Company, Incorporated - Analyst*

Okay. That's good. And then on the Clean Earth business, -- when you think of '25 and the opportunity around PFAS, I mean, right now, I don't think you're doing any PFAS work, but that seems -- is that a place you're looking to put capital to work in that area? And where do you see that opportunity in '25 and maybe beyond?

F. Nicholas Grasberger - *Enviri Corp - Chairman of the Board, President, Chief Executive Officer*

Well, we are treating some PFAS contaminated waste water. We have a facility -- a permanent facility up in Detroit, and that's been a good business for us. We're also working with the DoD and others on various sites, kind of testing our technology or other technology at our permitted sites and facilities.

So I think we're quite active, but we don't have anything of substance built into 2025 for PFAS. I think we feel that with our technology and our permitted facilities and access to other's technology, we're very well positioned in PFAS when those opportunities begin to flow likely for us initially with the DoD. So I think we're very confident in our capabilities and our capacity in our permitted facilities, but we really -- and this even goes back to our long-range plan that we presented at our Analyst Day here back in June. We really have not built any PFAS revenue or EBITDA into our three-year plan.

Brian Butler - *Stifel, Nicolaus & Company, Incorporated - Analyst*

Okay. And then last one on rail, how should we think about the cadence in '25 based on the guidance that you've given here? How should that -- how should we work there, I guess, model that through the year?

Tom Vadaketh - *Enviri Corp - Chief Financial Officer, Senior Vice President*

I gave some guidance, Brian, for the first quarter. And then I would suggest that back three quarters, I would just credit about evenly. What we have been modeling. So we've tried to -- from a production perspective, you heard me talk about some of the things we're working on, and we've tried to level load the production plan through the year so that it allows us to optimize manufacturing and allow us a chance to work on some of the improvements that I described. So yeah, for your assumptions, basically level loaded.

Operator

And ladies and gentlemen, that will conclude today's question-and-answer session. I'd like to turn the floor back over to David Martin for closing remarks.

David Martin - *Enviri Corp - Vice President of Investor Relations*

Thank you for joining the call this morning. Feel free to call me with any follow-up questions. And as always, we appreciate your interest in Enviri and look forward to speaking with you soon. Take care.

Operator

And ladies and gentlemen, with that, we'll conclude today's conference call and presentation. We do thank you for joining. You may now disconnect your lines.

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