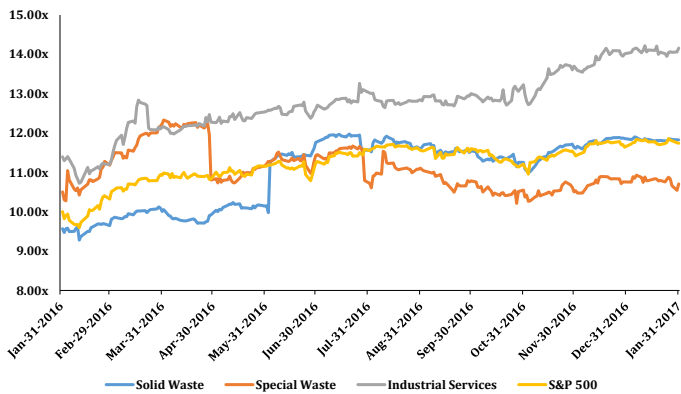


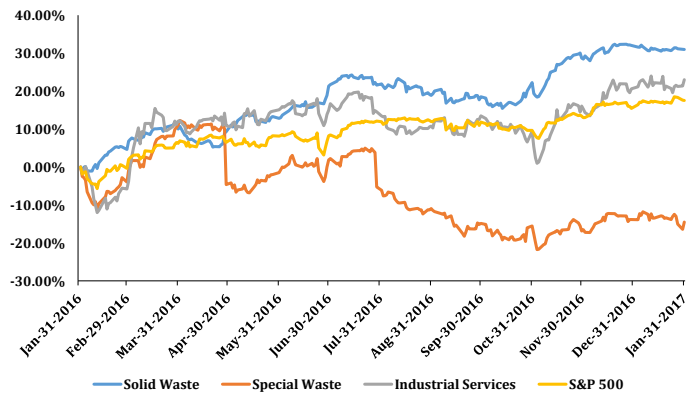
Trash Talk

An Environmental Services
Newsletter

Environmental Services LTM TEV/EBITDA



Environmental Services LTM Share Price (Shown as % change)



Indices Performance (% change)

	<u>January 2017</u>	<u>LTM</u>		<u>January 2017</u>	<u>LTM</u>
S&P 500	1.8%	17.5%	Solid Waste	(0.4%)	30.9%
Dow Jones	0.5%	20.6%	Special Waste	(0.8%)	(14.5%)
NASDAQ	4.3%	21.7%	Industrial Services	1.9%	23.0%

(Source: CapitalIQ)

Largest Environmental Services Movers and Losers (largest % changes in the month of January)

Cypress Energy Partners, L.P.	24.6%	Meridian Waste Solutions, Inc.	(70.9%)
Industrial Services of America, Inc.	13.4%	Perma-Fix Environmental Services, Inc.	(13.2%)
Sharps Compliance Corp.	10.3%	Darling Ingredients Inc.	(10.5%)
Fuel Tech, Inc.	6.7%	Casella Waste Systems, Inc.	(9.0%)
US Ecology, Inc.	4.1%	CECO Environmental Corp.	(6.5%)

Environmental Services Industry Contacts

Tom Denison
(312) 283-0819

thomas.denison@thechicagocorp.com

Phil Clarke
(312) 283-0803

philip.clarke@thechicagocorp.com



Trash Talk

An Environmental Services Newsletter

Select Public Trading Statistics (as of 1/31/2017)

Solid Waste:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Waste Management, Inc.	WM	\$69.50	96.8%	\$30,719	\$39,974	3.0x	11.1x	17.7x	27.9x	22.1x	23.9x	37.6%	17.7%	27.3%	2.5x
Republic Services, Inc.	RSG	\$57.38	98.8%	\$19,507	\$27,220	2.9x	10.4x	17.6x	33.4x	23.1x	24.9x	38.7%	16.6%	28.1%	3.0x
Waste Connections, Inc.	WCN	\$80.30	98.0%	\$14,087	\$17,668	6.2x	19.6x	34.4x	41.8x	NM	33.9x	42.7%	18.0%	31.6%	4.0x
Advanced Disposal Services, Inc.	ADSW	\$22.21	98.4%	\$1,948	\$4,188	3.0x	10.8x	34.6x	0.0x	NM	NM	38.2%	8.5%	27.5%	5.8x
Caseella Waste Systems, Inc.	CWST	\$11.56	86.2%	\$480	\$977	1.7x	9.4x	23.4x	NM	NM	NM	32.2%	7.4%	18.6%	4.8x
Meridian Waste Solutions, Inc.	MRDN	\$2.92	7.5%	\$19	\$63	2.3x	NM	NM	NM	NM	NM	39.2%	(52.5%)	(28.1%)	(5.3x)
Mean				\$11,127	\$15,015	3.2x	12.2x	25.5x	25.8x	22.6x	27.6x	38.1%	2.6%	17.5%	2.4x
Median				\$8,018	\$10,928	3.0x	10.8x	23.4x	30.6x	22.6x	24.9x	38.4%	12.6%	27.4%	3.5x
High				\$30,719	\$39,974	6.2x	19.6x	34.6x	41.8x	23.1x	33.9x	42.7%	18.0%	31.6%	5.8x
Low				\$19	\$63	1.7x	9.4x	17.6x	0.0x	22.1x	23.9x	32.2%	-52.5%	-28.1%	-5.3x

Source: Capital IQ

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

LTM = Last Twelve Months

Special Waste:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Stericycle, Inc.	SRCL	\$77.14	59.8%	\$6,563	\$9,547	2.7x	12.9x	19.0x	28.0x	31.5x	19.1x	45.1%	14.1%	21.0%	4.0x
Clean Harbors, Inc.	CLH	\$55.50	95.3%	\$3,185	\$4,560	1.6x	11.4x	39.8x	NM	36.2x	393.9x	29.4%	4.1%	14.4%	3.4x
Darling Ingredients Inc.	DAR	\$12.00	75.3%	\$1,975	\$3,774	1.1x	6.8x	13.9x	13.5x	NM	29.4x	22.4%	4.5%	13.0%	3.9x
US Ecology, Inc.	ECOL	\$51.25	99.0%	\$1,116	\$1,398	2.8x	11.9x	18.1x	32.4x	26.1x	28.2x	31.2%	15.5%	23.5%	2.4x
Sharps Compliance Corp.	SMED	\$4.60	72.9%	\$73	\$69	2.0x	NM	NM	NM	NM	NM	31.0%	(3.7%)	(0.4%)	31.4x
Perma-Fix Environmental Services, Inc.	PEST	\$3.30	58.5%	\$39	\$50	0.9x	NM	NM	NM	NM	NM	15.4%	(8.9%)	(1.5%)	(13.3x)
Mean				\$2,159	\$3,233	1.9x	10.8x	22.7x	24.7x	31.3x	117.7x	29.1%	4.3%	11.7%	5.2x
Median				\$1,546	\$2,586	1.8x	11.7x	18.6x	28.0x	31.5x	28.8x	30.2%	4.3%	13.7%	3.7x
High				\$6,563	\$9,547	2.8x	12.9x	39.8x	32.4x	36.2x	393.9x	45.1%	15.5%	23.5%	31.4x
Low				\$39	\$50	0.9x	6.8x	13.9x	13.5x	26.1x	19.1x	15.4%	-8.9%	-1.5%	(13.3x)

Source: Capital IQ

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

LTM = Last Twelve Months

Industrial Services:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Covanta Holding Corporation	CVA	\$16.10	90.7%	\$2,091	\$4,677	2.8x	13.8x	35.2x	32.2x	NM	NM	30.4%	7.6%	19.9%	7.8x
CECO Environmental Corp.	CECE	\$13.12	88.2%	\$448	\$558	1.3x	10.6x	17.3x	45.1x	13.3x	15.0x	31.2%	7.7%	12.6%	2.1x
Heritage-Crystal Clean, Inc	HCCI	\$14.95	89.3%	\$335	\$373	1.1x	15.5x	50.4x	NM	33.2x	39.4x	20.6%	2.2%	7.0%	1.5x
Cypress Energy Partners, L.P.	CELP	\$13.64	96.5%	\$1,022	\$251	0.8x	17.7x	30.2x	NM	15.9x	13.6x	11.5%	2.6%	4.5%	7.8x
Ecology & Environment, Inc.	EEI	\$10.31	92.1%	\$44	\$35	0.3x	7.9x	10.5x	39.9x	NM	NM	45.3%	3.3%	4.4%	(2.6x)
Fuel Tech, Inc.	FTEK	\$1.28	67.7%	\$30	\$17	0.3x	NM	NM	NM	NM	NM	37.4%	(12.5%)	(6.7%)	3.1x
Quest Resource Holding Corporation	QRHC	\$2.35	39.2%	\$36	\$38	0.2x	NM	NM	NM	NM	NM	7.7%	(4.7%)	(2.4%)	(0.4x)
Industrial Services of America, Inc.	ISDA	\$2.20	65.7%	\$18	\$22	0.7x	NM	NM	NM	NM	NM	(2.0%)	(15.8%)	(8.7%)	(1.6x)
Mean				\$395	\$746	0.9x	13.1x	28.7x	39.0x	20.8x	22.6x	22.8%	-1.2%	3.8%	2.2x
Median				\$103	\$144	0.7x	13.8x	30.2x	39.9x	15.9x	15.0x	25.5%	2.4%	4.4%	1.8x
High				\$2,091	\$4,677	2.8x	17.7x	50.4x	45.1x	33.2x	39.4x	45.3%	7.7%	19.9%	7.8x
Low				\$18	\$17	0.2x	7.9x	10.5x	32.2x	13.3x	13.6x	-2.0%	-15.8%	-8.7%	(2.6x)

Source: Capital IQ

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

LTM = Last Twelve Months





Trash Talk

An Environmental Services
Newsletter

Select Mergers and Acquisitions & Capital Raising News

❖ Waste Connections to Acquire Groot Industries

January 4, 2017 – Toronto-based hauler, Waste Connections announced the acquisition of Groot Industries, an Illinois-based firm with total annual revenue of approximately \$200 million. This transaction announcement comes nearly a year after Waste Connections' mammoth merger with Progressive Waste Solutions Ltd. Founded over a century ago in 1914, Groot is the largest privately owned solid waste services company in Illinois. Groot serves approximately 300,000 customers primarily in northern Illinois from a network of six collection operations, six transfer stations and two recycling facilities. Groot has a sales mix of 75 percent collection, 20 percent transfer station and five percent recycling.

❖ Lakeshore Acquires In-State Peer

January 5, 2017 – Lakeshore Recycling Systems (LRS) had acquired K. Hoving Companies, a full-service waste management, recycling and dumpster rental company based in West Chicago. As a result of the acquisition, LRS says it is now Illinois' largest private waste company and expands its system-wide services to include street sweeping and portable restrooms as part of a new Temporary Services Division. Financial terms were not disclosed and the acquisition is effective immediately. Lakeshore ranked 35th on the 2016 Waste360 Top 100. The firm posted \$115.2 million in revenue in 2015 and projected its 2016 revenue would hit \$135 million. Last August, the company secured a five-year residential waste and recycling contract with the City of Wheaton, Illinois. K. Hoving Companies has a footprint in DuPage County and throughout the greater Chicagoland area. LRS also said that K. Hoving Companies operates the only recycling facility in Chicago that is nationally certified by the Recycling Certification Institute. With the addition of K. Hoving Companies, LRS now operates seven materials recovery facilities throughout the Midwest, increasing annual revenue to nearly \$170 million and its workforce to more than 720 full-time employees. The combined companies will now control nearly 20 percent of Chicagoland roll-off market and will be the second largest portable toilet business in Illinois. Further, the acquisition increases the amount of inbound waste under its control to nearly 2.2 million tons per year.

❖ National Waste Management Holdings Acquires New York Recycling Firm

January 10, 2017 – National Waste Management Holdings Inc., a publicly-traded solid waste firm traded on over-the-counter markets, has acquired Northeast Data Destruction and Recycling LLC, located in Kingston, New York, for an undisclosed price. The transaction, which closed December 31, 2016, expands National Waste Management's base operations in Upstate New York, where the company is responding to customer demand for cardboard recycling and document destruction, hard drive destruction and other data destruction. National Waste Management's acquisition strategy calls for at least one acquisition per quarter, subsequently diversifying revenue streams. The acquisition of Northeast Data Destruction and Recycling demonstrates management's commitment to this aggressive business model.

❖ EnviroSolutions, Inc. Acquires Bowie's Inc.

January 12, 2017 – Mid-Atlantic regional waste and recycling company EnviroSolutions, Inc. (ESI) has acquired Washington, D.C.-based Bowies Inc. for an undisclosed amount. Bowie's, which has more than 500 customers and 1,000 locations, is the oldest family-owned and operated solid waste collection and recycling company in the D.C. Metro area. This acquisition is just the first step in ESI's plan to grow its Mid-Atlantic service footprint, according to President and CEO Dean Kattler.

❖ SUEZ Invests \$50M in Rubicon Global

January 12, 2017 – Paris-based SUEZ led Atlanta-based Rubicon Global's current funding round, which raised more than \$50 million. Now, the companies have formed a partnership in an attempt to better improve the waste and recycling industry. With this partnership, the companies will combine Rubicon's waste-streaming model with SUEZ's sustainable resource management experience to develop and deploy innovative and effective solutions to both U.S. and European markets. Additionally, the partnership will help improve services for municipalities through smart city innovation, help city governments improve residential waste and recycling services through data collection and analysis and ensure fleet optimization and efficiency. In the European market, SUEZ will focus on improving its customer portal and creating digital platforms dedicated to scattered waste volumes to help accelerate the digital transformation of its recycling and recovery division.

❖ Commercial Metals' Unit to Acquire Recycling Facilities

January 13, 2017 – Commercial Metals Company's fully owned subsidiary, Owen Steel Company of South Carolina, has agreed to acquire certain recycling facilities from Omnisource Corp. OmniSource is a fully owned subsidiary of Steel Dynamics. The assets consist of seven recycling facilities located in the southeast U.S. that are in close proximity to Commercial Metals' mini mill in Cayce, South Carolina. Commercial Metal makes, recycles, and markets steel and metal products, and related materials and services in the U.S. and internationally.



Trash Talk

An Environmental Services
Newsletter

❖ Meridian Waste Solutions Announces \$12.4M Public Offering

January 26, 2017 – Meridian Waste Solutions Inc. announced the pricing of an underwritten public offering of 3,000,000 shares of common stock and warrants to purchase 3,000,000 shares of common stock. Each share of common stock and warrant to purchase one share of common stock are offered at a combined public offering price of \$4.13. The warrants will have a per share exercise price of \$5.16, are exercisable immediately and will expire five years from the date of issuance. The common stock and the warrants have been approved to list on the Nasdaq Capital Market under the symbols MRDN and MRDNW, respectively. The aggregate gross proceeds to Meridian Waste from the public offering are expected to be \$12.38 million prior to deducting underwriting discounts, commissions and other estimated offering expenses. Meridian Waste has granted the underwriters a 45-day option to purchase up to an additional 450,000 shares of common stock and/or warrants to purchase 450,000 shares of common stock to cover over-allotments, if any. Meridian Waste intends to use the net proceeds from the public offering for capital expenditures including additional trucks and equipment to service recently awarded business, tuck-in acquisitions, repayment of indebtedness and working capital. Earlier this year, Meridian Waste was awarded contracts for residential solid waste collection for Districts Four and Six by the County Council of St. Louis County, Missouri.

Select Industry News

❖ Two California Cities Enter Tolling Agreement Over Garden City Waste Collection Contract

January 3, 2017 – After receiving a large amount of odor complaints about the Newby Island Landfill, the City of Milpitas, California, selected Garden City Sanitation Inc. as its new hauler last year, replacing longtime collector Republic Services. That decision sparked an outrage from the City of San Jose, which had tried to delay the decision of awarding a new contract until Milpitas assessed the environmental impacts that would come along with the new contract. Now, the Cities of Milpitas and San Jose are entering a tolling agreement, which will extend the deadline for San Jose to file a lawsuit over Milpitas' decision to award Garden City Sanitation Inc. with a solid waste collection contract. San Jose is claiming that the City of Milpitas did not do its due diligence in assessing the environmental impacts of how Garden City would transport the waste to the Guadalupe Recycling and Disposal Facility.

❖ New York Councilman Proposes Garbage Truck GPS Tracking Bill to Prevent Traffic Pileups

January 5, 2017 – In an effort to prevent future traffic pileups, New York City Councilman David Greenfield is proposing a bill that would require the City of New York Department of Sanitation (DSNY) to publically release real-time GPS data of its garbage trucks. Although the DSNY doesn't currently provide real-time GPS data of its garbage trucks year-round, it does offer GPS tracking data during snowstorms so residents can confirm which streets have been plowed.

❖ Kentucky to Monitor Estill County Landfill for Radiation

January 5, 2017 – Monitors will be installed at a landfill in Estill County, Kentucky, where radioactive material had been illegally dumped in 2015. The agreed order requires Advanced Disposal Services Blue Ridge Landfill Inc. to develop a corrective action plan that must address the disposal of technologically enhanced naturally occurring radioactive material (TENORM) brought to the landfill. In October, the state's Energy and Environment Cabinet reached an agreement in principle with Advanced Disposal Services Blue Ridge Landfill with both remedial and penalty provisions for material that was brought to the landfill.

❖ Governor Christie Signs Bill to Revamp New Jersey's E-Waste Recycling Program

January 11, 2017 – New Jersey Governor Chris Christie has signed a bill to revamp the state's current e-waste recycling program, which safely disposes old televisions, computers and other electronic equipment. With the new bill, electronic manufacturers will be responsible for the cost and obligation of recycling e-waste. In the past, towns and counties across the state would cover the cost to recycle e-waste in the event that manufacturers stopped paying for the disposal. However, now, towns and counties won't have to worry about coming up with additional funds for e-waste disposal.

❖ Stephen Simmons Joins GBB Ownership Group

January 20, 2017 – Gershman, Brickner & Bratton, Inc. (GBB), an international consulting firm providing personalized, sustainable solutions for complex recycling/solid waste management challenges, announced that Stephen Simmons is now part of the firm's ownership group, joining president and co-founder Harvey Gershman, and senior vice presidents Chris Lund, P.E., PSS, and John Carlton, P.E., BCEE. He has also been promoted to senior vice president. Simmons joined GBB as vice president in December 2015 after being a principal associate in 2012 - 2013. A sustainable development business leader with more than 30 years of experience in the energy and environmental services sectors, he is highly experienced in program and project management, new business development, waste and power marketing, technology evaluation, business financial modeling, profit and loss management, facility design, procurement, and construction having worked with engineering/consulting firms and leading international energy operating companies.



Trash Talk

An Environmental Services
Newsletter

❖ **Wheatfield, New York Residents File Notice of Claim Against Town for \$960M**

January 25, 2017 – Sixteen residents who reside near the old Nash Road Landfill in Wheatfield, New York, have filed a notice of claim for \$960 million against the town after chemicals from the site supposedly leaked onto their properties, causing them to become ill. The residents have one year to decide if they want to move forward with a lawsuit against the Town of Wheatfield.

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, Waste Dive and various publicly available news publications. Additional information is available upon request.

