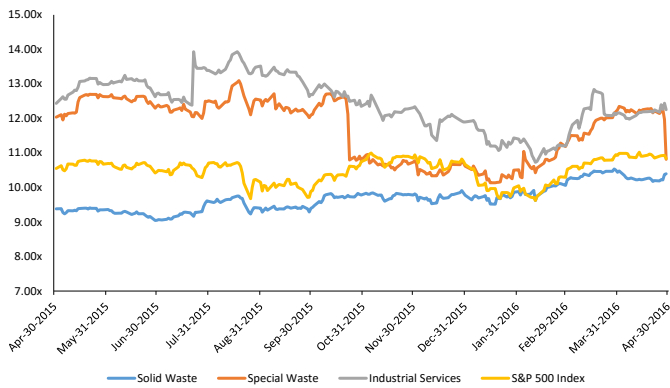


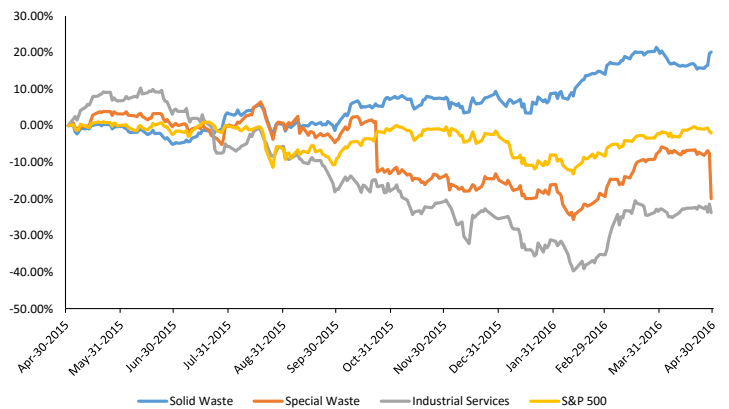
# Trash Talk

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Environmental Services LTM TEV/EBITDA



Environmental Services LTM Share Price (Shown as % change)



### Indices Performance (% change)

	<u>April 2016</u>	<u>LTM</u>		<u>April 2016</u>	<u>LTM</u>
S&P 500	(0.4%)	(1.0%)	Solid Waste	(0.2%)	20.1%
Dow Jones	(0.1%)	(0.4%)	Special Waste	(15.0%)	(19.9%)
NASDAQ	(2.8%)	(3.4%)	Industrial Services	(1.2%)	(23.7%)

(Source: CapitalIQ)

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

Cypress Energy Partners, LP	19.7%	Stericycle, Inc.	(25.1%)
Darling Ingredients	8.2%	Sharps Compliance Corp.	(18.8%)
Ecology & Environment, Inc.	7.1%	Quest Resource Holding Corporation	(6.5%)
Heritage-Crystal Clean, Inc.	5.9%	Covanta Holding Corporation	(3.4%)
Casella Waste Systems Inc.	5.3%	Republic Services, Inc.	(2.4%)

### Environmental Services Industry Contacts

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## Select Public Trading Statistics (as of 4/30/2016)

### Solid Waste:

(\$ in millions, except per share data)

Company	Share Price 04/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			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	\$58.79	98.0%	\$26,118	\$35,630	2.7x	10.4x	17.0x	23.4x	22.1x	21.5x	36.8%	16.3%	26.4%	2.7x
Republic Services, Inc.	RSG	\$47.07	96.5%	\$16,187	\$23,717	2.6x	9.3x	15.8x	22.5x	23.1x	23.4x	38.6%	16.4%	27.9%	2.9x
Waste Connections Inc.	WCN	\$67.28	99.7%	\$8,256	\$10,349	4.9x	14.6x	23.7x	NM	28.7x	32.5x	44.3%	20.6%	33.4%	2.9x
Progressive Waste Solutions Ltd.	TSS:BN	\$31.35	96.2%	\$3,413	\$5,001	2.6x	10.2x	22.5x	33.0x	23.8x	24.9x	36.2%	11.4%	25.2%	3.2x
Casella Waste Systems Inc.	CWST	\$7.16	96.6%	\$294	\$815	1.5x	9.0x	28.8x	NM	(43.6x)	(96.4x)	30.0%	5.2%	16.7%	5.7x
Mean				\$10,854	\$15,102	2.8x	10.7x	21.6x	26.3x	10.8x	1.2x	37.2%	14.0%	25.9%	3.5x
Median				\$8,256	\$10,349	2.6x	10.2x	22.5x	23.4x	23.1x	23.4x	36.8%	16.3%	26.4%	2.9x
High				\$26,118	\$35,630	4.9x	14.6x	28.8x	33.0x	28.7x	32.5x	44.3%	20.6%	33.4%	5.7x
Low				\$294	\$815	1.5x	9.0x	15.8x	22.5x	-43.6x	-96.4x	30.0%	5.2%	16.7%	2.7x

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 04/30/2016	% 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	\$95.56	63.0%	\$8,105	\$11,223	3.5x	13.8x	16.8x	33.1x	31.5x	24.8x	44.5%	20.9%	25.5%	3.8x
Clean Harbors, Inc.	CLH	\$49.40	85.4%	\$2,843	\$4,041	1.2x	8.2x	18.4x	65.3x	36.2x	48.9x	28.4%	6.6%	15.2%	2.6x
Darling Ingredients Inc.	DAR	\$14.49	89.3%	\$2,385	\$4,292	1.3x	8.7x	19.1x	30.5x	360.3x	20.3x	21.9%	4.4%	12.4%	4.3x
US Ecology, Inc.	ECOL	\$45.03	85.0%	\$980	\$1,249	2.3x	10.2x	15.5x	35.8x	26.1x	25.4x	30.9%	14.9%	22.8%	2.3x
Sharps Compliance Corp.	SMED	\$4.54	43.3%	\$70	\$57	1.7x	27.5x	43.2x	65.4x	82.5x	54.7x	34.8%	3.9%	6.2%	(6.5x)
Perma-Fix Environmental Services Inc.	PEFI	\$3.86	88.3%	\$45	\$54	0.9x	11.3x	51.6x	55.1x	NM	NM	23.0%	1.7%	7.7%	1.8x
Mean				\$2,405	\$3,486	1.8x	13.3x	27.4x	47.5x	107.3x	34.8x	30.6%	8.7%	15.0%	1.4x
Median				\$1,682	\$2,645	1.5x	10.7x	18.7x	45.5x	36.2x	25.4x	29.7%	5.5%	13.8%	2.4x
High				\$8,105	\$11,223	3.5x	27.5x	51.6x	65.4x	360.3x	54.7x	44.5%	20.9%	25.5%	4.3x
Low				\$45	\$54	0.9x	8.2x	15.5x	30.5x	26.1x	20.3x	21.9%	1.7%	6.2%	(6.5x)

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 04/30/2016	% 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	\$16.26	71.2%	\$2,112	\$4,489	2.7x	12.6x	29.1x	31.9x	105.9x	251.9x	31.0%	8.5%	20.6%	6.9x
Heritage-Crystal Clean, Inc	HCCI	\$10.40	64.5%	\$232	\$280	0.8x	11.0x	33.6x	184.3x	33.2x	33.2x	19.8%	2.4%	7.3%	1.9x
CECO Environmental Corp.	CECE	\$6.60	53.1%	\$224	\$373	1.0x	8.0x	12.4x	NM	13.3x	14.7x	29.8%	8.2%	12.7%	3.1x
Cypress Energy Partners, L.P.	CELP	\$9.78	54.3%	\$116	\$217	0.6x	10.0x	13.8x	28.0x	15.9x	13.6x	12.1%	4.2%	5.8%	5.4x
Quest Resource Holding Corporation	QRHC	\$0.43	33.1%	\$51	\$52	0.3x	NM	NM	NM	NM	NM	8.0%	(3.9%)	(1.6%)	(0.5x)
Ecology & Environment, Inc.	EEL	\$10.91	91.0%	\$47	\$39	0.3x	4.2x	4.9x	16.2x	NM	NM	44.2%	6.7%	7.7%	(1.2x)
Fuel-Tech, Inc.	FTEK	\$1.73	59.9%	\$40	\$19	0.3x	NM	NM	NM	NM	NM	38.8%	(9.3%)	(3.6%)	8.3x
Industrial Services of America, Inc.	ISDA	\$2.60	61.6%	\$21	\$20	0.4x	NM	NM	NM	NM	NM	(9.1%)	(17.5%)	(12.4%)	0.1x
Mean				\$355	\$686	0.8x	9.2x	18.8x	65.1x	42.1x	78.4x	21.9%	-0.1%	4.6%	3.0x
Median				\$83	\$135	0.5x	10.0x	13.8x	29.9x	24.5x	24.0x	24.8%	3.3%	6.6%	2.5x
High				\$2,112	\$4,489	2.7x	12.6x	33.6x	184.3x	105.9x	251.9x	44.2%	8.5%	20.6%	8.3x
Low				\$21	\$19	0.3x	4.2x	4.9x	16.2x	13.3x	13.6x	-9.1%	-17.5%	-12.4%	(1.2x)

Source: Capital IQ

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

LTM = Last Twelve Months





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## Select Mergers and Acquisitions & Capital Raising News

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### ❖ Waste Connections, Progressive Waste Transaction Still a Go

April 6, 2016 – Waste Connections and Progressive Waste confirmed that both companies are still planning to go ahead with a proposed merger after the U.S. Treasury Department outlined new proposed tax regulations on inversion deals. The companies have reviewed the regulations and determined they would produce a combined adjusted free cash flow of more than \$625 million, which equates to less than 3% year-over-year following the close of the transaction. The new rules, which are the government's third wave of administrative action against inversions, shocked Wall Street and caused the termination of the \$150 billion merger between Pfizer Inc. and Allergan PLC, which was on track to be the biggest deal of its kind. The Treasury's regulations would limit what is known as earnings stripping, a practice that follows many inversions and other cross-border acquisitions that help lower companies' effective tax rates.

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## Select Industry News

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### ❖ Low Oil Prices Continue to Hurt the Recycling Industry

April 6, 2016 – As oil prices continue to drop, so does the cost of making new plastic bottles and other products. The recycling industry has been battling with the price of oil for months now and the industry has barely seen any improvements. The cost to make virgin materials is less than recycling materials, like plastic, and many customers are opting to buy virgin materials over recycled materials. The industry is currently struggling with finding a place to put plastic recyclables other than a landfill.

### ❖ Untapped Waste Management Industry in India Could Be Worth \$13 Billion by 2025

April 12, 2016 – Between India and “Swachh Bharat” lies an untapped waste management industry, which could be worth \$13 billion by 2025. The country produces approximately 62 million tons of solid waste per year. Out of that 62 million tons, 43 million is collected, 12 million is treated and 7 million is dumped. This annual figure is expected to increase to 436 million tons by 2050. In India, 4.5 million tons of hazardous waste, 3 million tons of plastic waste and 3.2 million tons of e-waste are generated annually.

### ❖ Groot Industries Receives 10-Year Contract Extension with Illinois Village

April 14, 2016 – The Village Board of Glenview, Illinois, has approved a 10-year contract extension with Groot Industries, Inc., the village's current waste collector. The new extension brings many perks to the village of Glenview, including lower fees for landscape waste, frozen garbage fees for 2016-17 and a decrease in the village's own costs. The residential collection fees, however, will see an increase of 0 to 2.5 percent for 2017-2018 and 1 to 2.75 percent annually for 2018-2026, depending on the consumer price index.

### ❖ Apple's E-Waste Recycling Programs Recovered \$43 Million Worth of Gold in 2015

April 18, 2016 – In 2015, Apple collected approximately 90 million pounds of e-waste through its electronic-device recycling programs. Through these recycling programs, Apple was able to recover more than 61 million pounds of material for reuse. These recovered materials include steel, plastics, glass, aluminum, copper, cobalt, zinc, lead, nickel, silver, tin and gold. Using current prices, Apple collected roughly \$1.7 million worth of silver, \$6.5 million of copper and \$43 million worth of gold. Last month, the company introduced Liam the robot. Liam is capable of disassembling an iPhone and sorting its parts in just 11 seconds. Liam prototypes are currently being used at Apple facilities in both California and the Netherlands.

### ❖ More St. Louis Businesses are Composting Food Waste

April 25, 2016 – Approximately five years ago, St. Louis Composting began accepting food waste at its compost sites. This change has made many local businesses jump onboard with composting their food waste. The demand for food waste composting services became so high that St. Louis Composting rolled out Total Organics Recycling, a sister company, in 2014. Total Organic now handles commercial waste from groceries, restaurants and institutions. Total Organics collects food waste from customers via its special bins, while St. Louis Composting collects the food waste at its sites.

### ❖ New Study Shows NYC's Commercial Recycling Rate Dropped as Low as 19 Percent

April 25, 2016 – A recent study conducted by the Transform Don't Trash NYC coalition found that New York City's commercial recycling rate has dropped to as low as 19 percent, which is below the national average of 34 percent. The coalition, which is made up of activists and unions who work in the waste industry, analyzed the data that private carting companies are required to report to the state. Through this data, the coalition found that some of the largest city haulers aren't pulling their weight when it comes to recycling.

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❖ **California Town Looks to Deal with Other Firms After Current Solid Waste Pact Ends**

April 26, 2016 – The city council in Whittier, California, has voted to negotiate with two, smaller local haulers after its existing contracts with Republic Services and Waste Management expire. The council voted to negotiate with Fontana, California-based Burrtec and Stanton, California-based CR&R to pick up trash in the city starting July 1. Whittier’s existing contracts with Republic Services and Waste Management expire June 30. The two companies serve the eastern half of Whittier, while the city serves the western half.

❖ **Cities Turn to Garbage Disposals to Help Reduce Food Waste**

April 29, 2016 – In an effort to reduce food waste, some U.S. cities are turning to in-sink, electric garbage disposals to turn food waste into renewable energy. One of these cities is Philadelphia, which teamed up with InSinkErator, a business unit of Emerson, to conduct a pilot program. The program led to the city passing a law that now requires in-sink food waste disposers in new residential construction. Emerson is currently working on rolling out similar garbage disposal initiatives in Boston, Chicago, Milwaukee, Takoma and Washington.

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Sources include Waste360, Waste Dive and various publicly available news publications. Additional information is available upon request.