

STERICYCLE INVESTOR PRESENTATION

# 2019 Company Overview & Business Update

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Nasdaq's 41st London Investor Conference  
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Nasdaq: **SRCL**



# Safe Harbor Statement

This document may contain forward-looking statements. When we use words such as "believes," "expects," "anticipates," "estimates" or similar expressions, we are making forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of our management about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Factors that could cause such differences include, among others, SOP pricing volatility, foreign exchange rate volatility in the jurisdictions in which we operate, the volume and size of any recall events, changes in governmental regulation of the collection, transportation, treatment and disposal of regulated waste or the proper handling and protection of personal and confidential information, the level of government enforcement of regulations governing regulated waste collection and treatment or the proper handling and protection of personal and confidential information, decreases in the volume of regulated wastes or personal and confidential information collected from customers, the ability to implement our ERP system or execute on Business Transformation initiatives and achieve the anticipated benefits and cost savings, charges related to the portfolio rationalization strategy or the failure of this strategy to achieve the desired results, failure to consummate strategic alternative transactions with respect to non-core businesses, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and notes, a downgrade in our credit rating resulting in an increase in interest expense, political, economic, inflationary and other risks related to our foreign operations, the outcome of pending or future litigation or investigations including with respect to the U.S. Foreign Corrupt Practices Act, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, failure to maintain an effective system of internal control over financial reporting, delays or failures in implementing remediation efforts with respect to existing or future material weaknesses, disruptions in or attacks on information technology systems, as well as other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Forms 10-Q. As a result, past financial performance should not be considered a reliable indicator of future performance, and investors should not use historical trends to anticipate future results or trends. We disclaim any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.

# Our Services, Markets & Customer Relationships

- We are a trusted provider of high value outsourced services
- Our services address complex, highly regulated business needs
  - Critical functions with significant potential liability associated with non-compliance
  - Stringent standards from global regulatory agencies
  - Focus on healthcare, pharmacy, retail, biotech, manufacturing, professional services industries, and governments
  - Increasing demand for support with compliance, sustainability, and brand protection.
- Healthcare market continues to grow
- Increased focus on information security provides share opportunity in document destruction.
- Customers value our service, commit to 3- to 5-year contracts, and show interest in expanding the relationship



# Evolving for the Future: the Transformation of Stericycle

As a market leader, Stericycle is disrupting itself,  
transforming to improve performance and drive long-term growth

- Refreshed Board of Directors
- New leadership team and capabilities
- Commercial refocus on service and quality of revenue
- Operational and shared service focus on engineering, standardization, and centralization
- Financially disciplined decisions
- ERP system implementation
- Identified key priorities to serve as strategic imperatives

# Stericycle's Key Priorities

1. Portfolio rationalization
2. Debt reduction and leverage improvement
3. Quality of revenue
4. Operational cost efficiencies
5. ERP implementation

## Recent Accomplishments and Impact from Key Priorities

1. Portfolio rationalization	Divested 3 non-core operations during October, for a total of 8 divestures during 2018-2019
2. Debt reduction and leverage improvement	Strong cash flow generation in Q3 enabled net debt reduction of approximately \$83.0 million, the largest decrease since Q3 2017
3. Quality of revenue	Two consecutive quarters of positive organic growth in medical waste combined with mid-single digit organic growth in secure information destruction (net of sorted office paper pricing)
4. Operational cost efficiencies	Completed the formation of an engineering discipline to standardize operations and optimize processes while driving safety and service
5. ERP implementation	Development predominately complete; focused on testing, training and business readiness efforts for implementation beginning 2020

# 2019 Full-Year Guidance

**\$3,300 – \$3,335** Million

Global Revenue

**\$575 – \$595** Million

Adjusted EBITDA\*

**\$2.55 – \$2.70**

Adjusted Diluted EPS\*

**\$50** Million

Free Cash Flow Minimum

## Key Assumptions and Considerations

- Updated to reflect the impact of removing three divestitures closed in October
- Current foreign exchange rates and estimates for SOP pricing
- Excludes any future divestitures
- Capital expenditures in the range of \$180 million to \$200 million

*\*Guidance is on an Adjusted (Non-GAAP) basis because it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, Business Transformation, intangible amortization, operational optimization, certain other items, or the impact of highly inflationary accounting on operations in Argentina or other unanticipated events, which would be included in reported (U.S. GAAP) results and could be material.*

# Stericycle is Well Positioned for Long-Term Value Creation

**Trusted and premium provider of business-to-business compliance solutions that protect people and safeguard the environment.**

- Leader in large, fragmented markets that continue to grow due to increasing regulatory oversight and focus on sustainable, outsourced solutions
- Diverse customer base with multi-year agreements and cross-selling opportunities
- Commitment to transform the company; focused on delivering consistent results, operating more efficiently and better capitalizing on growth opportunities
- Global ERP system expected to provide significant operating leverage to drive upside from current levels of performance
- Focus on key priorities should drive strong, consistent free cash flow and significant capital to drive additional value for shareholders