

Investor Presentation

Fourth Quarter and Fiscal Year 2022 Results

February 23, 2023

Safe Harbor Statement

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. When we use words such as “believes”, “expects”, “anticipates”, “estimates”, “may”, “plan”, “will”, “goal”, 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, inflationary cost pressure in labor, supply chain, energy, and other expenses, decreases in the volume of regulated wastes or personal and confidential information collected from customers, the ability to implement the remaining phases of our ERP system, and disruptions resulting from deployment of our ERP system, disruptions in our supply chain, disruptions in or attacks on information technology systems, labor shortages, a recession or economic disruption in the U.S. and other countries, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, SOP pricing volatility or pricing volatility in other commodities, foreign exchange rate volatility in the jurisdictions in which we operate, 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, charges related to portfolio optimization or the failure of acquisitions or divestitures to achieve the desired results, failure to consummate 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, rising interest rates or a downgrade in our credit rating resulting in an increase in interest expense, political, economic, and other risks related to our foreign operations, pandemics and the resulting impact on the results of operations, long-term remote work arrangements which may adversely affect our business, supply chain disruptions, disruptions in transportation services, restrictions on the ability of our team members to travel, closures of our facilities or the facilities of our customers and suppliers, changes in the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, weather and environmental changes related to climate change, requirements of customers and investors for net carbon zero emissions strategies, and the introduction of regulations for greenhouse gases, which could negatively affect our costs to operate, the outcome of pending, future or settled litigation or investigations including with respect to the U.S. Foreign Corrupt Practices Act and foreign anti-corruption laws, failure to maintain an effective system of internal control over financial reporting, as well as other factors described in our filings with the SEC, including the 2022 Form 10-K and subsequent Quarterly Reports on Form 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.

Stericycle's Key Business Priorities

- Quality of Revenue
- Operational Efficiency, Modernization and Innovation
- ERP Implementation
- Debt Reduction and Leverage Improvement
- Portfolio Optimization

Q4 2022 Key Business Highlights

- Grew organic revenues 5.7%, with SID growing 12.2% and RWCS growing 2.8%
- Generated Free Cash Flow⁽¹⁾ of \$130.9 million in the fourth quarter
- Improved Adjusted Income from Operations⁽²⁾ 370 basis points year-over-year
- Improved Adjusted EPS⁽²⁾ by \$0.22 year-over-year to \$0.60
- Divested Communication Solutions business for net proceeds of \$45.0 million

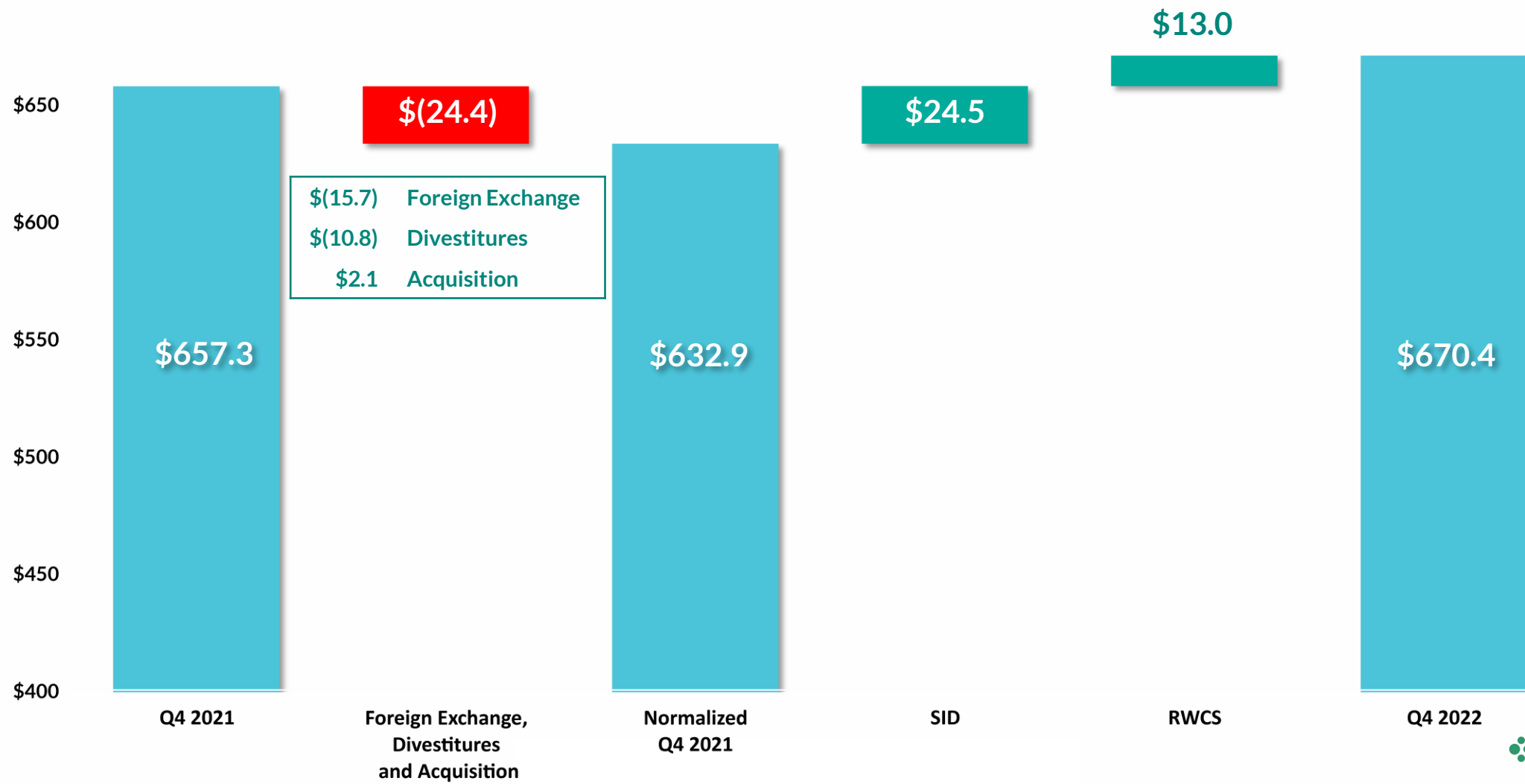
(\$ millions except for EPS)	Three Months Ended December 31, 2022
Revenues	\$670.4
Income from Operations	\$59.1
Adjusted Income from Operations ⁽²⁾	\$90.6
Diluted Earnings per Share	\$0.35
Adjusted Diluted Earnings per Share ⁽²⁾	\$0.60
(\$ millions)	Year Ended December 31, 2022
Net Cash from Operating Activities	\$200.2
Free Cash Flow ⁽¹⁾	\$68.0

(1) Free cash flow is calculated as Net cash from operating activities less Capital expenditures.

(2) Reconciliation of Adjusted Income from Operations and Adjusted Diluted EPS to their respective U.S. GAAP measures can be found in the appendix of this presentation.

Q4 2022 Organic Revenues Grew \$37.5M

\$ millions
\$700



Q4 2022 Revenues by Service and Segment Compared to Q4 2021

	Three Months Ended December 31,							
	In millions			Change (%)	Components of Change (%) ⁽¹⁾			
	2022	2021	Change (\$)		Organic Growth ⁽²⁾	Acquisition	Divestitures	Foreign Exchange ⁽³⁾
Revenue by Service								
Regulated Waste and Compliance Services	\$ 449.3	\$ 455.7	\$ (6.4)	(1.4)%	2.8%	0.5%	(2.4)%	(2.4)%
Secure Information Destruction Services	221.1	201.6	19.5	9.7%	12.2%	-%	-%	(2.5)%
Total Revenues	<u>\$ 670.4</u>	<u>\$ 657.3</u>	<u>\$ 13.1</u>	2.0%	5.7%	0.3%	(1.6)%	(2.4)%
North America								
Regulated Waste and Compliance Services	\$ 371.3	\$ 363.1	\$ 8.2	2.3%	4.9%	0.6%	(3.0)%	(0.3)%
Secure Information Destruction Services	194.6	173.2	21.4	12.4%	13.2%	-%	-%	(0.8)%
Total North America Segment	<u>\$ 565.9</u>	<u>\$ 536.3</u>	<u>\$ 29.6</u>	5.5%	7.6%	0.4%	(2.0)%	(0.4)%
International								
Regulated Waste and Compliance Services	\$ 78.0	\$ 92.6	\$ (14.6)	(15.8)%	(5.3)%	-%	-%	(10.5)%
Secure Information Destruction Services	26.5	28.4	(1.9)	(6.8)%	6.1%	-%	-%	(12.9)%
Total International Segment	<u>\$ 104.5</u>	<u>\$ 121.0</u>	<u>\$ (16.5)</u>	(13.7)%	(2.6)%	-%	-%	(11.1)%

⁽¹⁾ Components of Change (%) in summation may not cross foot to the total Change (%) due to rounding.

⁽²⁾ Organic growth is the change in revenues which includes SOP (sorted office paper) pricing and volume and excludes the impact of divestitures, an acquisition, and foreign exchange.

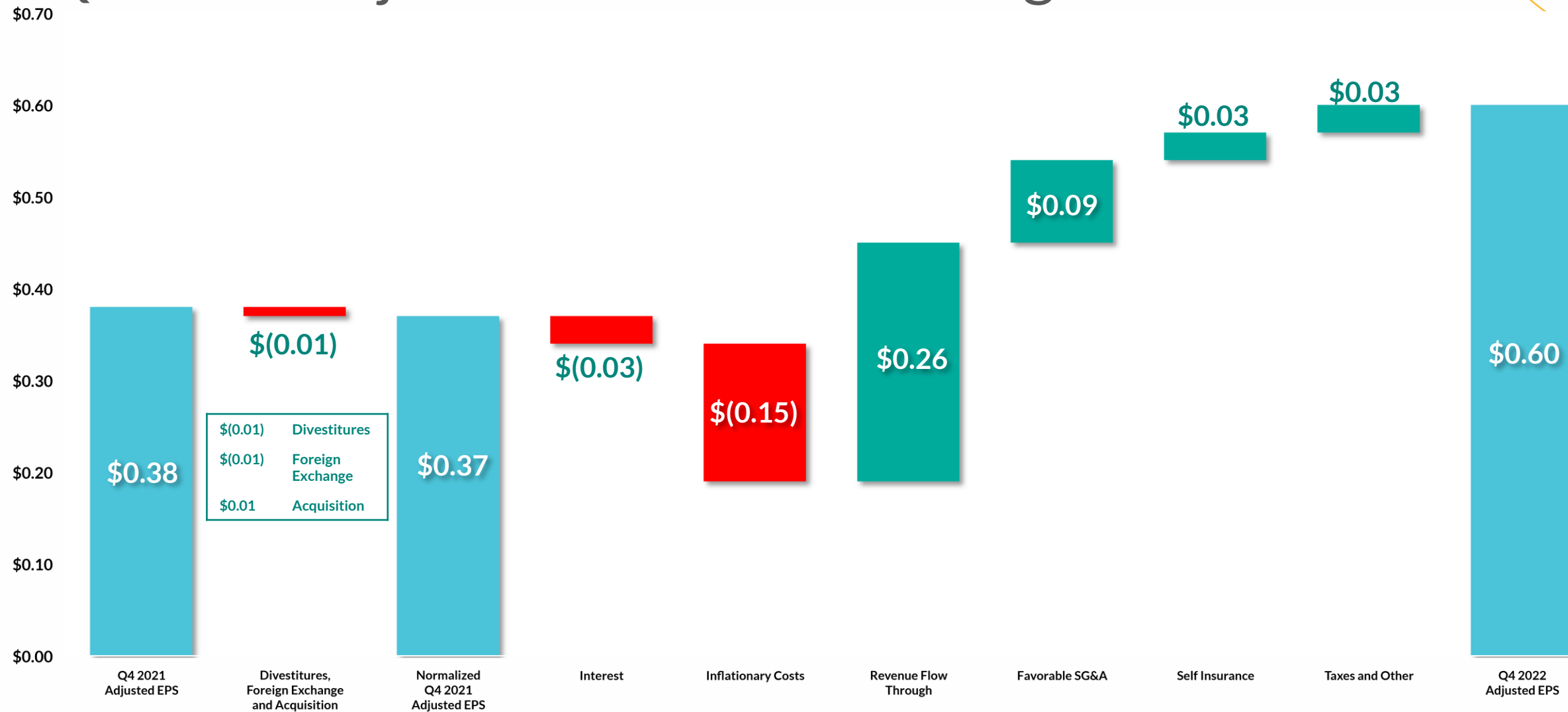
⁽³⁾ Foreign Exchange is change in revenues attributed to effects of foreign currency exchange rates.

Q4 2022 Adjusted Diluted EPS Increased \$0.22

(\$ millions except for EPS)	Three Months Ended December 31,	
	2022	2021
Revenues	\$670.4	\$657.3
Income from Operations	\$59.1	\$8.2
Diluted Earnings (Loss) per Share	\$0.35	\$(0.19)
Adjusted Income from Operations ⁽¹⁾	\$90.6	\$64.2
Adjusted Diluted Earnings per Share ⁽¹⁾	\$0.60	\$0.38

⁽¹⁾ Reconciliation of Adjusted Income from Operations and Adjusted Diluted EPS to their respective U.S. GAAP measures can be found in the appendix of this presentation.

Q4 2022 Adjusted Diluted EPS Bridge



Generated Free Cash Flow of \$68.0 million in 2022, with \$130.9 million in Q4 2022

(\$ millions)		
Free Cash Flow ⁽¹⁾ for the year ended December 31, 2021		\$186.2
Changes in Free Cash Flow:		
FCPA Payments ⁽²⁾	(81.0)	
Vendor Payments ⁽³⁾	(32.3)	
Interest Payments ⁽⁴⁾	(15.6)	
Capital Expenditures	(15.3)	
Days Sales Outstanding (DSO) Improvements ⁽⁵⁾	16.0	
Operating and Net Working Capital Improvement	10.0	
Year-over-year change in Free Cash Flow		(118.2)
Free Cash Flow for the year ended December 31, 2022		\$68.0
Q4 Adjusted Litigation Payments		12.3
Free Cash Flow for the year ended December 31, 2022, excluding Q4 Adjusted Litigation Payments		\$80.3

⁽¹⁾ Free Cash Flow is calculated as Net cash from operating activities less Capital expenditures.

⁽²⁾ Changes in Accrued Liabilities was primarily driven by the payments of \$81 million for the FCPA settlement paid in the second and third quarter of 2022.

⁽³⁾ Changes in Accounts Payable was primarily due to lower vendor payments in 2021 compared to a more normalized vendor payment volume in 2022.

⁽⁴⁾ \$8.6 million was mostly due to higher interest rates and higher debt balances. Approximately \$7 million reflects higher amount of interest paid on the \$500 million Senior Notes that we issued in November 2020 due to 8 months of bond interest payments in 2021 compared to 12 months in 2022.

⁽⁵⁾ Changes in Accounts Receivable was primarily driven by a two-day decrease in DSO, mainly due to the timing of North America SID customer billing and subsequent collections as discussed in prior periods and higher revenues.

Debt Reduction and Leverage Improvement

- Reduced credit agreement defined debt leverage ratio to 3.28X, down 0.33X
- Reduced net debt to \$1,461.4 million, down \$106.7 million
- Approximately \$1 billion of available capacity in the \$1.2 billion revolving credit facility

(\$ millions except leverage ratio)	As of December 31,	
	2022	2021
Net Debt ⁽¹⁾	\$1,461.4	\$1,568.1
Credit Agreement Defined Debt Leverage Ratio ⁽²⁾	3.28X	3.61X
Unused Portion of the Revolving Credit Facility	\$985.7	\$881.5

(1) Net debt is calculated as total debt less cash and cash equivalents as defined by our credit agreement.

(2) The amended credit agreement allows add backs to EBITDA related to the FCPA settlement when calculating the credit agreement defined debt leverage ratio as of December 31, 2022.

For additional information, see Note 9 – Debt in the Form 10-K for the year ended December 31, 2022.

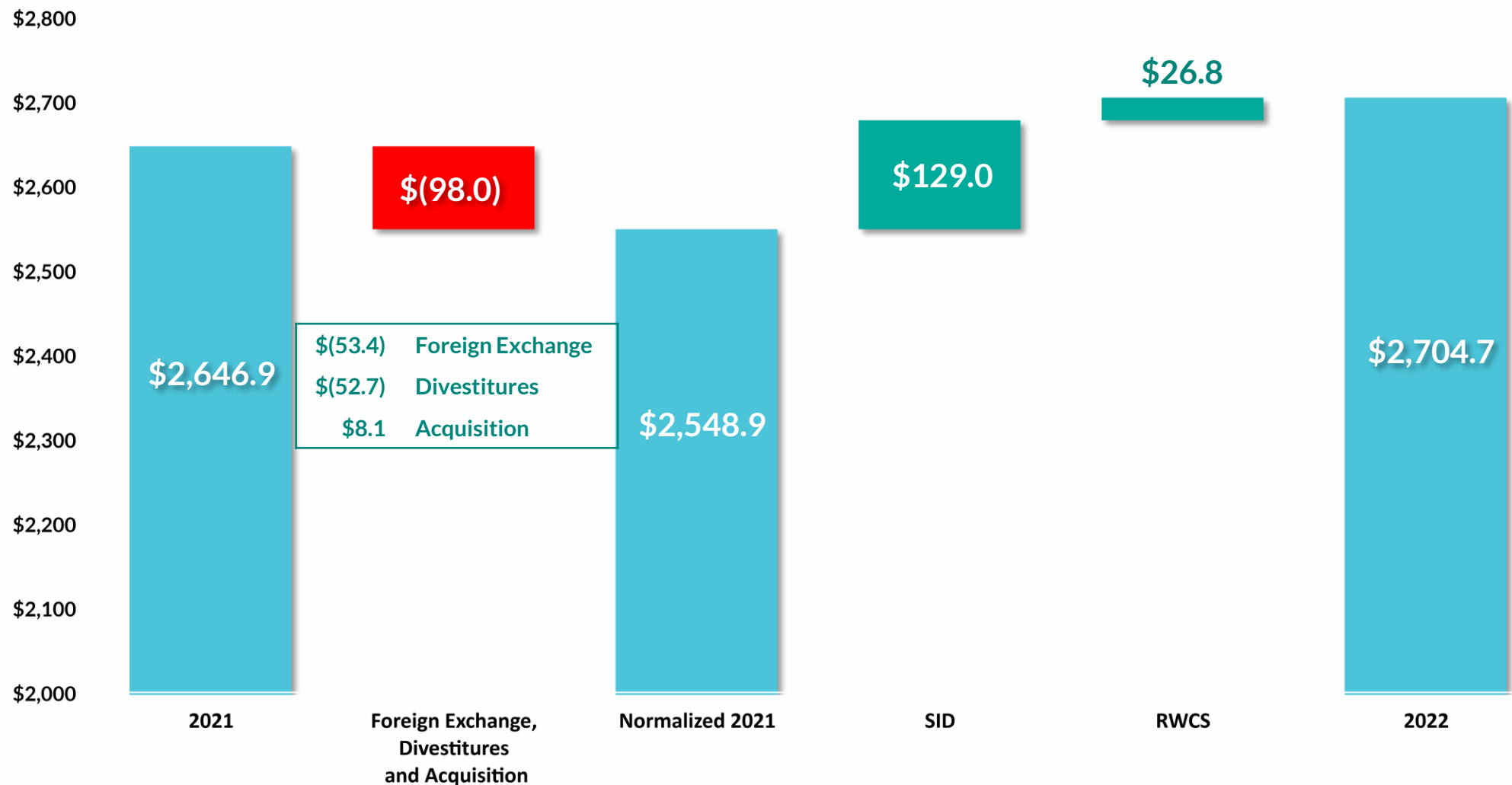
Progress On Our Key Business Priorities

Quality of Revenue	<ul style="list-style-type: none">• Grew organic revenues 5.9% in 2022<ul style="list-style-type: none">▪ SID grew 16.3%▪ RWCS grew 1.4%
Operational Efficiency, Modernization and Innovation	<ul style="list-style-type: none">• Opened a greenfield RWCS autoclave facility in New Jersey• Started construction of greenfield incinerator facility in Nevada• Received patent for internally developed SMS Revolution technology• Continued multi-year launch of SafeShield containers
ERP Implementation	<ul style="list-style-type: none">• Deployed RWCS functionality into the ERP• Completed pilot ERP deployment for RWCS in Puerto Rico
Debt Reduction and Leverage Improvement	<ul style="list-style-type: none">• Reduced net debt to \$1.46 billion, down \$106.7 million• Reduced debt leverage to 3.28X, down 0.33X
Portfolio Optimization	<ul style="list-style-type: none">• Divested Communication Solutions business for ~\$45 million in December 2022• Divested Sanypick Plastics business for ~\$2.2 million in January 2023• Integrated the regulated waste business acquired in December 2021



Fiscal Year 2022 Organic Revenues Grew \$155.8M

\$ millions



Fiscal Year 2022 Revenues by Service and Segment Compared to Prior Year

	Year Ended December 31,							
	In millions				Components of Change (%) ⁽¹⁾			
	2022	2021	Change (\$)	Change (%)	Organic Growth ⁽²⁾	Acquisition	Divestitures	Foreign Exchange ⁽³⁾
Revenue by Service								
Regulated Waste and Compliance Services	\$ 1,798.2	\$ 1,854.0	\$ (55.8)	(3.0)%	1.4%	0.4%	(2.8)%	(2.1)%
Secure Information Destruction Services	906.5	792.9	113.6	14.3%	16.3%	-%	-%	(1.9)%
Total Revenues	<u>\$ 2,704.7</u>	<u>\$ 2,646.9</u>	<u>\$ 57.8</u>	2.2%	5.9%	0.3%	(2.0)%	(2.0)%
North America								
Regulated Waste and Compliance Services	\$ 1,468.8	\$ 1,457.5	\$ 11.3	0.8%	2.8%	0.6%	(2.4)%	(0.1)%
Secure Information Destruction Services	794.3	679.0	115.3	17.0%	17.4%	-%	-%	(0.4)%
Total North America Segment	<u>\$ 2,263.1</u>	<u>\$ 2,136.5</u>	<u>\$ 126.6</u>	5.9%	7.4%	0.4%	(1.6)%	(0.2)%
International								
Regulated Waste and Compliance Services	\$ 329.4	\$ 396.5	\$ (67.1)	(16.9)%	(3.4)%	-%	(4.4)%	(9.1)%
Secure Information Destruction Services	112.2	113.9	(1.7)	(1.5)%	9.7%	-%	-%	(11.1)%
Total International Segment	<u>\$ 441.6</u>	<u>\$ 510.4</u>	<u>\$ (68.8)</u>	(13.5)%	(0.5)%	-%	(3.4)%	(9.5)%

⁽¹⁾ Components of Change (%) in summation may not cross foot to the total Change (%) due to rounding.

⁽²⁾ Organic growth is the change in revenues which includes SOP (sorted office paper) pricing and volume and excludes the impact of divestitures, an acquisition, and foreign exchange.

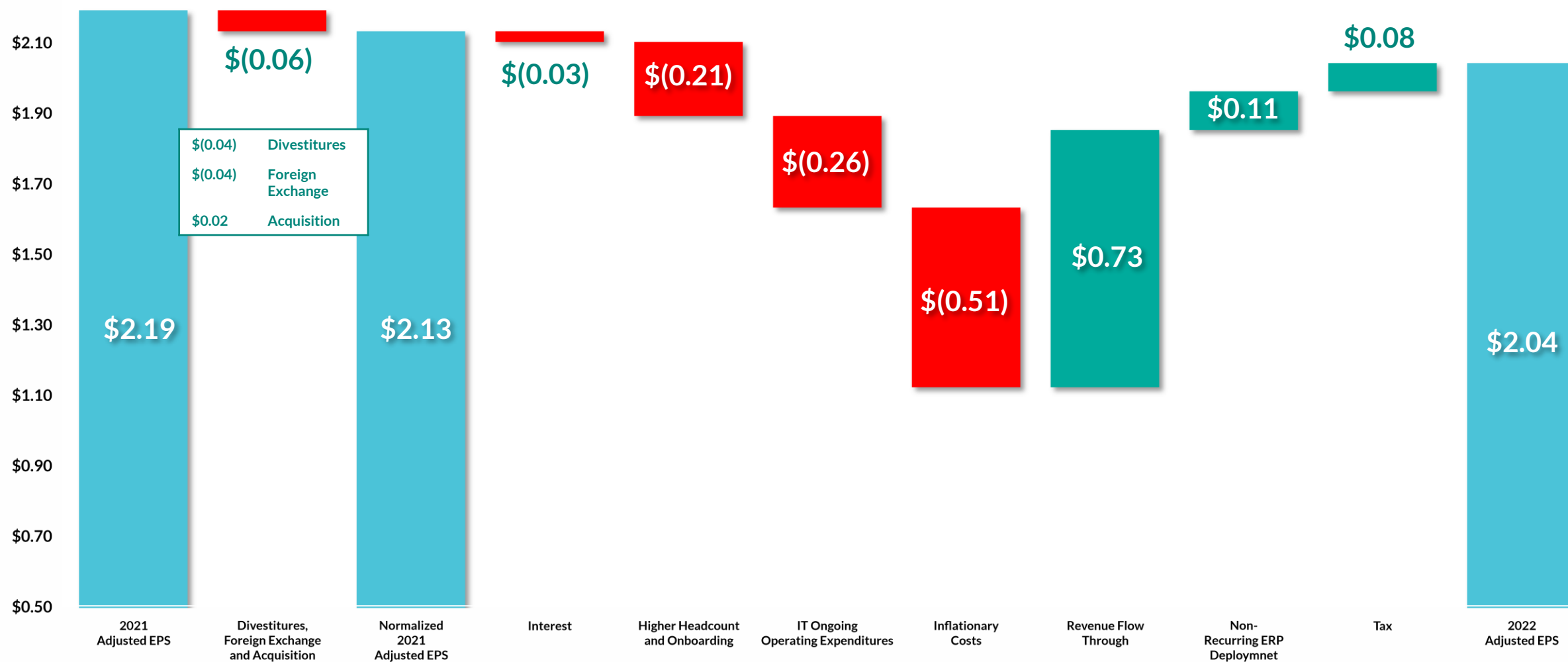
⁽³⁾ Foreign Exchange is change in revenues attributed to effects of foreign currency exchange rates.

Fiscal Year 2022 Financial Performance

(\$ millions except for EPS)	Year Ended December 31,	
	2022	2021
Revenues	\$2,704.7	\$2,646.9
Income from Operations	\$153.7	\$72.3
Diluted Earnings (Loss) per Share	\$0.61	\$(0.30)
Adjusted Income from Operations ⁽¹⁾	\$323.7	\$352.4
Adjusted Diluted Earnings per Share ⁽¹⁾	\$2.04	\$2.19

(1) Reconciliation of Adjusted Income from Operations and Adjusted Diluted EPS to their respective U.S. GAAP measures can be found in the appendix of this presentation.

Fiscal Year 2022 Adjusted Diluted EPS Bridge



2023 Guidance*

We expect the following:

Organic Revenue Growth⁽¹⁾ 3 to 5 percent on a base of \$2.64 billion

Adjusted EPS⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ \$1.75 to \$2.05

Free Cash Flow⁽⁷⁾ \$175-\$205 million

Capital Expenditures \$125-\$145 million

Debt Leverage <3.0X Achieve a credit agreement defined debt leverage ratio below 3 times in the first half of 2023

⁽¹⁾ Organic revenue base of \$2.64 billion represents 2022 revenues normalized for revenues from the divestitures of Communication Solutions (December 2022) and Sanypick Plastics (January 2023).

⁽²⁾ Assumes foreign exchange rates as of December 31, 2022, with a nominal expected impact compared to prior year.

⁽³⁾ Assumes increased interest rates with an expected unfavorable impact of \$0.05 to prior year.

⁽⁴⁾ Assumes increased depreciation expense with an expected unfavorable impact of \$0.02 to \$0.03 to prior year.

⁽⁵⁾ Net operating results assumes SOP recycling revenue per ton market price as of December 31, 2022.

⁽⁶⁾ Assumes adjusted effective tax rate remains in the range of 26% to 29%, resulting in an EPS impact of \$0.05 to \$0.09, reflecting more normalized income tax levels in 2023.

⁽⁷⁾ Assumes payments of approximately \$10 million for the FCPA settlement and approximately \$5 to \$10 million for adjusted FCPA monitor costs which is expected to be reflected in Adjusted Litigation, Settlements and Regulatory Compliance in 2023.

*Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This guidance also excludes future acquisitions, divestitures and litigation costs. For guidance purposes, 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, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.

Long-Term Outlook*

With 2023 as the base year, we expect the following through 2027:

3 – 5 % CAGR

Five-year compounded annual rate of 3 to 5 percent

Adjusted EBITDA Growth Rate

Generate 13% to 17% average annual Adjusted EBITDA growth rate

Free Cash Flow Conversion⁽¹⁾

Generate 50% to 60% Free Cash Flow Conversion based on Adjusted EBITDA beginning in 2024

⁽¹⁾ Free Cash Flow Conversion is calculated as Free Cash Flow as a percentage of Adjusted EBITDA. Free cash flow is calculated as Net cash from operating activities less Capital expenditures.

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This outlook is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This outlook also excludes future acquisitions, divestitures, litigation and FCPA monitor costs. For long-term outlook purposes, 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, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.*

Appendix



Non-GAAP Financial Measures

The Non-GAAP financial measures contained in this document are reconciled to the most comparable measures calculated in accordance with U.S. GAAP. Management believes the Non-GAAP financial measures are useful measures of Stericycle's performance because they provide additional information about Stericycle's operations and exclude certain specified items, allowing better evaluation of underlying business performance and better period-to-period comparability. Additionally, the Company uses such Non-GAAP financial measures in evaluating business unit and management performance. All Non-GAAP financial measures are intended to supplement the applicable U.S. GAAP measures and should not be considered in isolation from, or a replacement for, financial measures prepared in accordance with U.S. GAAP and may not be comparable to or calculated in the same manner as Non-GAAP financial measures published by other companies. Please see Stericycle's Current Report on Form 8-K furnished to the SEC on the date hereof for more information regarding these Non-GAAP financial measures. For guidance purposes, 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 (including monitoring costs), uncertain tax matters, certain other items or other unanticipated events, which would be included in reported (U.S. GAAP) results and could be material.

Reconciliation of U.S. GAAP to Adjusted Q4 2022 Financial Measures

(In millions, except per share data)

	Three Months Ended December 31, 2022			
	Selling, General and Administrative Expenses	Income from Operations	Net Income Attributable to Common Shareholders	Diluted Earnings Per Share
U.S. GAAP Financial Measures	\$ 195.3	\$ 59.1	\$ 31.8	\$ 0.35
Adjustments:				
ERP and System Modernization	(6.1)	6.1	4.7	0.05
Intangible Amortization	(29.3)	29.3	22.7	0.25
Portfolio Optimization	(4.2)	(11.4)	(9.4)	(0.10)
Litigation, Settlements and Regulatory Compliance	(4.0)	4.0	3.1	0.03
Asset Impairments	(3.5)	3.5	2.6	0.02
Other Tax Matters	-	-	-	-
Total Adjustments	(47.1)	31.5	23.7	0.25
Adjusted Financial Measures	\$ 148.2	\$ 90.6	\$ 55.5	\$ 0.60
Depreciation		27.0		
Adjusted EBITDA		\$ 117.6		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2022 issued on February 23, 2023.

Reconciliation of U.S. GAAP to Adjusted Q4 2021 Financial Measures

(In millions, except per share data)

	Three Months Ended December 31, 2021			
	Selling, General and Administrative Expenses	Income from Operations	Net (Loss) Income Attributable to Common Shareholders	Diluted (Loss) Earnings Per Share
U.S. GAAP Financial Measures	\$ 251.4	\$ 8.2	\$ (17.2)	\$ (0.19)
Adjustments:				
ERP and System Modernization	(9.2)	9.2	6.9	0.07
Intangible Amortization	(28.8)	28.8	23.6	0.26
Portfolio Optimization	(2.1)	(10.5)	(11.2)	(0.12)
Litigation, Settlements and Regulatory Compliance	(21.8)	21.8	23.1	0.25
Asset Impairments	(6.7)	6.7	6.1	0.07
Other Tax Matters	-	-	3.6	0.04
Total Adjustments	(68.6)	56.0	52.1	0.57
Adjusted Financial Measures	\$ 182.8	\$ 64.2	\$ 34.9	\$ 0.38
Depreciation		28.1		
Adjusted EBITDA		\$ 92.3		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2022 issued on February 23, 2023.

Reconciliation of U.S. GAAP to Adjusted Fiscal Year 2022 Financial Measures

(In millions, except per share data)

	Year Ended December 31, 2022			
	Selling, General and Administrative Expenses	Income from Operations	Net Income Attributable to Common Shareholders	Diluted Earnings Per Share
U.S. GAAP Financial Measures	\$ 887.5	\$ 153.7	\$ 56.0	\$ 0.61
Adjustments:				
ERP and System Modernization	(19.2)	19.2	14.5	0.16
Intangible Amortization	(124.0)	124.0	96.1	1.04
Portfolio Optimization	(6.9)	(8.7)	(7.4)	(0.08)
Litigation, Settlements and Regulatory Compliance	(30.0)	30.0	25.1	0.27
Asset Impairments	(5.5)	5.5	4.1	0.04
Other Tax Matters	-	-	-	-
Total Adjustments	(185.6)	170.0	132.4	1.43
Adjusted Financial Measures	\$ 701.9	\$ 323.7	\$ 188.4	\$ 2.04
Depreciation		108.5		
Adjusted EBITDA		\$ 432.2		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2022 issued on February 23, 2023.

Reconciliation of U.S. GAAP to Adjusted Fiscal Year 2021 Financial Measures

(In millions, except per share data)

	Year Ended December 31, 2021			
	Selling, General and Administrative Expenses	Income from Operations	Net (Loss) Income Attributable to Common Shareholders	Diluted (Loss) Earnings Per Share
U.S. GAAP Financial Measures	\$ 946.6	\$ 72.3	\$ (27.8)	\$ (0.30)
Adjustments:				
ERP and System Modernization	(59.0)	59.0	44.0	0.47
Intangible Amortization	(117.9)	117.9	92.0	1.00
Portfolio Optimization	(5.0)	3.3	(2.5)	-
Litigation, Settlements and Regulatory Compliance	(93.2)	93.2	91.8	1.00
Asset Impairments	(6.7)	6.7	6.1	0.07
Other Tax Matters	-	-	(1.9)	(0.02)
Total Adjustments	(281.8)	280.1	229.5	2.49
Adjusted Financial Measures	\$ 664.8	\$ 352.4	\$ 201.7	\$ 2.19
Depreciation		105.4		
Adjusted EBITDA		\$ 457.8		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2022 issued on February 23, 2023.

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