



Baird 2023 Global Consumer, Technology & Services Conference

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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, SOP pricing volatility or pricing volatility in other commodities, rising interest rates or a downgrade in our credit rating resulting in an increase in interest expense, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, 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, 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 our Annual Report on 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 Debt Leverage Improvement
- Portfolio Optimization

Key Business Priorities

Key Business Priorities	Key Business Priorities: 4 years ago*	Progress to Date
Quality of Revenue	<ul style="list-style-type: none"> • RWCS customer and pricing losses • Disparate and uncoordinated go-to-market strategies 	<ul style="list-style-type: none"> • Organic growth • Turned around RWCS organic growth trend • Contract standardization, including contractual inflationary protection
Operational Efficiency, Modernization and Innovation		<ul style="list-style-type: none"> • Added an engineering function, responsible for driving process and facility layout standardization and automation • Enhanced routing logistics and work force rationalization • Opened four new RWCS facilities in 2021 and 2022 • Upgraded 22 facilities • Introduced Express and Priority Purge and SafeShield containers • Received patent for internally developed SMS Revolution • Started construction of greenfield incinerator facility in Nevada
ERP Implementation	<ul style="list-style-type: none"> • In ERP build phase 	<ul style="list-style-type: none"> • Completed pilot ERP deployment for RWCS in Puerto Rico • Deployed RWCS functionality into the ERP • Moved North America RWCS technical code functionality into production in Q3 2022 • Deployed North America finance and procurement processes and SID operational and commercial processes in Q3 2021 • Implemented procurement, human capital, travel & entertainment, and tax systems in 2020
Debt Reduction and Debt Leverage Improvement	<ul style="list-style-type: none"> • Net Debt: \$2.80 billion • Debt Leverage: 4.36X 	<ul style="list-style-type: none"> • Net Debt: \$1.45 billion • Debt Leverage: 3.05X
Portfolio Optimization	<ul style="list-style-type: none"> • Completed one small divestiture 	<ul style="list-style-type: none"> • Completed thirteen divestitures and one acquisition

2023 Guidance*

We expect the following:

Organic Revenue Growth⁽¹⁾ 3 to 5 percent on a base of \$2.62 billion

Adjusted EPS⁽²⁾⁽³⁾ \$1.75 to \$2.05

Free Cash Flow⁽⁴⁾ \$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 \$2.62 billion represents 2022 revenues normalized for revenues from the divestitures of Communication Solutions (December 2022), Sanypick Plastics (January 2023) and Brazil (April 2023).

⁽²⁾ Assumes recent foreign exchange rates, SOP recycling revenue per ton market price and variable interest rates movement with changing market conditions.

⁽³⁾ Assumes adjusted effective tax rate remains in the range of 26% to 29%, reflecting more normalized income tax levels in 2023.

⁽⁴⁾ Includes final payments of approximately \$8 million for the FCPA settlement in April and assumes approximately \$5 to \$10 million for 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:

Organic Revenue Growth

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.

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Stericycle at Its Core

Our promise, mission, vision, and core values are the foundation of Stericycle. These beliefs and values guide our team on a daily basis and set the standards that we measure ourselves against.

Our Promise

We protect what matters.

Our Mission

To protect your health and well-being in a safe, responsible, and sustainable way.

Our Vision

Shaping a healthier and safer world for everyone, everywhere, every day.