

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[Mark One]

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number 1-37556

Stericycle, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-3640402

(IRS Employer Identification Number)

**2355 Waukegan Road
Bannockburn, Illinois 60015**

(Address of principal executive offices, including zip code)

(847) 367-5910

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.01 per share

Trading Symbol(s)
SRCL

Name of each exchange on which registered
Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒
Smaller reporting company ☐

Accelerated filer ☐
Emerging growth company ☐

Non-accelerated filer ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On April 26, 2021, there were 91,760,677 shares of the Registrant's Common Stock outstanding.

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Glossary of Defined Terms

Unless the context requires otherwise, the “Company,” “Stericycle,” “we,” “us” or “our” refers to Stericycle, Inc. on a consolidated basis. The Company also uses several other terms in this Quarterly Report on Form 10-Q, most of

which are explained or defined below:

Abbreviation	Description
2020 Form 10-K	Annual report on Form 10-K for the year ended December 31, 2020
Adjusted Income from Operations	Income from Operations adjusted for certain items discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
ARP Act	American Rescue Plan Act of 2021
ASC 740	Accounting Standards Codification Topic 740 "Income Taxes"
ASEA	Agencia de Seguridad, Energía y Ambiente
ASU	Accounting Standards Update
CAA 2021	Consolidated Appropriations Act, 2021
CARES Act	U.S. Coronavirus Aid, Relief, and Economic Security Act enacted into law on March 27, 2020
Clean Air Act	The Clean Air Act of 1970
Credit Agreement Debt Leverage Ratio	Credit Agreement Debt Leverage Ratio means, as of any date of determination, the ratio of (a) (i) Consolidated Funded Indebtedness as of such date minus (ii) Unrestricted Cash as of such date to (b) Consolidated EBITDA for the period of four fiscal quarters most recently ended on or prior to such date, as defined in the Fifth Amendment.
COR	Cost of revenues
COSO Framework	Internal Control Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	The global novel coronavirus disease 2019 outbreak, which the World Health Organization declared as to be a pandemic
Credit Agreement	Credit Agreement dated November 17, 2017 by and among the Company and certain of its subsidiaries named therein, Bank of America, N.A., as administrative agent, and the other financial institutions party thereto as amended
CRS	Communication and Related Services
DAQ	Division of Air Quality
DEA	Drug Enforcement Administration. The Drug Enforcement Administration (DEA) is a division of the US Department of Justice. It is the federal agency which regulates the manufacture, dispensing, storage, and shipment of controlled substances including medications with human abuse potential.
DOJ	U.S. Department of Justice
Domestic Environmental Solutions	Hazardous Waste Solutions and Manufacturing and Industrial Services
DSO	Days Sales Outstanding, defined as the average number of days that it takes a company to collect payment after revenue has been recorded computed as the trailing twelve months of Revenues for the quarter and period ended DSO, respectively, divided by the Accounts Receivable balance at the end of the period.
DTSC	Department of Toxic Substances Control
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization. Another common financial term utilized by Stericycle to analyze the core profitability of the business before interest, tax, depreciation and amortization.
EPA	U.S. Environmental Protection Agency
ERP	Enterprise Resource Planning
Exchange Act	U.S. Securities Exchange Act of 1934
Expert Solutions	Recall and Return Services
FASB	Financial Accounting Standards Board
FCPA	U.S. Foreign Corrupt Practices Act
Fourth Amendment	Fourth Amendment to the Credit Agreement, dated as of June 14, 2019
Fifth Amendment	Fifth Amendment to the Credit Agreement, dated as of February 25, 2020
HSA	Healthcare Service Agreement with Buyer
International	Operating segment including Europe, Middle East, Asia Pacific and Latin America Business operations outside of North America
IRS	U.S. Internal Revenue Service
North America	Operating segment in North America, including Puerto Rico
NOV	Notice of Violation
Other Costs	Represents corporate enabling and shared services functions costs, annual incentive and stock-based compensation
PFA	Pre-filing agreement with the U.S. Internal Revenue Service
Purchase Agreement	Stock Purchase Agreement, dated as of February 6, 2020, by and between Stericycle, Inc., and the Buyer
PSU	Performance-based restricted stock unit
ROU	Right-of-use
RSU	Restricted stock unit
RWCS	Regulated Waste and Compliance Services. Stericycle business unit that provides regulated medical waste services.
SEC	U.S. Securities and Exchanges Commission
Senior Credit Facility	The Company's \$1.2 billion senior credit facility due in November of 2022 granted under the terms of the Credit Agreement
Senior Notes	5.375% (\$600.0 million) Senior Notes due July 2024 and 3.875% (\$500.0 million) Senior Notes due January 2029
SG&A	Selling, general and administrative expenses
SID	Secure Information Destruction Services. Business unit that provides regulated confidential customer material shredding services.
SOP	Sorted office paper
SQ Settlement	Small quantity medical waste customers class action settlement of \$295.0 million
Term Loans	Advances made by any lender under the Term Facility
TSA	Transition Services Agreement
U.K.	United Kingdom
U.S.	United States of America
U.S. GAAP	U.S. Generally Accepted Accounting Principles

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

STERICYCLE, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

In millions, except per share data

	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 668.0	\$ 785.0
Cost of revenues	406.6	498.4
Gross profit	261.4	286.6
Selling, general and administrative expenses	202.3	258.7
Divestiture losses (gains), net	—	58.3
Income (loss) from operations	59.1	(30.4)
Interest expense, net	(18.4)	(25.0)
Other expense, net	(0.7)	(2.9)
Income (loss) before income taxes	40.0	(58.3)
Income tax (expense) benefit	(13.8)	38.4
Net income (loss)	26.2	(19.9)
Net income attributable to noncontrolling interests	(0.1)	(0.2)
Net income (loss) attributable to Stericycle, Inc. common shareholders	\$ 26.1	\$ (20.1)
Earnings (loss) per common share attributable to Stericycle, Inc. common shareholders:		
Basic	\$ 0.29	\$ (0.22)
Diluted	\$ 0.28	\$ (0.22)
Weighted average number of common shares outstanding:		
Basic	91.6	91.3
Diluted	92.0	91.3

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

In millions		
	Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 26.2	\$ (19.9)
Other comprehensive income (loss):		
Currency translation adjustments	(13.1)	(39.1)
Total other comprehensive income (loss)	(13.1)	(39.1)
Comprehensive income (loss)	13.1	(59.0)
Less: comprehensive (loss) income attributable to noncontrolling interests	(0.1)	0.2
Comprehensive income (loss) attributable to Stericycle, Inc. common shareholders	\$ 13.2	\$ (59.2)

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except per share data

	March 31, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 50.0	\$ 53.3
Accounts receivable, less allowance for doubtful accounts of \$50.5 in 2021 and \$56.2 in 2020	388.3	380.7
Prepaid expenses	48.3	63.0
Other current assets	50.6	55.5
Total Current Assets	537.2	552.5
Property, plant and equipment, less accumulated depreciation of \$642.0 in 2021 and \$629.7 in 2020	702.4	701.3
Operating lease right-of-use assets	373.5	365.0
Goodwill	2,811.3	2,819.3
Intangible assets, less accumulated amortization of \$669.3 in 2021 and \$641.6 in 2020	1,054.0	1,087.4
Other assets	53.0	56.4
Total Assets	\$ 5,531.4	\$ 5,581.9
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 88.6	\$ 91.0
Bank overdrafts	4.3	—
Accounts payable	195.1	181.2
Accrued liabilities	245.2	289.4
Operating lease liabilities	87.4	86.2
Other current liabilities	53.4	49.3
Total Current Liabilities	674.0	697.1
Long-term debt, net	1,651.0	1,689.1
Long-term operating lease liabilities	305.3	299.0
Deferred income taxes	375.9	380.4
Long-term taxes payable	18.1	22.7
Other liabilities	58.3	59.2
Total Liabilities	3,082.6	3,147.5
Commitments and Contingencies	—	—
EQUITY		
Common stock (par value \$0.01 per share, 120.0 shares authorized, 91.8 and 91.6 issued and outstanding in 2021 and 2020, respectively)	0.9	0.9
Additional paid-in capital	1,235.9	1,234.0
Retained earnings	1,408.7	1,382.6
Accumulated other comprehensive loss	(200.3)	(187.4)
Total Stericycle, Inc.'s Equity	2,445.2	2,430.1
Noncontrolling interests	3.6	4.3
Total Equity	2,448.8	2,434.4
Total Liabilities and Equity	\$ 5,531.4	\$ 5,581.9

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In millions

	Three Months Ended March 31,	
	2021	2020
OPERATING ACTIVITIES:		
Net income (loss)	\$ 26.2	\$ (19.9)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation	25.5	28.0
Intangible amortization	29.8	31.9
Stock-based compensation expense	5.1	5.1
Deferred income taxes	(2.1)	(0.4)
Divestiture losses (gains), net	—	58.3
Asset impairments, loss on disposal of property plant and equipment and other charges	—	3.9
Other, net	1.9	0.1
Changes in operating assets and liabilities, net of the effects of divestitures:		
Accounts receivable	(10.4)	(1.2)
Prepaid expenses	14.4	(32.7)
Accounts payable	11.2	9.3
Accrued liabilities	(34.2)	(7.7)
Other assets and liabilities	(4.8)	7.4
Net cash from operating activities	62.6	82.1
INVESTING ACTIVITIES:		
Capital expenditures	(24.7)	(39.6)
Other, net	0.2	(0.5)
Net cash from investing activities	(24.5)	(40.1)
FINANCING ACTIVITIES:		
Repayments of long-term debt and other obligations	(6.3)	(6.7)
Repayments of foreign bank debt	(0.1)	(2.6)
Repayment of term loan	(11.9)	(43.8)
Proceeds from senior credit facility	269.3	343.6
Repayment of senior credit facility	(288.8)	(327.4)
Proceeds from bank overdrafts, net	4.3	1.2
Payments of capital lease obligations	(0.9)	(1.3)
Payments of debt issuance costs	—	(1.4)
Proceeds from issuance of common stock, net of (payments of) taxes from withheld shares	(5.1)	(1.2)
Payments to noncontrolling interest	(0.6)	—
Net cash from financing activities	(40.1)	(39.6)
Effect of exchange rate changes on cash and cash equivalents	(1.3)	(1.1)
Net change in cash and cash equivalents	(3.3)	1.3
Cash and cash equivalents at beginning of period	53.3	34.7
Cash and cash equivalents at end of period	\$ 50.0	\$ 36.0
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid during the period, net of capitalized interest	\$ 20.0	\$ 35.6
Income taxes paid (refunded), net during the period	\$ 1.9	\$ 0.4
Capital expenditures in Accounts payable	\$ 15.5	\$ 33.1

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

In millions

	Stericycle, Inc. Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount					
Balance as of December 31, 2020	91.6	\$ 0.9	\$ 1,234.0	\$ 1,382.6	\$ (187.4)	\$ 4.3	\$ 2,434.4
Net income	—	—	—	26.1	—	0.1	26.2
Currency translation adjustment	—	—	—	—	(12.9)	(0.2)	(13.1)
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	(3.2)	—	—	—	(3.2)
Stock-based compensation expense	—	—	5.1	—	—	—	5.1
Changes to noncontrolling interest	—	—	—	—	—	(0.6)	(0.6)
Balance as of March 31, 2021	91.8	\$ 0.9	\$ 1,235.9	\$ 1,408.7	\$ (200.3)	\$ 3.6	\$ 2,448.8

In millions

	Stericycle, Inc. Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount					
Balance as of December 31, 2019	91.2	\$ 0.9	\$ 1,205.7	\$ 1,442.4	\$ (318.1)	\$ 3.8	\$ 2,334.7
Net loss	—	—	—	(20.1)	—	0.2	(19.9)
Currency translation adjustment	—	—	—	—	(39.1)	—	(39.1)
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	1.9	—	—	—	1.9
Stock-based compensation expense	—	—	5.1	—	—	—	5.1
Cumulative effect of adopting ASU 2016-13	—	—	—	(2.5)	—	—	(2.5)
Balance as of March 31, 2020	91.4	\$ 0.9	\$ 1,212.7	\$ 1,419.8	\$ (357.2)	\$ 4.0	\$ 2,280.2

See accompanying Notes to Condensed Consolidated Financial Statements.

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

Basis of Presentation: The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Stericycle, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's Condensed Consolidated Financial Statements were prepared in accordance with U.S. GAAP and include the assets, liabilities, revenues, and expenses of all wholly owned subsidiaries and majority-owned subsidiaries over which the Company exercises control. Outside shareholders' interests in subsidiaries are shown on the Condensed Consolidated Financial Statements as "Noncontrolling interests".

The accompanying unaudited Condensed Consolidated Financial Statements as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 have been prepared pursuant to the rules and regulations of the SEC for interim reporting and, therefore, do not include all information and footnote disclosures normally included in audited financial statements prepared in conformity with U.S. GAAP. In the opinion of management, however, all adjustments, consisting of normal recurring adjustments necessary to present fairly the results of operations, financial position and cash flows have been made. These Condensed Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the 2020 Form 10-K. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year or any other period.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Some areas where the Company makes estimates include its allowance for doubtful accounts, credit memo reserve, accrued employee health and welfare benefits, contingent liabilities, asset retirement obligations, stock-based compensation expense, income tax liabilities, accrued auto and workers' compensation self-insured claims, operating lease ROU assets and lease liabilities, intangible asset and long-lived asset valuations, assets held for sale, and goodwill impairment. Actual results may differ from those estimates.

Adoption of New Accounting Standards**Simplifying the Accounting for Income Taxes**

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). ASU 2019-12 attempts to simplify aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 was effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year. The Company adopted ASU 2019-12 on January 1, 2021 and there was no material impact on the Company's Condensed Consolidated Financial Statements.

NOTE 2 – REVENUES FROM CONTRACTS WITH CUSTOMERS

The Company provides RWCS, which provide collection and processing of regulated and specialized waste, including medical, pharmaceutical and hazardous waste, for disposal and compliance programs and communication solutions, and SID Services, which provide for the collection of personal and confidential information for secure destruction and recycling of shredded paper.

The Company's customers typically enter into a contract for the provision of services on a regular and scheduled basis, e.g., weekly, monthly or on an as needed basis over the contract term. Under the contract terms, the Company receives fees based on a monthly, quarterly or annual rate and/or fees based on contractual rates depending upon measures including the volume, weight, and type of waste, number and size of bins collected, weight and type of shredded paper, and number of call minutes.

Amounts are invoiced based on the terms of the underlying contract either on a regular basis, e.g., monthly or quarterly, or as services are performed and are generally due within a short period of time after invoicing based upon normal terms and conditions for our business type and the geography of the services performed.

Disaggregation of Revenues

In the first quarter of 2021, we updated our service lines to include Communication Solutions (formally part of CRS) in RWCS. This reclassification was driven by the divestiture of the Company's global product recall business (Expert Solutions) in December of 2020 and the remaining Communication Solutions service line synergies with the Company's RWCS customers. For 2020 periods presented, amounts have been recast to reflect this change.

During the second quarter of 2020, we updated our service lines to include Hazardous Waste Solutions Services and Manufacturing and Industrial Services in RWCS. This reclassification was driven by the divestiture of the Domestic Environmental Solutions business in April of 2020. In addition, during the second quarter of 2020, we updated segment reporting to reflect CRS as part of the North America segment. See 2020 Form 10-K for further information. For 2020 periods presented, amounts have been recast to reflect these changes.

In millions		
	Three Months Ended March 31,	
	2021	2020
Revenue by Service		
Regulated Waste and Compliance Services	\$ 473.6	\$ 566.9
Secure Information Destruction Services	194.4	218.1
Total Revenues	\$ 668.0	\$ 785.0
North America		
Regulated Waste and Compliance Services	\$ 366.8	\$ 468.6
Secure Information Destruction Services	166.9	186.0
Total North America Segment	\$ 533.7	\$ 654.6
International		
Regulated Waste and Compliance Services	\$ 106.8	\$ 98.3
Secure Information Destruction Services	27.5	32.1
Total International Segment	\$ 134.3	\$ 130.4

Contract Liabilities

Contract liabilities at March 31, 2021 and December 31, 2020 were \$9.8 million and \$8.8 million, respectively. Contract liabilities as of March 31, 2021 are expected to be recognized in Revenues, as the amounts are earned, which will be over the next 12 months.

Contract Acquisition Costs

The Company's incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are deferred and amortized to SG&A over a weighted average estimated period of benefit of 6.5 years.

During the three months ended March 31, 2021 and 2020, the Company amortized \$3.0 million and \$2.6 million, respectively, of deferred sales incentives to SG&A.

Total contract acquisition costs, net of accumulated amortization, were classified as follows:

In millions		
	March 31, 2021	December 31, 2020
Other current assets	\$ 11.4	\$ 11.1
Other assets	31.7	31.1
Total contract acquisition costs	\$ 43.1	\$ 42.2

Allowance for Doubtful Accounts

The Company estimates its allowance for doubtful accounts based on past collection history and specific risks identified among uncollected amounts, as well as management's expectation of future economic conditions. If current or expected future economic trends, events, or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is

adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been exhausted. The allowance for doubtful accounts was \$50.5 million and \$56.2 million as of March 31, 2021 and December 31, 2020, respectively.

NOTE 3 – RESTRUCTURING, DIVESTITURES, AND IMPAIRMENTS

Restructuring

There were no restructuring charges during the three months ended March 31, 2021 and 2020, respectively.

Divestitures

On April 6, 2020, the Company completed the sale of its Domestic Environmental Solutions business for approximately \$462.5 million.

During the three months ended March 31, 2020, the Company recognized an impairment charge of \$58.3 million, inclusive of \$10.8 million of related deal costs, associated with classifying the Domestic Environmental Solutions disposal group as assets held-for-sale as the carrying value of the net assets held-for-sale exceeded their fair value less cost to sell as Divestiture losses (gains), net in the Company's Condensed Consolidated Statements of Income (Loss). The estimated fair value was generated using Level 3 inputs.

Impairments

For the three months ended March 31, 2020, we recognized an impairment charge of \$4.0 million related to customer list intangibles due to the discontinuation of a certain Communication Solutions service line in North America.

NOTE 4 – GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Changes in the carrying amount of goodwill by reportable segment were as follows:

In millions	North America	International	Total
Balance as of December 31, 2020	\$ 2,448.8	\$ 370.5	\$ 2,819.3
Changes due to foreign currency fluctuations	—	(8.0)	(8.0)
Balance as of March 31, 2021	\$ 2,448.8	\$ 362.5	\$ 2,811.3

Intangible Assets

Intangible assets were as follows:

In millions	March 31, 2021			December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Value	Gross Carrying Amount	Accumulated Amortization	Net Value
Amortizable intangibles:						
Customer relationships	\$ 1,310.7	\$ 657.1	\$ 653.6	\$ 1,314.9	\$ 630.2	\$ 684.7
Covenants not-to-compete	3.5	3.1	0.4	3.5	3.0	0.5
Tradenames	3.6	1.3	2.3	3.6	1.3	2.3
Operating permits	11.5	7.2	4.3	11.5	6.5	5.0
Other	0.6	0.6	—	0.6	0.6	—
Indefinite lived intangibles:						
Operating permits	77.8	—	77.8	79.6	—	79.6
Tradenames	315.6	—	315.6	315.3	—	315.3
Total	\$ 1,723.3	\$ 669.3	\$ 1,054.0	\$ 1,729.0	\$ 641.6	\$ 1,087.4

Changes in the carrying amount of intangible assets were as follows:

In millions		Total
Balance as of December 31, 2020	\$	1,087.4
Amortization during the period		(29.8)
Changes due to foreign currency fluctuations		(3.6)
Balance as of March 31, 2021	\$	1,054.0

The estimated amortization expense for each of the next five years (based upon exchange rates at March 31, 2021) is as follows for the years ending December 31:

In millions		
2021 (remainder)	\$	86.7
2022		115.2
2023		111.9
2024		110.4
2025		90.0

NOTE 5 – LONG-TERM DEBT

The Company's long-term debt consisted of the following:

In millions	March 31, 2021	December 31, 2020
\$1.2 billion Senior Credit Facility, due in November 2022	\$ 153.2	\$ 173.3
\$1.3 billion Term Loan, due in November 2022	410.7	422.5
\$600 million Senior Notes, due in 2024	600.0	600.0
\$500 million Senior Notes, due in 2029	500.0	500.0
Promissory notes and deferred consideration weighted average maturity 2.0 years at 2021 and 2.1 years at 2020	35.9	42.3
Foreign bank debt weighted average maturity 0.8 years at 2021 and 1.1 years at 2020	30.0	32.3
Obligations under finance leases	23.8	24.8
Total debt	1,753.6	1,795.2
Less: current portion of total debt	88.6	91.0
Less: unamortized debt issuance costs	14.0	15.1
Long-term portion of total debt	\$ 1,651.0	\$ 1,689.1

The estimated fair value of our debt approximated \$1.77 billion and \$1.86 billion as of March 31, 2021 and December 31, 2020, respectively. These fair value amounts were estimated using an income approach by applying market interest rates for comparable instruments and developed based on inputs classified as Level 2 within the fair value hierarchy.

On February 25, 2020, the Company executed a Fifth Amendment, which amended the Credit Agreement.

As of March 31, 2021, the Company was in compliance with its Consolidated Leverage Ratio covenant, with an actual ratio of 3.28 to 1.00, which was below the allowed maximum ratio of 4.75 to 1.00 as set forth in the Fifth Amendment. The Consolidated Leverage Ratio is 4.75 to 1.00 for fiscal quarters ending on or before December 31, 2021 and 4.25 to 1.00 for fiscal quarters ending on or after March 31, 2022.

Amounts committed to outstanding letters of credit and the unused portion of the Company's Senior Credit Facility were as follows:

In millions	March 31, 2021	December 31, 2020
Outstanding letters of credit under Senior Credit Facility	\$ 76.0	\$ 79.5
Unused portion of the Senior Credit Facility	970.8	947.2

NOTE 6 – INCOME TAXES

The Company reported income tax expense of \$13.8 million for the three months ended March 31, 2021 compared to a benefit of \$38.4 million for the three months ended March 31, 2020. The effective tax rates for the three months ended March 31, 2021 and 2020 was an expense of 34.5% and a benefit of 65.9%, respectively. The tax rate for the three months ended March 31, 2021 reflects losses in jurisdictions that are not eligible for tax benefits on account of valuation allowances and equity-based compensation awards expiring without a tax benefit. The effective tax rate for the three months ended March 31, 2020 reflects a \$39.4 million tax benefit related to the CARES Act as well as the tax impact from a divestiture related impairment that was primarily non-deductible.

In response to the COVID-19 pandemic:

- On March 11, 2021, the President signed into law the ARP Act, a legislative package which is generally not significant to the Company's current tax footprint; however, the Company will continue to assess the ARP Act on an ongoing basis.
- On December 27, 2020, the President signed the CAA 2021, which provides several business tax relief provisions, which are generally not significant to the Company's current tax footprint; however, the Company will continue to assess the CAA 2021 on an ongoing basis.
- On March 27, 2020, the President signed into law the CARES Act, which is a substantial tax-and-spending package. As a result of the CARES Act tax law changes, for the year ended December 31, 2020, we recognized a \$44.4 million tax benefit related to our ability to carryback net operating losses to prior years that had higher tax rates. In July 2020, the Company received a cash refund of \$48.0 million, and in December 2020, the Company received \$64.2 million (of which \$62.0 million was the cash refund claim, and \$2.2 million was interest income). A remaining carryback claim associated with the finalization of the 2019 U.S. federal income tax return is currently filed with the IRS, and the anticipated refund is less than \$1.0 million.

Similar tax provisions and other stimulus measures have been granted either before or after March 31, 2021 by certain foreign and U.S. state jurisdictions, which the Company continues to evaluate and apply, if applicable.

The Company filed a PFA with the IRS related to a claim under Internal Revenue Code Section 1341 concerning the tax rate to be applied to the SQ Settlement on the Company's 2018 tax return. As a result of the enactment of the CARES Act, the Company was able to realize a benefit at the higher tax rate in prior years on a portion of the SQ Settlement. In 2020, in consideration of the CARES Act, the Company revised the PFA, a portion of the long-term receivable previously established for the Section 1341 claim was reclassified to a current income tax receivable and the related uncertain tax position was released as part of the tax benefit recognized in 2020.

Subsequently in late 2020, the Company amended the 2018 tax return to reduce the Section 1341 benefit as a result of discussions with the IRS as part of the PFA program. Consequently, the remaining long-term receivable established for the Section 1341 claim and the corresponding uncertain tax position has been reclassified to a current income tax receivable and current income tax liability, respectively, as both are expected to settle in cash in 2021. In April, 2021, the Company was advised that the IRS completed its review of the 2018 tax return and took no exception to the Section 1341 benefit. Consequently, the Company anticipates recording a tax benefit of approximately \$5.5 million in the second quarter of 2021 associated with the Section 1341 claim.

NOTE 7 – EARNINGS (LOSS) PER COMMON SHARE

Basic earnings per share is computed by dividing Net Income by the number of weighted average common shares outstanding during the reporting period. Diluted earnings per share is calculated to give effect to all potentially dilutive common shares that were outstanding during the reporting period, only in the periods in which such effect is dilutive. The following table shows the effect of stock-based awards on the weighted average number of shares outstanding used in calculating diluted earnings per share:

In millions of shares

	Three Months Ended March 31,	
	2021	2020
Weighted average common shares outstanding - basic	91.6	91.3
Incremental shares outstanding related to stock-based awards	0.4	—
Weighted average common shares outstanding - diluted	92.0	91.3

In periods of net loss, stock-based awards are anti-dilutive and therefore excluded from the earnings (loss) per share calculation.

In thousands	Three Months Ended March 31,	
	2021	2020
Options excluded from computation of diluted earnings (loss) per share	2,372	3,644
RSUs excluded from computation of diluted earnings (loss) per share	30	183

PSUs are offered to key employees and are subject to achievement of specified performance conditions. Contingently issuable shares are excluded from the computation of diluted earnings per share based on current period results. The shares would not be issuable if the end of the reporting period were the end of the contingency period. If such goals are not met, no compensation expense is recognized, and any previously recognized compensation expense is reversed.

NOTE 8 – SEGMENT REPORTING

The Company evaluates, oversees, and manages the financial performance of two operating segments – North America and International.

The following tables show financial information for the Company's reportable segments:

In millions	Three Months Ended March 31,	
	2021	2020
Revenues		
North America	\$ 533.7	\$ 654.6
International	134.3	130.4
Total	<u>\$ 668.0</u>	<u>\$ 785.0</u>
Adjusted Income from Operations		
North America	\$ 157.6	\$ 149.6
International	12.6	15.1
Other Costs	(60.2)	(70.9)
Total	<u>\$ 110.0</u>	<u>\$ 93.8</u>

The following table reconciles the Company's primary measure of segment profitability, Adjusted Income from Operations, to Income (loss) from operations:

In millions	Three Months Ended March 31,	
	2021	2020
Total Reportable Segment Adjusted Income from Operations	\$ 110.0	\$ 93.8
Adjusting Items:		
ERP Implementation	(17.9)	(18.0)
Intangible Amortization	(29.8)	(31.9)
Divestitures (including Divestiture (losses) gains, net)	(1.2)	(61.3)
Litigation, Settlements and Regulatory Compliance	(2.0)	(4.4)
Asset Impairments	—	(4.0)
Other	—	(4.6)
Income (loss) from operations	<u>\$ 59.1</u>	<u>\$ (30.4)</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company operates in highly regulated industries and responds to regulatory inquiries or investigations from time to time that may be initiated for a variety of reasons. At any given time, the Company has matters at various stages of resolution with the applicable government authorities. The Company is also routinely involved in actual or threatened legal actions, including those involving alleged personal injuries and commercial, employment, environmental, tax, and other issues. The outcomes of these matters are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenue.

In accordance with applicable accounting standards, the Company establishes an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is not probable or a probable loss is not reasonably estimable, no liability is recorded. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. These accruals represent management's best estimate of probable losses and, in such cases, there may be an exposure to loss in excess of the amounts accrued. Estimates of probable losses resulting from litigation and regulatory proceedings are difficult to predict. Legal and regulatory matters inherently involve significant uncertainties based on, among other factors, the jurisdiction and stage of the proceedings, developments in the applicable facts or law, and the unpredictability of the ultimate determination of the merits of any claim, any defenses the Company may assert against that claim, and the amount of any damages that may be awarded. The Company's accrued liabilities for loss contingencies related to legal and regulatory matters may change in the future as a result of new developments, including, but not limited to, the occurrence of new legal matters, changes in the law or regulatory environment, adverse or favorable rulings, newly discovered facts relevant to the matter, or changes in the strategy for the matter. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

Contract Class Action and Opt Out Lawsuits. Beginning on March 12, 2013, the Company was served with several class action complaints filed in federal and state courts in several jurisdictions. These complaints asserted, among other things, that the Company had imposed unauthorized or excessive price increases and other charges on its customers in breach of its contracts and in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. The complaints sought certification of the lawsuit as a class action and the award to class members of appropriate damages and injunctive relief. These related actions were ultimately transferred to the United States District Court for the Northern District of Illinois for centralized pretrial proceedings.

The parties engaged in discussions through and overseen by a mediator regarding a potential resolution of the matter and reached a settlement agreement, as previously disclosed, which settlement agreement obtained court approval on March 8, 2018. Under the terms of the SQ Settlement, the Company admitted no fault or wrongdoing whatsoever, and it entered into the SQ Settlement to avoid the cost and uncertainty of litigation.

Certain class members who have opted out of the SQ Settlement have filed lawsuits against the Company, and the Company is defending and will resolve those actions. The Company has made an accrual in respect of these collective matters consistent with its accrual policies described above, which is not material.

U.S. Government Investigations. On June 12, 2017, the SEC issued a subpoena to the Company, requesting documents and information relating to the Company's compliance with the FCPA or other foreign or domestic anti-corruption laws with respect to certain of the Company's operations in Latin America. In addition, the DOJ notified the Company that it was investigating this matter in parallel with the SEC. The Company is cooperating with these agencies and certain foreign authorities. The Company also conducted an internal investigation of these and other matters, including outside of Latin America, under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel, and this investigation found evidence of improper conduct.

As part of the FCPA investigation discussed above, the SEC has requested certain additional information from the Company. On July 29, 2019, the SEC issued a subpoena to the Company requesting documents relating to the Company's pricing practices concerning small quantity customers, as alleged in the Contract Class Action previously discussed. The Company is cooperating with the SEC's request.

In addition, the Company has been informed that the office of the United States Attorney for the Southern District of New York is conducting an investigation related to Stericycle's collection, transportation and disposal of hazardous waste. The Company is cooperating with this investigation.

The Company has separately been informed that the State of California Department of Justice has opened an investigation related to Stericycle's collection, transportation, and disposal of waste generated by government customers in California. The Company is cooperating with this investigation.

The Company has not accrued any amounts in respect of the foregoing U.S. government investigation matters, as it cannot estimate any reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company's judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

Environmental and Regulatory Matters. The Company is regulated by federal, state and local laws enacted to regulate the discharge of materials into the environment, the generation, transportation and disposal of waste, and the cleanup of contaminated soil and groundwater and protection of the environment. Because of the highly regulated nature of its business, the Company frequently becomes a party to legal or administrative proceedings involving various governmental authorities and other interested parties. The issues involved in these proceedings generally relate to alleged violations of existing permits and licenses or alleged responsibility under federal or state Superfund laws to remediate contamination at properties owned either by the Company or by other parties to which either the Company or the prior owners of certain of its facilities shipped waste. From time to time, the Company may be subject to fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities.

Effective April 6, 2020, the Company completed the divestiture of its Domestic Environmental Solutions business, including the facility in Rancho Cordova, California, to Harsco Corporation. Pursuant to the Purchase Agreement, the Company may have liability under certain indemnification claims for matters relating to those Environmental Solutions facilities, including potentially with respect to the investigations by the Southern District of New York and California Department of Justice described above and the Rancho Cordova, California, and DEA Investigation matters discussed below.

North Salt Lake, Utah. The Company and the United States DOJ have reached a settlement in principle, subject to Court approval, to resolve an investigation by the EPA into alleged past Clean Air Act and permit violations, as previously alleged in the NOV issued by the State of Utah DAQ. The NOV resulted in the Company's December 2014 settlement with the DAQ, as previously disclosed. The federal settlement is documented in the form of a proposed civil consent decree, which was filed with the United States District Court for the District of Utah on January 29, 2021. The DOJ filed a motion to approve the settlement on April 19, 2021. If the Court approves the settlement, the Company will undertake a Supplemental Environmental Project, in which it will provide funds to the local Davis County School District to replace older, higher-emission school buses with new, more efficient buses to reduce pollution and protect the local environment, and pay a civil penalty under the Clean Air Act. The Company has accrued the total amount of the agreement in principle, which is not material.

Rancho Cordova, California. On June 25 and 26, 2018, the California DTSC conducted a Compliance Enforcement Inspection of the Company's former Environmental Solutions facility in Rancho Cordova, California. On February 14, 2020, DTSC filed an action in the Superior Court for the State of California, Sacramento County Division, alleging violations of California's Hazardous Waste Control Law and the facility's hazardous waste permit arising from the inspection. That action is ongoing.

Separately, on August 15, 2019, the Company received from DTSC a written Intent to Deny Hazardous Waste Facility Permit application for the Rancho Cordova facility. A public hearing was held on September 22, 2019, and the public comment period closed on October 25, 2019. The Company entered a written submission as part of that process. On August 27, 2020, DTSC issued a Notice of Denial of Hazardous Waste Facility Permit Application and on September 25, 2020, the Company filed a Petition for Review, which instituted an administrative appeal of DTSC's action, which is currently pending.

The Company is vigorously defending itself in all of the Rancho Cordova, California matters. The Company has not accrued any amounts in respect of these matters and cannot estimate the reasonably possible loss or the range of reasonably possible losses that it may incur. The Company is unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable and (ii) in the Company's judgment, the factual and legal allegations asserted by DTSC are sufficiently unique that it is unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

DEA Investigation. On February 11, 2020, the Company received an administrative subpoena from the DEA, which executed a search warrant at the Company's former Environmental Solutions facility at Rancho Cordova, California and an administrative inspection warrant at the Company's former facility in Indianapolis, Indiana for materials related to the former Environmental Solutions business of collecting, transporting, and destroying controlled substances from retail customers (the "ESOL Retail Controlled Substances Business"). On that same day, agents from the DTSC executed a separate search warrant at the Rancho Cordova facility. Since that time, the U.S. Attorney's Office for the Eastern District of California ("USAO EDCA") has been overseeing criminal and civil investigations of the ESOL Retail Controlled Substances Business. The USAO EDCA has recently informed the Company that it may have civil liability under the Controlled Substances Act related to the ESOL Retail Controlled Substances Business. The Company is cooperating with the civil and criminal investigations, which are ongoing.

The Company has not accrued any amounts in respect of these investigations and cannot estimate the reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company's judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

European Retrovirus Investigations. In conjunction with Europol, governmental authorities of Spain, Portugal, and Romania have conducted coordinated inspections of a large number of medical waste management facilities, including Stericycle facilities, relating to the transportation, management and disposal of waste that may be infected with the COVID-19 virus, and related matters. The inspections have resulted in proceedings in Spain and Portugal. The Company intends to vigorously defend itself in these proceedings.

The Company has not accrued any amounts in respect of these investigations, as it cannot estimate the reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company's judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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, developments in the COVID-19 pandemic and the resulting impact on the results of operations, long-term remote work arrangements, which may adversely affect our business, precautions we have taken to safeguard the health and safety of our team members which may make certain of our business processes less efficient, measures taken by governmental authorities to prevent the spread of the COVID-19 virus which could disrupt our supply chain, result in disruptions in transportation services and restrictions on the ability of our team members to travel, result in temporary closure of our facilities or the facilities of our customers and suppliers, affect the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, disruptions in our relationships with our team members as a result of certain cost-saving measures, an economic slowdown in the U.S. and other countries resulting from the outbreak of the COVID-19 virus, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, SOP pricing volatility, 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, decreases in the volume of regulated wastes or personal and confidential information collected from customers, the ability to implement our new ERP system, disruptions in or attacks on information technology systems, charges related to portfolio optimization or the failure of 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, 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, 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, failure to maintain an effective system of internal control over financial reporting, delays or failures in implementing remediation efforts with respect to potential future material weaknesses, 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.

Overview

Stericycle is a global business-to-business services company. We provide an array of highly specialized solutions that protect the health and well-being of the people and places around us in a safe, responsible, and sustainable way. Since our founding in 1989, we have grown from a small start-up in medical waste management into a leader across a range of increasingly complex and highly regulated arenas, serving healthcare organizations and commercial businesses of every size through:

- Regulated waste and compliance services
- Secure information destruction services

Key business highlights for the three months ended March 31, 2021 include:

- Revenues for the first quarter were \$668.0 million, a decrease of 14.9% compared to \$785.0 million in the first quarter of last year primarily due to the impact of divestitures. Organic revenues increased 0.9% when excluding the impact of divestitures and foreign exchange rates. RWCS organic revenues grew 6.0% in the first quarter compared to the first quarter of 2020.
- Income from operations in the first quarter was \$59.1 million, compared to a loss from operations of \$30.4 million in the first quarter of last year. Of the \$89.5 million increase, the change was primarily due to the first quarter of 2021 having no net divestiture losses compared to the first quarter of 2020 having net divestiture losses of \$58.3 million.
- Net debt was reduced \$38.3 million in the first quarter, decreasing total net debt to approximately \$1.70 billion. The credit agreement defined debt leverage ratio was reduced to 3.28 times as of March 31, 2021, compared to 4.50 times as of March 31, 2020.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 virus outbreak a pandemic. The COVID-19 pandemic has had a global economic impact, including temporary closure of non-essential businesses worldwide and postponement of elective surgeries and preventative care. The Company continues to maintain operations within all business service offerings, although SID and maritime waste services have been significantly and adversely impacted. We are monitoring future implications of the COVID-19 pandemic and continue to take actions to manage spending to align to operational requirements.

The Company's COVID-19 pandemic response has included efforts to protect the health and well-being of our workforce and our customers. We worked proactively with the Centers for Disease, Control and Prevention, the Occupational Safety and Health Administration, the Department of Transportation and regulatory agencies around the world to ensure readiness for proper regulated waste management. Our team demonstrated leadership and commitment to protecting what matters by working with pharmaceutical companies and government agencies to align on standards for secure and compliant COVID-19 vaccination treatment protocols. Additionally, Stericycle supports the front end of vaccination programs through our Communications Solutions business. We provide scalable patient hotlines, scheduling, and appointment reminders for vaccinations.

We have updated and implemented numerous protocols specifically to reduce risk among our front-line team members, and our strategic sourcing team has worked diligently to take measures to provide our field operations employees with appropriate personal protective equipment. We've staggered shift times and dedicated trucks to specific drivers to reduce exposure. We've implemented more rigorous cleaning protocols for all our facilities. Since

March of 2020, we continue to have more than 7,000 team members around the globe sheltering in place, all to protect our staff and communities we serve. We will continue to monitor the safety of our team members as a result of the COVID-19 pandemic.

The Company has taken a leadership position related to the COVID-19 pandemic to support our customers and provide industry expertise regarding the effective management of COVID-19 waste.

The impact of the COVID-19 pandemic across our revenue service categories is as follows:

<u>Revenue Service Category</u>	<u>Services Offered</u>	<u>COVID-19 Pandemic Impact</u>
Regulated Waste and Compliance Services	<ul style="list-style-type: none"> Regulated waste management services (including reusable sharps container disposal management services) Pharmaceutical waste services, including controlled substances (CsRX, Kiosk, and Seal/Send) Compliance programs under the Steri-Safe®, Clinical Services and First Practice Management brand names Hazardous waste and compliance solutions Maritime waste services Communication Solutions (including appointment reminders, secure messaging, event registration, and other communications specifically for hospitals and integrated delivery networks) 	<p>RWCS organic revenue growth over the first quarter of 2021 was 6.0%. North America Regulated Waste and Compliance Services organic revenues grew 3.8% with Communication Solutions contributing 1.3% as the health care industry turned to Stericycle to support vaccine and test-related communications and scheduling services. Maritime waste services remain impacted by the COVID-19 pandemic. International RWCS organic revenue growth was 16.4% with the majority attributable to supporting our customers through the pandemic.</p> <p>The COVID-19 pandemic has also created demands for new services. We started providing waste services for COVID-19 virus healthcare testing centers across the U.S., with Stericycle serving approximately 4,500 of testing centers. As the pandemic evolved, expanded services to include disposal of non-healthcare PPE waste, and vaccination waste support which includes vaccine related communications and scheduling services.</p>
Secure Information Destruction Services	<ul style="list-style-type: none"> Secure information destruction (including document and hard drive destruction services) under the Shred-it® brand name which includes regular scheduled services (and processing onsite and offsite) and one-time services (select, priority and express) 	<p>While still below pre-pandemic levels, SID revenues when compared to the fourth quarter of 2020 increased \$7.0 million, with a \$6.4 million increase in North America and \$0.6 million increase Internationally.</p> <p>In North America, SID organic revenues were down 10.8% compared to the first quarter of 2020. The decrease in revenue was primarily a result of lower service revenues associated with lower stops. Internationally, SID organic revenues declined 21.2% compared to the first quarter of 2020.</p>

Key Business Priorities

In 2021, our operational efficiency initiative matured and evolved to operational efficiency, modernization, and innovation and portfolio rationalization matured and evolved to portfolio optimization, signaling the continuing evolution of our key business priorities as we continue to transform Stericycle.

- Quality of revenue** – We have implemented and continue to execute against our foundational initiatives we launched to drive revenue quality. In combination with our quality of revenue initiatives, we continue to develop and deploy innovative solutions to meet unmet customer needs, strengthen customer engagement, and drive long-term organic growth.
- Operational efficiency, modernization, and innovation** – As we manage through volatile times, we remain focused on operational efficiency, modernization, and innovation to control variable and discretionary costs and improving performance and efficiencies in our field operations. Our Engineering and Operations teams have and continue to implement operational process and performance improvements, which have contributed to operating efficiency gains in the past several quarters. We are gaining traction on right sizing and balancing our fleet and equipment, driving efficiencies in route and long-haul execution, and optimizing our network and assets.

- **ERP implementation** – As previously communicated, we have shifted our planned deployment of our North American ERP system into 2021. As part of our planned deployment program, we have several stage gate reviews that include go/no-go decisions leading up to implementation. Implementation is anticipated in the third quarter of 2021, as we deploy North America Finance, Accounting, and integrated Procurement, and begin deploying SID. Since the SID deployment is a phased deployment, we anticipate completing deployment to all SID facilities by the end of the fourth quarter. Following the North American ERP deployment to Finance, Accounting, integrated Procurement, and SID, we plan to implement the North American ERP for RWCS in 2022. As we continue throughout 2021, we will monitor the evolving pandemic dynamics that could impact our business, customers, the safety of our team members, and internal control environment and we will factor them into our final deployment timing decisions.
- **Debt reduction and leverage improvement** – We remain committed to achieving a credit agreement defined debt leverage ratio below 3.00 times between 2022 and 2023. We expect to improve our leverage ratio through continued focus on operating margin expansion, free cash flow generation, and leveraging divestiture proceeds, if applicable. As of March 31, 2021, we improved our credit agreement defined debt leverage ratio to 3.28 times, an improvement from 4.50 times as of March 31, 2020. Net debt was reduced \$38.3 million in the first quarter, decreasing total net debt to approximately \$1.70 billion.
- **Portfolio optimization** – We completed three divestitures in 2020, including Environmental Solutions in April of 2020 for \$462.5 million in cash. We expect to continue evaluating opportunities to further optimize our portfolio of businesses through a combination of asset rationalizations, which streamlines our portfolio of businesses, and focusing more deeply on our core businesses.

Key Priorities and Other Significant Matters

The following table identifies key priorities and other significant matters impacting our business and how they are classified in the Condensed Consolidated Statements of Income (Loss):

In millions	Three Months Ended March 31,	
	2021	2020
Included in SG&A		
ERP Implementation	\$ 17.9	\$ 18.0
Intangible Amortization	29.8	31.9
Divestitures	1.2	3.0
Litigation, Settlements and Regulatory Compliance	2.0	4.4
Asset Impairments	—	4.0
Other	—	4.6
Total included in SG&A	50.9	65.9
Divestiture losses (gains), net	—	58.3
Total included in Income (loss) from operations	50.9	124.2
Included in Other expense, net		
Other (including highly inflationary exchange loss)	—	0.4
Total pre-tax	\$ 50.9	\$ 124.6
After tax items:		
CARES Act	\$ —	\$ (39.4)
Total after-tax	\$ —	\$ (39.4)

ERP Implementation

For the periods presented and for the cumulative period since the inception of the ERP Implementation, we have recognized the following, principally reported in Other Costs:

In millions

	Three Months Ended March 31,		Cumulative Since Inception
	2021	2020	
ERP implementation			
Consulting and professional fees	\$ 11.6	\$ 10.4	\$ 76.6
Internal labor	1.9	3.6	33.1
Software usage/maintenance fees	3.1	2.6	37.9
Other related expenses	1.3	1.4	11.0
Operating expenditures	17.9	18.0	158.6
Capital expenditures	2.4	24.4	163.2
Total ERP related	<u>\$ 20.3</u>	<u>\$ 42.4</u>	<u>\$ 321.8</u>

Until the new ERP system is fully implemented, we will continue to incur costs to develop and deploy the system, which includes additional capital expenditures, as well as costs associated with maintenance, licenses, and other related expenses. Upon substantial readiness for deployment, certain costs become incremental information technology ongoing costs for running the new system. Additionally, we will continue to incur costs to maintain the legacy suite of applications that are also used by our international businesses until their system portfolio is modernized.

Intangible Amortization

See table above of key priorities and other significant matters for intangible amortization expense from acquisitions for the periods presented and how they are classified in the Condensed Consolidated Statements of Income (Loss).

The decrease in amortization expense is a result of the reduction of Intangible assets related to divestitures. See *Part I, Item I. Financial Statements; Note 3 Restructuring, Divestitures and Impairments* in the Condensed Consolidated Financial Statements for further information.

Divestitures (including Divestiture losses (gains), net)

We evaluate our portfolio of services on an ongoing basis with a country-by-country and service line-by-service line approach to assess long-term potential and identify potential business candidates for divestiture.

We recognized the following Divestitures (including Divestiture losses (gains), net) in the Condensed Consolidated Statements of Income (Loss):

In millions

	Three Months Ended March 31,	
	2021	2020
North America Segment		
Domestic Environmental Solutions business	\$ —	\$ 58.3
Total North America charges, net	<u>—</u>	<u>58.3</u>
International Segment		
Total International charges, net	<u>—</u>	<u>—</u>
Divestiture losses (gains), net	<u>—</u>	<u>58.3</u>
Consulting, professional, and other fees (in SG&A in Other Costs)	1.2	3.0
Total Divestitures (including Divestiture losses (gains), net)	<u>\$ 1.2</u>	<u>\$ 61.3</u>

For additional information regarding Divestiture losses (gains), net, see *Part I, Item I. Financial Statements; Note 3 Restructuring, Divestitures and Impairments* in the Condensed Consolidated Financial Statements.

We continue to evaluate the performance of our entire portfolio of assets and businesses focusing on optimization opportunities. Divestitures resulting from this evaluation may cause us to record significant charges, including those related to goodwill, other intangible assets, long-lived assets, and cumulative translation adjustments. In addition, divestitures we complete may not yield the targeted improvements in our business. Any charges that we are required to record or the failure to achieve the intended financial results associated with the portfolio optimization evaluation could have a material adverse effect on our business, financial condition, or results of operations.

Litigation, Settlements and Regulatory Compliance

We operate in highly regulated industries and must address regulatory inquiries or respond to investigations from time to time. We are also involved in a variety of civil litigation matters from time to time including the items detailed in *Part I, Item I. Financial Statements; Note 9 – Commitments and Contingencies*. Our financial results may also include considerations of non-recurring matters including settlements, environmental remediation, and legal related consulting and professional fees.

See table above of key priorities and other significant matters for litigation, settlement and regulatory compliance charges, primarily consulting and professional fees, contingent liability provisions and settlements, net of insurance recoveries, impacting our business for the periods presented, primarily in Other Costs, and how they are classified in the Condensed Consolidated Statements of Income (Loss).

Asset Impairments

See table above of key priorities and other significant matters for asset impairment for the periods presented and how they are classified in the Condensed Consolidated Statements of Income (Loss).

Impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macroeconomic environment or in the equity markets, including the market value of our common shares, deterioration in our performance or our future projections, or changes in our plans for one or more reporting units or specified long-lived assets, among other factors.

For additional information, see *Part I, Item I. Financial Statements; Note 3 – Restructuring, Divestiture and Impairments* in the Condensed Consolidated Financial Statements.

Other

See table above of key priorities and other significant matters for other charges, primarily consulting and professional fees related to internal control remediation activities, impacting our business for the periods presented, primarily in Other Costs, and how they are classified in the Condensed Consolidated Statements of Income (Loss).

See table above of key priorities and other significant matters for the impact of foreign exchange re-measurement of net monetary assets held in Argentina, divested on August 3, 2020, as a result of its designation as a highly inflationary economy for the periods presented and how they are classified in the Condensed Consolidated Statements of Income (Loss).

CARES Act

For additional information, see *Part I, Item I. Financial Statements; Note 6 – Income Taxes* in the Condensed Consolidated Financial Statements.

Results of Operations

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020:

Revenues:

We analyze revenues by revenue service category and operating segment. We analyze our revenue growth by identifying changes related to organic growth (which includes SOP pricing and volume), divestitures, and changes due to foreign currency exchange fluctuations. Organic growth excludes the effect of divestitures and foreign exchange rates to revenues in the comparative period.

Revenues by service and reportable segment were as follows:

	Three Months Ended March 31,						
	In millions			Change (%)	Components of Change (%)		
	2021	2020	Change (\$)		Organic Growth ⁽¹⁾	Divestitures	Foreign Exchange ⁽²⁾
Revenue by Service							
Regulated Waste and Compliance Services ⁽³⁾	\$ 473.6	\$ 566.9	\$ (93.3)	(16.5)%	6.0 %	(23.8) %	1.3 %
Secure Information Destruction Services	194.4	218.1	(23.7)	(10.9)%	(12.3)%	— %	1.4 %
Total Revenues	\$ 668.0	\$ 785.0	\$ (117.0)	(14.9)%	0.9 %	(17.2) %	1.4 %
North America							
Regulated Waste and Compliance Services ⁽³⁾	\$ 366.8	\$ 468.6	\$ (101.8)	(21.7)%	3.8 %	(25.8) %	0.3 %
Secure Information Destruction Services	166.9	186.0	(19.1)	(10.3)%	(10.8)%	— %	0.5 %
Total North America Segment	\$ 533.7	\$ 654.6	\$ (120.9)	(18.5)%	(0.3)%	(18.5) %	0.3 %
International							
Regulated Waste and Compliance Services ⁽³⁾	\$ 106.8	\$ 98.3	\$ 8.5	8.6 %	16.4 %	(14.3) %	6.5 %
Secure Information Destruction Services	27.5	32.1	(4.6)	(14.3)%	(21.2)%	— %	6.9 %
Total International Segment	\$ 134.3	\$ 130.4	\$ 3.9	3.0 %	7.2 %	(10.8) %	6.6 %

(1) Growth is change in revenues excluding the impact of divestitures and foreign exchange.

(2) The comparisons at constant currency rates (foreign exchange) reflect comparative local currency balances at prior period's foreign exchange rates. Stericycle calculated these percentages by taking current period reported Revenues less the respective prior period reported Revenues, divided by the prior period reported Revenues, all at the respective prior period's foreign exchange rates. This measure provides information on the change in Revenues assuming that foreign currency exchange rates have not changed between the prior and the current period. Management believes the use of this measure aids in the understanding of changes in Revenues without the impact of foreign currency.

(3) For further information, see *Part I, Item 1. Financial Statements; Note 2 – Revenues from Contracts with Customers* in the Condensed Consolidated Financial Statements.

Revenues for the first quarter were \$668.0 million, a decrease of 14.9% compared to \$785.0 million in the first quarter of last year primarily due to the impact of divestitures. In the first quarter, organic revenues of RWCS grew 6.0%, while SID declined 12.3%, both impacted by the pandemic.

North America revenues decreased \$120.9 million, or 18.5%, in the first quarter of 2021 to \$533.7 million from \$654.6 million in the first quarter of 2020. Divestiture of the Domestic Environmental Solutions business in the second quarter of 2020 and divestiture of the Expert Solutions business in the fourth quarter of 2020 reduced revenues by \$120.9 million, or 18.5% in the first quarter 2021 compared to the prior year. Organic revenue decreased \$2.0 million or 0.3% due to the impact of the COVID-19 pandemic on SID, partially offset by an increase in RWCS revenue primarily due to quality of revenue initiatives and Communication Solutions organic revenues growth.

International revenues increased \$3.9 million, or 3.0%, in the first quarter of 2021 to \$134.3 million from \$130.4 million in the first quarter of 2020. The increase in the International segment organic revenues was \$9.3 million, or 7.2%, largely attributable to the COVID-19 pandemic waste volumes in RWCS. Divestiture of the Argentina business and Expert Solutions reduced revenues by \$14.1 million, or 10.8%. The effect of foreign exchange rates was favorable by \$8.7 million, or 6.6%.

Gross profit:

In millions

	Three Months Ended March 31,					
	2021		2020		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Gross profit	261.4	39.1 %	286.6	36.5 %	(25.2)	(8.8)%

The decrease in Gross profit for the three months ended March 31, 2021, as compared to the prior year comparable period, was primarily due to the 2020 divestitures of Domestic Environmental Solutions, Argentina, and Expert Solutions businesses. In addition, Gross profit decreased because of higher third party disposal costs in International RWCS and weather related impacts due to severe storms across the southwestern U.S. These were partially offset by reductions in variable and discretionary costs, driven by operational efficiency improvements. Gross profit as a percentage of revenues has improved as divested businesses historically produced lower margins as compared to core businesses and operational efficiency initiatives noted above.

International Gross profit as a percentage of revenues is lower than North America Gross profit as a percentage of revenues because our international RWCS operations have fewer small account customers, which tend to generate higher Gross profit as a percentage of revenues. Our international RWCS operations generate most of their revenues from large account customers, such as hospitals, publicly funded healthcare organizations and National Trusts. If our international revenues or reliance on third party disposal services increase, consolidated Gross profit as a percentage of revenues may experience downward pressure due to this "business mix" shift, which may be offset by additional international small account market penetration, operational efficiency improvements, and domestic business expansion.

SG&A:
In millions

	Three Months Ended March 31,					
	2021		2020		Change	
	\$	% Revenues	\$	% Revenues	\$	%
SG&A	202.3	30.3 %	258.7	33.0 %	(56.4)	(21.8)%

The decrease in SG&A for the three months ended March 31, 2021, as compared to the prior year comparable period, was primarily due to the 2020 divestitures of the Domestic Environmental Solutions, Argentina, and Expert Solutions businesses. Additionally, the Company had lower discretionary, information technology, and bad debt expenses. Further, we continue to see lower charges associated with our key priorities and other significant matters discussed above.

Divestiture losses (gains), net:
In millions

	Three Months Ended March 31,					
	2021		2020		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Divestiture losses (gains), net	—	— %	58.3	7.4 %	(58.3)	(100.0)%

For additional information, see *Part I, Item 1. Financial Statements; Note 3 – Restructuring, Divestitures and Impairments* in the Condensed Consolidated Financial Statements and our key priorities and other significant matters discussed above.

Segment Profitability:

See *Part I, Item 1. Financial Statements; Note 8 – Segment Reporting* in the Condensed Consolidated Financial Statements and our key priorities and other significant matters discussed above for adjusting items detail.

Segment profitability was as follows:

	Three Months Ended March 31,					
	2021		2020		Change 2021 versus 2020	
	\$	% Segment Revenues	\$	% Segment Revenues	\$	%
Adjusted Income from Operations						
North America	157.6	29.5 %	149.6	22.9 %	8.0	5.3 %
International	12.6	9.4 %	15.1	11.6 %	(2.5)	(16.6)%
Other Costs	(60.2)	nm	(70.9)	nm	10.7	(15.1)%
Total	110.0	16.5 %	93.8	11.9 %	16.2	17.3 %
Reconciliation to Income (loss) from operations:						
Adjusted Income from Operations	110.0		93.8			
Adjusting Items Total ⁽¹⁾	(50.9)		(124.2)			
Income (loss) from operations	59.1		(30.4)			

nm - percentage change not meaningful

⁽¹⁾ See *Part I, Item 1. Financial Statements; Note 8 - Segment Reporting in the Condensed Consolidated Financial Statements* for more detail.

Adjusted Income from Operations for North America increased \$8.0 million, or 5.3%, in the first quarter of 2021 to \$157.6 million from \$149.6 million in the first quarter of 2020. Adjusted Income from Operations improvement was primarily driven by lower SG&A, quality of revenue and operational efficiency initiatives, and divestitures of lower margin businesses. These improvements were partially offset by severe weather impact in North America. As a percentage of North America revenues, Adjusted Income from Operations was 29.5% and 22.9%, for the first quarter of 2021 and 2020, respectively.

Adjusted Income from Operations for International decreased \$2.5 million, or 16.6%, for the first quarter of 2021 to \$12.6 million from \$15.1 million for the first quarter of 2020. The decline was primarily driven by an increase in RWCS third party disposal costs. As a percentage of International revenues, Adjusted Income from Operations was 9.4% and 11.6% for the first quarter of 2021 and 2020, respectively.

Adjusted Loss from Operations for Other Costs decreased in the three months ended March 31, 2021 compared to the prior year comparable period primarily as a result of lower discretionary and information technology expenses as well as lower Other Costs associated with divested businesses.

Interest expense, net:

In millions

	Three Months Ended March 31,					
	2021		2020		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Interest expense, net	18.4	2.8 %	25.0	3.2 %	(6.6)	(26.4)%

The decrease in the three months ended March 31, 2021 as compared to the prior year comparable period is a result of a lower weighted-average debt balance as well as lower interest rates. For further information see *Part I, Item 1. Financial Statements; Note 5 – Long-Term Debt in the Condensed Consolidated Financial Statements*.

Other expense, net:

In millions

	Three Months Ended March 31,					
	2021		2020		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Other expense, net	0.7	0.1 %	2.9	0.4 %	(2.2)	(75.9 %)

Other expense, net is primarily comprised of foreign exchange losses including the re-measurement of net monetary assets held in Argentina as a result of its designation as a highly inflationary economy through its divestiture in August of 2020.

Income tax (expense) benefit:

In millions	Three Months Ended March 31,					
	2021		2020		Change	
	\$	Effective Rate	\$	Effective Rate	\$	%
Income tax (expense) benefit	(13.8)	34.5 %	38.4	65.9 %	52.2	135.9 %

For further information, see *Part I, Item I. Financial Statements; Note 6 – Income Taxes* in the Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

The Company believes that it has sufficient liquidity to support its ongoing operations and to invest in future growth to create value for its shareholders. Operating cash flows and the Company's \$1.2 billion Senior Credit Facility are the Company's primary sources of liquidity and are expected to be used for, among other things, payment of interest and principal on the Company's long-term debt obligations, capital expenditures necessary to support growth and productivity improvements, including those associated with shareholder distributions approved by the Board of Directors. To the extent the Company needs to add additional funding options to meet additional liquidity requirements or diversify its funding portfolio, the Company could seek additional financing from alternative sources, including approaching the capital markets.

The Credit Agreement and Fifth Amendment contain a number of covenants, including financial covenants. As of March 31, 2021, the Company was in compliance with the Consolidated Leverage Ratio covenant, with an actual ratio of 3.28 to 1.00, which was below the allowed maximum ratio of 4.75 to 1.00 as contained in the Fifth Amendment.

For further details concerning these matters see *Part I, Item I. Financial Statements; Note 5 – Long-Term Debt* in the Condensed Consolidated Financial Statements.

Cash Flow Summary:

The following table shows cash flow information for the Company by activity:

In millions	Three Months Ended March 31,	
	2021	2020
Net cash from operating activities	\$ 62.6	\$ 82.1
Net cash from investing activities	(24.5)	(40.1)
Net cash from financing activities	(40.1)	(39.6)
Effect of exchange rate changes on cash and cash equivalents	(1.3)	(1.1)
Net change in cash and cash equivalents	\$ (3.3)	\$ 1.3

Operating Cash Flows: Net cash from operating activities decreased \$19.5 million in the first three months of 2021 to \$62.6 million from \$82.1 million in the first three months of 2020. The current period primarily reflects an annual incentive compensation payout of \$38.6 million and higher accounts receivables of \$9.2 million driven by increased revenues, which were partially offset by lower interest payments of \$15.6 million primarily as a result of lower debt balances and improved operating performance and other working capital changes of \$12.7 million.

DSO as of March 31, 2021 was reported as 55 days, compared to DSO of 47 days as of March 31, 2020. When excluding divested revenues from the trailing twelve-months DSO calculations as of March 31, 2021, DSO was 57 days, compared to 55 days for the first quarter of 2020.

Investing Cash Flows: Net cash from investing activities decreased \$15.6 million in the first three months of 2021 to net cash used of \$24.5 million from net cash used of \$40.1 million in the first three months of 2020. Our cash paid

for capital expenditures decreased by \$14.9 million to \$24.7 million from \$39.6 million in the first three months ended 2020. The difference was primarily driven by \$22.0 million lower ERP Implementation capital expenditures in 2021 compared to the first quarter of 2020 and timing of planned 2021 capital expenditures.

Financing Cash Flows: Net cash from financing activities increased \$0.5 million in the first three months of 2021 to \$40.1 million from \$39.6 million in the first three months of 2020. Our net repayments on our Senior Credit Facility and Term Loan were \$31.4 million in the first quarter of 2021 compared to net repayments of \$27.6 million in the first quarter of 2020.

Critical Accounting Policies and Estimates

As discussed in our 2020 Form 10-K, the preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amount of reported assets and liabilities and disclosure of contingent liabilities at the date of the Condensed Consolidated Financial Statements and revenues and expenses during the periods reported. There were no material changes from the information provided therein.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Quantitative and qualitative disclosures about the various risks to which we have exposure are included in Part I, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" of our 2020 Form 10-K. There were no material changes from the information provided therein.

The U.K.'s Financial Conduct Authority, which regulates LIBOR, announced in 2017 that it intends to phase out LIBOR by the end of 2021. The Company's contracts with respect to its borrowings already contain comparable alternative reference rates that would automatically take effect upon the phasing out of LIBOR.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) are effective as of March 31, 2021, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2021, there were no changes that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Further information pertaining to legal proceedings can be found in *Part I, Item I. Financial Statements; Note 9 – Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements and is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information included in this report, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2020, and the factors identified under “Safe Harbor Statement” at the beginning of Part I, Item 2 of this Quarterly Report on Form 10-Q, which could materially affect our business, financial condition, cash flows, or results of operations. The risks described in the Annual Report are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently considers immaterial also may materially adversely affect its business, financial condition, and/or operating results. There have been no material changes to the risk factors included in our Annual Report for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the three months ended March 31, 2021.

Item 6. Exhibits

The following exhibits are filed or furnished as part of this report:

Exhibit Index

Exhibit Index	Description
2.1	Stock Purchase Agreement, dated as of February 6, 2020, by and among Stericycle, Inc., Harsco Corporation and CEI Holding, LLC (incorporated by reference to Exhibit 2.1 to our current report on Form 8-K filed February 7, 2020)
3.1	Amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1 declared effective on August 22, 1996)
3.2	First certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our current report on Form 8-K filed November 29, 1999)
3.3	Second certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our annual report on Form 10-K for 2002)
3.4	Third certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our registration statement on Form S-4 declared effective on October 10, 2007)
3.5	Fourth certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3(i).1 to our quarterly report on Form 10-Q filed August 7, 2014)
3.6	Certificate of Designation setting forth the specific rights, preferences, limitations, restrictions and other terms and conditions of the Series A Convertible Preferred Stock, par value \$0.01 per share (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed November 29, 1999)
3.7	Certificate of Elimination of the Certificate of Designations relating to Series A Convertible Preferred Stock, par value 0.01 per share (incorporated by reference to Exhibit 3.1 and 4.1 to our current report on Form 8-K filed September 15, 2015)
3.8	Certificate of Designations setting forth the specific rights, preferences, limitations, restrictions and other terms and conditions of the Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form 8-A filed September 15, 2015)
3.9	Certificate of Elimination of the Certificate of Designations relating to 5.25% Series A Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 3.9 to our Quarterly Report on Form 10-Q filed November 11, 2018)
3.10	Amended and restated bylaws (incorporated by reference to Exhibit 3(ii).1 to our current report on Form 8-K filed June 1, 2016)
10.1	Form of Agreement for Restricted Stock Unit Award under the 2011 Incentive Stock Plan
10.2	Form of Agreement for Performance-Based Restricted Stock Unit Award under the 2011 Incentive Stock Plan
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101	The following information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Income (Loss); (ii) Condensed Consolidated Statements of Comprehensive Income (Loss); (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Changes in Equity and (vi) Notes to Condensed Consolidated Financial Statements
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* The Company agrees to furnish supplementally a copy of any omitted exhibit or appendix to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 29, 2021

STERICYCLE, INC.

(Registrant)

By: /s/ JANET H. ZELENKA

Janet H. Zelenka

Executive Vice President, Chief Financial Officer & Chief Information Officer

Restricted Stock Unit Award

(Stericycle, Inc. 2011 Incentive Stock Plan)

Participant:	%%FIRST_NAME%- %LAST_NAME%-
Award Grant Date ("Grant Date"):	%%OPTION_DATE,'Month DD, YYYY'%-
Number of shares subject to this Award:	%%TOTAL_SHARES_GRANTED,'999,999,999'%-
Vesting Schedule Via as Follows:	

<u>Shares</u>	<u>Vesting Date</u>
%%SHARES_PERIOD1,'99,999,999'%-	%%VEST_DATE_PERIOD1,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD2,0,null,SHARES_PERIOD2),'999,999,999'%-	%%VEST_DATE_PERIOD2,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD3,0,null,SHARES_PERIOD3),'999,999,999'%-	%%VEST_DATE_PERIOD3,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD4,0,null,SHARES_PERIOD4),'999,999,999'%-	%%VEST_DATE_PERIOD4,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD5,0,null,SHARES_PERIOD5),'999,999,999'%-	%%VEST_DATE_PERIOD5,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD6,0,null,SHARES_PERIOD6),'999,999,999'%-	%%VEST_DATE_PERIOD6,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD7,0,null,SHARES_PERIOD7),'999,999,999'%-	%%VEST_DATE_PERIOD7,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD8,0,null,SHARES_PERIOD8),'999,999,999'%-	%%VEST_DATE_PERIOD8,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD9,0,null,SHARES_PERIOD9),'999,999,999'%-	%%VEST_DATE_PERIOD9,'Month DD, YYYY'%-
%%decode(SHARES_PERIOD10,0,null,SHARES_PERIOD10),'999,999,999'%-	%%VEST_DATE_PERIOD10,'Month DD, YYYY'%-

THIS RESTRICTED STOCK UNIT AGREEMENT (this "Award Agreement"), dated as of the Grant Date specified above, by and between Stericycle, Inc. (the "Company") and Participant, is entered into pursuant to the Stericycle, Inc. 2011 Incentive Stock Plan (as the same may be amended, restated, supplemented and otherwise modified from time to time, the "Plan"). This Award Agreement is subject to the terms and conditions of the Plan; provided, however, that, pursuant to the authority granted to the Committee pursuant to the Plan to determine the vesting provisions of RSU Awards under the Plan, the provisions of Article 7 of the Plan shall not apply to this Award.

1. Defined Terms. All capitalized terms not otherwise defined in the text of this Award Agreement have the meanings attributed to them in the Plan. In addition, the following capitalized terms shall have the meaning specified for purposes of this Award Agreement (notwithstanding any definition of such term set forth in the Plan):

(a) “Common Stock” means the Company’s common stock, par value \$.01 per share.

(b) “Change of Control” means the first to occur of the following:

(i) any Person directly or indirectly acquires or otherwise becomes entitled to vote Common Stock having 51% or more of the voting power in elections for directors (other than pursuant to a transaction described in clause (iii)(z)); or

(ii) there shall have been a change in the composition of the Board within a 24-month period such that a majority of the Board does not consist of directors who were serving at the beginning of such period together with directors whose initial nomination for election by the Company’s stockholders or, if earlier, initial appointment to the Board was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the 24-month period together with the directors who were previously so approved (either by a specific vote of approval or by approval of the Company’s proxy statement in which such individual was named as a nominee for election as a director); or

(iii) the consummation of a merger or consolidation of the Company with any other corporation or other entity other than (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least seventy-five (75%) of the total voting power of the securities of the Company or the surviving entity outstanding immediately after such merger or consolidation, (y) a merger or consolidation effected to implement a recapitalization of the Company in which no Person acquires more than fifty percent (50%) of the total voting power of the Company’s then outstanding securities, or (z)(1) a merger or consolidation as a result of which the Company becomes a direct or indirect wholly-owned subsidiary of a holding company, and (2)(A) the direct or indirect holders of the voting securities of such holding company immediately following the transaction are substantially the same as the holders of the Company’s voting securities immediately prior to the transaction, or (B) immediately following the transaction no Person (other than a holding company satisfying the requirements of this clause (iii)(z)) is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting securities of such holding company; or

(iv) the Company sells all or a substantial portion of the consolidated assets of the Company and its Subsidiaries, and the Company does not own stock in the purchaser having more than 75% of the voting power in elections for directors; or

(v) the stockholders of the Company approve a plan of complete liquidation of the Company.

As used in this definition, a “Person” means any “person” as that term is used in Sections 13(d)

and 14(d) of the Exchange Act, together with all of that person's "affiliates" and "associates" as those terms are defined in Rule 12b-2 under the Exchange Act. Notwithstanding the foregoing, in the case of any individual who is eligible to participate in the Executive Plan, the definition of "Change in Control" for purposes of the Plan and Awards issued hereunder shall be the same as the definition of Change in Control as set forth in the Executive Plan.

(c) "Executive Plan" means the Stericycle, Inc. Executive Severance and Change in Control Plan.

(d) "**Disability**" means, in accordance with Treasury Regulations § 1.409A-3(a), a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of the Participant's position of employment or any substantially similar position of employment.

(e) "Retirement" means a voluntary termination by Participant of his or her employment with the Company or any of its Subsidiaries, following attainment of (i) age 60 and five years of continuous service (at the time of termination) with the Company or any of its Subsidiaries, or (ii) age 65.

(f) "Subsidiary" means any corporation, partnership, joint venture or other entity during any period in which at least a fifty percent voting or profits interest is owned, directly or indirectly, by the Company (or by any entity that is a successor to the Company), and any other business venture designated by the Committee in which the Company (or any entity that is a successor to the Company) has a significant interest, as determined in the discretion of the Committee.

(g) "Termination Date" means the date on which Participant ceases to be an employee of the Company and its Subsidiaries, regardless of the reason for the termination; provided that a "Termination Date" shall not be considered to have occurred in the case of a transfer of employment from the Company to a Subsidiary or from a Subsidiary to the Company. If Participant ceases to be an employee and immediately becomes a non-employee director of the Company, the Termination Date shall not occur until the date on his or her service as a non-employee director terminates. In any event, to the extent that this Award is subject to Code Section 409A, the term "Termination Date" means a "separation from service" within the meaning of Code Section 409A.

2. **Grant of Restricted Stock Units.** Subject to the terms and conditions of the Plan and this Award Agreement, the Company hereby grants to Participant an RSU Award under the Plan with respect to the number of shares set forth above ("RSUs"). Except as provided in this Award Agreement, the RSUs shall vest based on Participant's continued service with the Company and its Subsidiaries as described in Paragraph 3. Each RSU constitutes an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to Participant a share of Common Stock, or its cash equivalent, subject to the terms and conditions of the Plan and this Award Agreement and is not an actual share of Common Stock. Prior to settlement, as described in Paragraph 4, RSUs are only bookkeeping entries, either on the Company's own records or on those of E*Trade (or any other record keeper that the Company may use in

connection with the administration of the Plan), and Participant shall not have any rights as a stockholder of the Company in respect of his or her RSUs.

3. Vesting.

(a) General Vesting Rules. This Award shall vest per the vesting schedule set forth above provided that Participant's Termination Date has not occurred as of the applicable Vesting Date, except as otherwise provided in this Award Agreement. Subject to the terms and conditions of this Award Agreement, the actual number of RSUs that become earned and vested as of a Vesting Date are referred to as "Vested RSUs". All RSUs that become Vested RSUs on a Vesting Date shall be distributed to Participant in accordance with Paragraph 4. Except as otherwise provided by the Committee or this Award Agreement, if Participant's Termination Date occurs for any reason prior to the applicable Vesting Date, then, as of Participant's Termination Date, all then unvested RSUs shall be cancelled and shall be forfeited, none of the unvested RSUs shall become Vested RSUs and Participant shall have no rights under or with respect to any of the unvested RSUs.

(b) Special Rules for Death or Disability. Notwithstanding the provisions of subparagraph 3(a), if Participant's Termination Date occurs prior to a Vesting Date on account of Participant's death or Disability, then all of the then outstanding unvested RSUs shall immediately vest and such Termination Date shall be the "Vesting Date" for such RSUs for purposes of Paragraph 4.

(c) Special Rules for Retirement. Notwithstanding the provisions of subparagraph 3(a), if (i) Participant's Termination Date occurs prior to any Vesting Date due to Participant's Retirement, (ii) Participant provided written notice to the Company of his or her intention to retire at least six months prior to Participant's Termination Date due to Retirement, and (iii) at least six months have elapsed between the Grant Date and Participant's Termination Date due to Retirement, then outstanding unvested RSUs will continue to vest in accordance with the vesting schedule set forth above; provided, however, that the Employee Covenant Agreement referred to in Paragraph 6 of this Award Agreement shall continue to apply to Participant following Participant's Termination Date due to Participant's Retirement until this Award is fully vested and settled in accordance with Paragraph 4, and if Participant violates any provision of the Employee Covenant Agreement during such period, then subparagraph (d) immediately below will apply.

(d) Employee Covenant Agreement. This Award is subject to forfeiture and automatic cancellation as provided in the Employee Covenant Agreement referred to in Paragraph 6 of this Award Agreement. In addition, Participant may be required to repay the Company any cash paid in settlement of the Award, and the net proceeds from the sale of any stock issued in settlement of the Award, as also provided in the Employee Covenant Agreement.

(e) Change of Control. The provisions of Article 7 of the Plan shall not apply to this Award (other than the definition of Change of Control in Article 7). In the event of a Change of Control:

(i) If the surviving or successor entity (or its parent company) continues, assumes or replaces this Award, then this Award or its replacement shall remain outstanding and be governed by its respective terms, subject to subsection (B) below.

(A) This Award shall be considered assumed or replaced if, in connection with the Change of Control, and in a manner consistent with Code Section 409A, either (1) the contractual obligations represented by this Award are expressly assumed by the surviving or successor entity (or its parent) with appropriate adjustments to the number and type of securities subject to this Award that preserves the intrinsic value of this Award existing at the time of the Change of Control, or (2) the Participant has received a comparable equity-based award that preserves the intrinsic value of this Award existing at the time of the Change of Control and contains terms and conditions that are substantially similar to those of this Award.

(B) If this Award is continued, assumed or replaced, and (1) a Change of Control occurs prior to a Vesting Date, (2) on or within 24 months following the Change of Control (the "Protected Period"), Participant's Termination Date occurs as a result of a Qualifying Termination (as defined in subparagraph (f)), and (3) the Release Requirements (as defined in subparagraph (f)) are satisfied as of the date that is 60 days following Participant's Termination Date, then all of the RSUs (or their equivalent) under this Award then outstanding shall become Vested RSUs (or their equivalent) and the Termination Date shall be the "Vesting Date" for purposes of Paragraph 4.

(ii) If and to the extent this Award is not continued, assumed or replaced, then all of the RSUs then outstanding shall become Vested RSUs immediately prior to the effective time of the Change of Control. Further, the Committee may provide that this Award shall be canceled at or immediately prior to the effective time of the Change of Control in exchange for a payment in an amount equal to the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Change of Control for the number of shares subject to this Award. Payment of any such amount shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to the Company's stockholders in connection with the Change of Control, and may, in the Committee's discretion, include subjecting such payments to vesting conditions comparable to those of the Award canceled, subjecting such payments to escrow or holdback terms comparable to those imposed upon the Company's stockholders under the Change of Control, or calculating and paying the present value of payments that would otherwise be subject to escrow or holdback terms.

(f) For purposes of this Award Agreement:

(i) A "Qualifying Termination" means the occurrence of Participant's Termination Date by reason of (I) termination by the Company or a Subsidiary without Cause (as defined below) or (II) termination by Participant for Good Reason (as defined below).

(ii) "Cause" means a termination for (I) gross negligence, (II) personal dishonesty, (III) incompetence, (IV) willful misconduct, (V) any breach of fiduciary duty involving personal profit, (VI) intentional failure to perform stated duties, (VII) the willful violation of any law, rule or regulation (other than traffic violations or similar offenses), (VIII) the material breach of an employment

agreement or any restrictive covenant agreement (or the restrictive covenant provisions of any other plan of the Company or any Subsidiary); or (IX) a material violation of a material written policy of the Company or any Subsidiary, violation of which would be grounds for immediate dismissal under applicable Company or Subsidiary policy.

(iii) Participant's Termination Date shall be considered to have terminated for "Good Reason" if (A) without Participant's consent, one or more of the following actions or omissions occurs: (I) a material reduction in Participant's base salary, bonus opportunity or level of incentive plan participation (without replacement of substantially equal value on an aggregated basis) as in effect immediately prior to the Change of Control, (II) the elimination (without replacement) of a material benefit provided to Participant immediately prior to the Change of Control, (III) Participant is required to be based at any office or location more than 50 miles from Participant's office or location in effect immediately prior to the Change of Control, (IV) any material diminution in Participant's authority, duties or responsibilities as in effect immediately prior to the Change of Control, or (V) any material breach of this Award Agreement or the Plan by the Company or the Committee, (B) Participant notifies the Company in writing of the event constituting Good Reason within 90 days after the occurrence of such event and within the Protected Period, (C) the Company has not cured the event constituting Good Reason within 30 days following receipt of the notice from Participant, and (D) Participant terminates employment within 5 days following expiration of the cure period. For the avoidance of doubt, a delay in the delivery of a notice of Good Reason or in Participant's termination following the lapse of the cure period shall constitute a waiver of Participant's ability to terminate for Good Reason under this Award Agreement.

(iv) The "Release Requirements" will be satisfied as of any date provided that, as of such date, Participant (A) has timely delivered to the Company a general waiver and release of claims in favor of the Company and related parties (the "Release") in such form provided by the Company in its sole discretion and with such terms and conditions (which shall include, but are not limited to, non-competition, non-solicitation, confidentiality, and other restrictive covenants, as well as the events that shall result in the forfeiture, recoupment, and/or claw-back of the benefits provided under this Award Agreement and the Plan) as are reasonably acceptable to the Company, (B) Participant does not revoke the Release, and (C) the revocation period related to such Release has expired.

4. Settlement. If any of the RSUs become Vested RSUs, the Award shall be settled with respect to such Vested RSUs as soon as practicable after the applicable Vesting Date, but no later than 45 days after the Vesting Date. Settlement of the Vested RSUs shall be made, in the sole discretion of the Committee, in (a) the form of shares of Common Stock (with one share of Common Stock distributed for each Vested RSU and cash equal in value to any fractional Vested RSU) registered in the name of Participant, (b) a lump sum cash payment equal to the Fair Market Value (determined as of the Vesting Date) of the number of shares of Common Stock

determined under subparagraph (a), or (c) a combination of the payment forms described in subparagraphs (a) and (b). Participant shall be entitled to settlement only with respect to Vested RSUs.

5. **Withholding.** This Award and the delivery of shares of the Common Stock or the payment of cash in settlement of the Award pursuant to Paragraph 4 shall be conditioned upon the satisfaction of any applicable withholding tax obligation. Participant hereby authorizes the Company to withhold from payroll or other amounts payable to Participant any sums required to satisfy withholding tax obligations related to this Award, and otherwise agree to satisfy such obligations. To the extent that any shares are eligible for settlement at the time of taxation, Participant may elect to satisfy such withholding tax obligations by having the Company withhold a number of shares that would otherwise be issued to Participant in settlement of the RSUs and that have a fair market value equal to the amount of such withholding tax obligations by notifying the Company of such election prior to the Vesting Date.

6. **Employee Covenant Agreement.** This Award Agreement and the grant of RSUs to Participant are subject to Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement which has been provided or made available to Participant with this Award Agreement. The Company would not have granted the Award to Participant without Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement.

7. **Transferability.** None of the RSUs may be transferred, assigned or pledged (whether by operation of law or otherwise), except as provided by will or the applicable laws of intestacy. The Award shall not be subject to execution, attachment or similar process.

8. **Interpretation/Administration.** This Award Agreement is subject to the terms of the Plan, as the Plan may be amended, but except as required by applicable law, no amendment of the Plan after the Grant Date shall adversely affect Participant's rights in respect of the RSUs without Participant's consent.

If there is a conflict or inconsistency between this Award Agreement and the Plan, the terms of the Plan shall control, provided that it shall not be deemed a conflict or inconsistency to the extent a term of this Award Agreement explicitly provides for a different treatment than in the Plan, and in those cases, this Award Agreement shall control. The Committee's interpretation of this Award Agreement and the Plan shall be final and binding.

The authority to manage and control the operation and administration of this Award shall be vested in the Committee, and the Committee shall have all powers with respect to the Award and this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement by the Committee and any decision made by it with respect to the Award or this Award Agreement is final and binding on all persons.

9. **No Employment Rights.** Nothing in this Award Agreement shall be considered to confer on Participant any right to continue in the employ of the Company or a Subsidiary or to limit the right of the Company or a Subsidiary to terminate Participant's employment.

10. **No Stockholder Rights.** Participant shall not have any rights as a stockholder of the Company in respect of any of RSUs unless and until this Award vests and is settled in shares of Common Stock.

11. **Governing Law.** This Award Agreement shall be governed in accordance with the laws of the State of Illinois.

12. **Binding Effect.** This Award Agreement shall be binding on the Company and Participant and on Participant's heirs, legatees and legal representatives.

13. **Effective Date.** This Award shall not become effective until Participant's acceptance of this Award and agreement to be bound by the Employee Covenant Agreement. Upon such acceptance and agreement, this Award shall become effective, retroactive to the Grant Date, without the necessity of further action by either the Company or Participant. If, within 90 days of the Grant Date, this Award is not accepted and/or if the Employee Covenant Agreement is not signed and returned to the Company, this Award may, if so determined by the Company in its discretion, be forfeited and cancelled, in which case Participant shall have no further rights under or with respect thereto.

14. **Adjustment.** This Award, and the shares of Common Stock subject hereto, shall be subject to adjustment by the Committee in accordance with the terms of the Plan.

15. **Code Section 409A.** It is intended that any amounts payable or benefits provided under this Award Agreement shall either be exempt from or comply with Section 409A of the Code and all regulations, guidance and other interpretive authority issued thereunder ("Code Section 409A") so as not to subject Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A and any ambiguities herein shall be interpreted to so comply. Neither the Company nor any of the Subsidiaries, however, makes any representation regarding the tax consequences of this Award. Notwithstanding any other provision of this Award Agreement to the contrary, if any payment or benefit hereunder is subject to Code Section 409A, the following shall apply:

(a) if such payment or benefit is to be paid or provided on account of Participant's Termination Date (or other separation from service or termination of employment) to a Participant who is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following Participant's separation from service or termination of employment, such payment or benefit shall be delayed until the first day of the seventh month following Participant's separation from service;

(b) if such payment or benefit is to be paid or provided on account of Participant's Termination Date (or other separation from service or termination of employment), the determination as to whether Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of Code Section 409A and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder; and

(c) notwithstanding anything in Section 3(e) to the contrary, for any Change of Control that qualifies as a change in control under Treasury Regulations §1.409A-3(i)(5), all of the RSUs then outstanding shall become Vested RSUs immediately prior to the effective time of the Change of Control and settle within 30 days following the Change of Control, provided that payments may be delayed in accordance with the provisions of Treasury Regulations §1.401A-3(i)(5)(iv).

Performance-Based Stock Unit Award

(Stericycle, Inc. 2011 Incentive Stock Plan)

Participant:	
Award Grant Date ("Grant Date"):	
Number of shares subject to this Award:	
Performance Period:	Three fiscal years beginning in the year in which the grant is awarded
Performance Year:	Each calendar year during the Performance Period

THIS PERFORMANCE-BASED STOCK UNIT AGREEMENT (this "Award Agreement"), dated as of the Grant Date specified above, by and between Stericycle, Inc. (the "Company") and Participant, is entered into pursuant to the Stericycle, Inc. 2011 Incentive Stock Plan (as the same may be amended, restated, supplemented and otherwise modified from time to time, the "Plan"). This Award Agreement is subject to the terms and conditions of the Plan; provided, however, that, pursuant to the authority granted to the Committee pursuant to the Plan to determine the vesting provisions of RSU Awards as defined under the Plan, the provisions of Article 7 of the Plan shall not apply to this Award.

1. **Defined Terms.** All capitalized terms not otherwise defined in the text of this Award Agreement have the meanings attributed to them in the Plan. In addition, the following capitalized terms shall have the meaning specified for purposes of this Award Agreement (notwithstanding any definition of such term set forth in the Plan):

(a) "Common Stock" means the Company's common stock, par value \$.01 per share.

(b) "Change of Control" means the first to occur of the following:

(i) any Person directly or indirectly acquires or otherwise becomes entitled to vote Common Stock having 51% or more of the voting power in elections for directors (other than pursuant to a transaction described in clause (iii)(z)); or

(ii) there shall have been a change in the composition of the Board within a 24-month period such that a majority of the Board does not consist of directors who were serving at the beginning of such period together with directors whose initial nomination for election by the Company's stockholders or, if earlier, initial appointment to the Board was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the 24-month period together with the directors who were previously so approved (either by a specific vote of approval or by approval of the Company's proxy statement in which such individual was named as a nominee for election as a director); or

(iii) the consummation of a merger or consolidation of the Company with any other corporation or other entity other than (x) a merger or consolidation

which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least seventy-five (75%) of the total voting power of the securities of the Company or the surviving entity outstanding immediately after such merger or consolidation, (y) a merger or consolidation effected to implement a recapitalization of the Company in which no Person acquires more than fifty percent (50%) of the total voting power of the Company's then outstanding securities, or (z)(1) a merger or consolidation as a result of which the Company becomes a direct or indirect wholly-owned subsidiary of a holding company, and (2)(A) the direct or indirect holders of the voting securities of such holding company immediately following the transaction are substantially the same as the holders of the Company's voting securities immediately prior to the transaction, or (B) immediately following the transaction no Person (other than a holding company satisfying the requirements of this clause (iii)(z)) is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting securities of such holding company; or

(iv) the Company sells all or a substantial portion of the consolidated assets of the Company and its Subsidiaries, and the Company does not own stock in the purchaser having more than 75% of the voting power in elections for directors; or

(v) the stockholders of the Company approve a plan of complete liquidation of the Company.

As used in this definition, a "Person" means any "person" as that term is used in Sections 13(d) and 14(d) of the Exchange Act, together with all of that person's "affiliates" and "associates" as those terms are defined in Rule 12b-2 under the Exchange Act. Notwithstanding the foregoing, in the case of any individual who is eligible to participate in the Executive Plan, the definition of "Change in Control" for purposes of the Plan and Awards issued hereunder shall be the same as the definition of Change in Control as set forth in the Executive Plan.

- (c) "Disability" means, in accordance with Treasury Regulations § 1.409A-3(a), a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of the Participant's position of employment or any substantially similar position of employment.
- (d) "Executive Plan" means the Stericycle, Inc. Executive Severance and Change in Control Plan.
- (e) "Final Vesting Date" means the third anniversary of the Grant Date unless otherwise specified herein.

- (f) “Retirement” means a voluntary termination by Participant of his or her employment with the Company or any of its Subsidiaries, following attainment of (i) age 60 and five years of continuous service (at the time of termination) with the Company or any of its Subsidiaries, or (ii) age 65.
- (g) “Subsidiary” means any corporation, partnership, joint venture or other entity during any period in which at least a fifty percent voting or profits interest is owned, directly or indirectly, by the Company (or by any entity that is a successor to the Company), and any other business venture designated by the Committee in which the Company (or any entity that is a successor to the Company) has a significant interest, as determined in the discretion of the Committee.
- (h) “Termination Date” means the date on which Participant ceases to be an employee of the Company and its Subsidiaries, regardless of the reason for the termination; provided that a “Termination Date” shall not be considered to have occurred in the case of a transfer of employment from the Company to a Subsidiary or from a Subsidiary to the Company. If Participant ceases to be an employee and immediately becomes a non-employee director of the Company, the Termination Date shall not occur until the date on his or her service as a non-employee director terminates. In any event, to the extent that this Award is subject to Code Section 409A, the term “Termination Date” means a “separation from service” within the meaning of Code Section 409A.

2. Grant of Performance Stock Units. Subject to the terms and conditions of the Plan and this Award Agreement, the Company hereby grants to Participant an RSU Award under the Plan in the form of performance-based stock units with respect to the number of shares set forth above (“Performance Stock Units”). The Performance Stock Units that may vest based on (a) Participant’s continued service with the Company and its Subsidiaries and (b) satisfaction of Performance Targets shall be determined in accordance with Paragraph 3. Each Performance Stock Unit constitutes an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to Participant a share of Common Stock, or its cash equivalent, subject to the terms and conditions of the Plan and this Award Agreement and is not an actual share of Common Stock. Prior to settlement, as described in Paragraph 4, Performance Stock Units are only bookkeeping entries, either on the Company’s own records or on those of E*TRADE (or any other record keeper that the Company may use in connection with the administration of the Plan), and Participant shall not have any rights as a stockholder of the Company in respect of his or her Performance Stock Units.

3. Vesting.

- (a) Performance Targets. For each Performance Year during the Performance Period, the Committee shall establish performance targets (“Performance Targets”) that shall apply to such Performance Year. The Performance Targets shall be established within the first 90 days of the Performance Year and at a time when the outcome as to the Performance Targets is substantially uncertain. The Performance Targets for the first Performance Year are set forth in Appendix A (which is incorporated into and forms a part of this Award Agreement). The

Performance Targets for Performance Years after the first Performance Year shall be established by the Committee in accordance with this subparagraph (a) and shall be communicated to Participant and be deemed to become a part of this Award Agreement. In addition, the Committee has established an additional Performance Target that will be measured over the entire Performance Period and will be applied as a modifier to the performance results from each Performance Year, which additional Performance Target is set forth in Appendix A. The Performance Targets for each Performance Year and for the Performance Period shall be used to determine the maximum number of Performance Stock Units that may become vested for the Performance Period as described in subparagraph (b).

(b) General Vesting Rules.

- (i) A maximum of 50% of the Performance Stock Units may become conditionally vested on each of the first, second and third anniversaries of the Grant Date (each date a “Conditional Vesting Date” with respect to the Performance Year ending immediately prior to the applicable anniversary of the Grant Date), provided that Participant’s Termination Date has not occurred as of the applicable Conditional Vesting Date, except as otherwise provided in this Award Agreement. Subject to the terms and conditions of this Award Agreement, the actual number of Performance Stock Units that become conditionally vested as of any Conditional Vesting Date (“Conditionally Vested Performance Stock Units”) shall be determined based on satisfaction of the Performance Targets for the applicable Performance Year. Without limiting the generality of the foregoing or any other provision of this Award Agreement, Conditionally Vested Performance Stock Units shall be treated as unvested Performance Stock Units unless and until they become Vested Performance Stock Units as of the Final Vesting Date. Except as otherwise provided by the Committee or this Award Agreement, if Participant’s Termination Date occurs for any reason prior to the Final Vesting Date, then, as of Participant’s Termination Date, all then unvested Performance Stock Units shall be cancelled and shall be forfeited, none of the unvested Performance Stock Units shall become Vested Performance Stock Units and Participant shall have no rights under or with respect to any of the unvested Performance Stock Units.
- (ii) As of the Final Vesting Date, the number of the then outstanding Conditionally Vested Performance Stock Units that actually become earned and vested as of the Final Vesting Date (the “Vested Performance Stock Units”) shall be determined by the Committee based on the Performance Targets for each Performance Year and for the overall Performance Period. All Performance Stock Units that become Vested Performance Stock Units on the Final Vesting Date shall be distributed to Participant in accordance with Paragraph 4.

- (c) Special Rules for Death or Disability. Notwithstanding the provisions of subparagraph 3(b), if Participant's Termination Date occurs prior to the Final Vesting Date on account of Participant's death or Disability, then all of the then outstanding unvested Performance Stock Units shall become Vested Performance Stock Units at the target level of performance, and such Termination Date shall be the "Final Vesting Date" for such Performance Stock Units for purposes of Paragraph 4.
- (d) Special Rules for Retirement. Notwithstanding the provisions of subparagraph 3(b), if (i) Participant's Termination Date occurs prior to the Final Vesting Date due to Participant's Retirement, (ii) Participant provided written notice to the Company of his or her intention to retire at least six months prior to Participant's Termination Date due to Retirement, and (iii) at least six months have elapsed between the Grant Date and Participant's Termination Date due to Retirement, then the Performance Stock Units will remain outstanding and subject to the general vesting rules set forth in subparagraph (b) above; provided, however, that the Employee Covenant Agreement referred to in Paragraph 6 of this Award Agreement shall continue to apply to Participant following Participant's Termination Date due to Participant's Retirement until the Committee determines the Vested Performance Stock Units that actually become earned and vested and such Vested Performance Stock Units are settled in accordance with Paragraph 4, and if Participant violates any provision of the Employee Covenant Agreement during such period, then subparagraph (e) immediately below will apply.
- (e) Employee Covenant Agreement. This Award is subject to forfeiture and automatic cancellation as provided in the Employee Covenant Agreement referred to in Paragraph 6 of this Award Agreement. In addition, Participant may be required to repay the Company any cash paid in settlement of the Award, and the net proceeds from the sale of any stock issued in settlement of the Award, as also provided in the Employee Covenant Agreement.
- (f) Change of Control. The provisions of Article 7 of the Plan shall not apply to this Award (other than the definition of Change of Control in Article 7). In the event of a Change of Control:
 - (i) If the surviving or successor entity (or its parent company) continues, assumes or replaces this Award, then this Award or its replacement shall remain outstanding and be governed by its respective terms, subject to subsection (B) below.
 - (A) This Award shall be considered assumed or replaced if, in connection with the Change of Control, and in a manner consistent with Code Section 409A, either (1) the contractual obligations represented by this Award are expressly assumed by the surviving or successor entity (or its parent) with appropriate adjustments to the number and type of securities subject to this Award that preserves the intrinsic value of this Award existing at the time of the Change of Control, or (2) the Participant has received a comparable

equity-based award that preserves the intrinsic value of this Award existing at the time of the Change of Control and contains terms and conditions that are substantially similar to those of this Award.

(B) If a Change of Control occurs prior to the Final Vesting Date and this Award is continued, assumed or replaced, then the Performance Targets for the outstanding unvested Performance Stock Units shall be deemed to be achieved as of the date of the Change of Control at the target level of performance and such number of deemed earned Performance Stock Units ("Deemed Earned Performance Stock Units") shall be subject to a continuing service requirement (except as set forth in the remainder of this subsection (B)) until the Final Vesting Date; provided, however, that if on or within 24 months following the Change of Control (the "Protected Period"), Participant's Termination Date occurs as a result of a Qualifying Termination (as defined in subparagraph (g)), and the Release Requirements (as defined in subparagraph (g)) are satisfied as of the date that is 60 days following Participant's Termination Date, then all of the Deemed Earned Performance Stock Units (or their equivalent) then outstanding shall become Vested Performance Stock Units (or their equivalent) and the Termination Date shall be the "Final Vesting Date" for purposes of Paragraph 4.

(ii) If and to the extent this Award is not continued, assumed or replaced, then all of the Performance Stock Units then outstanding shall become Vested Performance Stock Units at the target level of performance immediately prior to the effective time of the Change of Control. Further, the Committee may provide that this Award shall be canceled at or immediately prior to the effective time of the Change of Control in exchange for a payment in an amount equal to the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Change of Control for the number of shares (assuming a target level of performance) subject to this Award. Payment of any such amount shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion.

(g) For purposes of this Award Agreement:

(i) A "Qualifying Termination" means the occurrence of Participant's Termination Date by reason of (I) termination by the Company or a Subsidiary without Cause (as defined below) or (II) termination by Participant for Good Reason (as defined below).

(ii) "Cause" means a termination for (I) gross negligence, (II) personal dishonesty, (III) incompetence, (IV) willful misconduct, (V) any breach of fiduciary duty involving personal profit, (VI) intentional failure to perform stated duties, (VII) the willful violation of any law, rule or regulation (other than traffic violations or similar offenses), (VIII) the material breach of an employment agreement or any restrictive covenant agreement (or the restrictive covenant provisions of any other plan of the Company or any Subsidiary); or (IX) a

material violation of a material written policy of the Company or any Subsidiary, violation of which would be grounds for immediate dismissal under applicable Company or Subsidiary policy.

(iii) Participant's Termination Date shall be considered to have terminated for "Good Reason" if (A) without Participant's consent, one or more of the following actions or omissions occurs: (I) a material reduction in Participant's base salary, bonus opportunity or level of incentive plan participation (without replacement of substantially equal value on an aggregated basis) as in effect immediately prior to the Change of Control, (II) the elimination (without replacement) of a material benefit provided to Participant immediately prior to the Change of Control, (III) Participant is required to be based at any office or location more than 50 miles from Participant's office or location in effect immediately prior to the Change of Control, (IV) any material diminution in Participant's authority, duties or responsibilities as in effect immediately prior to the Change of Control, or (V) any material breach of this Award Agreement or the Plan by the Company or the Committee, (B) Participant notifies the Company in writing of the event constituting Good Reason within 90 days after the occurrence of such event and within the Protected Period, (C) the Company has not cured the event constituting Good Reason within 30 days following receipt of the notice from Participant, and (D) Participant terminates employment within 5 days following expiration of the cure period. For the avoidance of doubt, a delay in the delivery of a notice of Good Reason or in Participant's termination following the lapse of the cure period shall constitute a waiver of Participant's ability to terminate for Good Reason under this Award Agreement.

(iv) The "Release Requirements" will be satisfied as of any date provided that, as of such date, Participant (A) has timely delivered to the Company a general waiver and release of claims in favor of the Company and related parties (the "Release") in such form provided by the Company in its sole discretion and with such terms and conditions (which shall include, but are not limited to, non-competition, non-solicitation, confidentiality, and other restrictive covenants, as well as the events that shall result in the forfeiture, recoupment, and/or claw-back of the benefits provided under this Award Agreement and the Plan) as are reasonably acceptable to the Company, (B) Participant does not revoke the Release, and (C) the revocation period related to such Release has expired.

4. Settlement. If any of the Performance Stock Units become Vested Performance Stock Units, the Award shall be settled with respect to such Vested Performance Stock Units as soon as practicable after the applicable Final Vesting Date but no later than 45 days after the Final Vesting Date. Settlement of the Vested Performance Stock Units shall be made, in the sole discretion of the Committee, in (a) the form of shares of Common Stock (with one share of Common Stock distributed for each Vested Performance Stock Unit and cash equal in value to any fractional Vested Performance Stock Unit) registered in the name of Participant, (b) a lump sum cash payment equal to the Fair Market Value (determined as of the Final Vesting Date) of the number of shares of Common Stock determined under subparagraph (a), or (c) a combination

of the payment forms described in subparagraphs (a) and (b). Participant shall be entitled to settlement only with respect to Vested Performance Stock Units.

5. **Withholding.** This Award and the delivery of shares of the Common Stock or the payment of cash in settlement of the Award pursuant to Paragraph 4 shall be conditioned upon the satisfaction of any applicable withholding tax obligation. Participant hereby authorizes the Company to withhold from payroll or other amounts payable to Participant any sums required to satisfy withholding tax obligations related to this Award, and otherwise agree to satisfy such obligations. To the extent that any shares are eligible for settlement at the time of taxation, Participant may elect to satisfy such withholding tax obligations by having the Company withhold a number of shares that would otherwise be issued to Participant in settlement of this Award and that have a fair market value equal to the amount of such withholding tax obligations by notifying the Company of such election prior to the Vesting Date.

6. **Employee Covenant Agreement.** This Award Agreement and the grant of Performance Stock Units to Participant are subject to Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement which has been provided or made available to Participant with this Award Agreement. The Company would not have granted the Award to Participant without Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement.

7. **Transferability.** None of the Performance Stock Units may be transferred, assigned or pledged (whether by operation of law or otherwise), except as provided by will or the applicable laws of intestacy. The Award shall not be subject to execution, attachment or similar process.

8. **Interpretation/Administration.** This Award Agreement is subject to the terms of the Plan, as the Plan may be amended, but except as required by applicable law, no amendment of the Plan after the Grant Date shall adversely affect Participant's rights in respect of the Performance Stock Units without Participant's consent.

If there is a conflict or inconsistency between this Award Agreement and the Plan, the terms of the Plan shall control, provided that it shall not be deemed a conflict or inconsistency to the extent a term of this Award Agreement explicitly provides for a different treatment than in the Plan, and in those cases, this Award Agreement shall control. The Committee's interpretation of this Award Agreement and the Plan shall be final and binding.

The authority to manage and control the operation and administration of this Award shall be vested in the Committee, and the Committee shall have all powers with respect to the Award and this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement by the Committee and any decision made by it with respect to the Award or this Award Agreement is final and binding on all persons.

9. **No Employment Rights.** Nothing in this Award Agreement shall be considered to confer on Participant any right to continue in the employ of the Company or a Subsidiary or to limit the right of the Company or a Subsidiary to terminate Participant's employment.

10. **No Stockholder Rights.** Participant shall not have any rights as a stockholder of the Company in respect of any of Performance Stock Units unless and until this Award vests and is settled in shares of Common Stock.

11. **Governing Law.** This Award Agreement shall be governed in accordance with the laws of the State of Illinois.

12. **Binding Effect.** This Award Agreement shall be binding on the Company and Participant and on Participant's heirs, legatees and legal representatives.

13. **Effective Date.** This Award shall not become effective until Participant's acceptance of this Award and agreement to be bound by the Employee Covenant Agreement. Upon such acceptance and agreement, this Award shall become effective, retroactive to the Grant Date, without the necessity of further action by either the Company or Participant. If, within 90 days of the Grant Date, this Award is not accepted and/or if the Employee Covenant Agreement is not signed and returned to the Company, this Award may, if so determined by the Company in its discretion, be forfeited and cancelled, in which case Participant shall have no further rights under or with respect thereto.

14. **Adjustment.** This Award, and the shares of Common Stock subject hereto, shall be subject to adjustment by the Committee in accordance with the terms of the Plan.

15. **Code Section 409A.** It is intended that any amounts payable or benefits provided under this Award Agreement shall either be exempt from or comply with Section 409A of the Code and all regulations, guidance and other interpretive authority issued thereunder ("Code Section 409A") so as not to subject Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A and any ambiguities herein shall be interpreted to so comply. Neither the Company nor any of the Subsidiaries, however, makes any representation regarding the tax consequences of this Award. Notwithstanding any other provision of this Award Agreement to the contrary, if any payment or benefit hereunder is subject to Code Section 409A, the following shall apply:

- (a) if such payment or benefit is to be paid or provided on account of Participant's Termination Date (or other separation from service or termination of employment) to a Participant who is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following Participant's separation from service or termination of employment, such payment or benefit shall be delayed until the first day of the seventh month following Participant's separation from service;
- (b) if such payment or benefit is to be paid or provided on account of Participant's Termination Date (or other separation from service or termination of employment), the determination as to whether Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of Code Section 409A and the guidance issued thereunder without

application of any alternative levels of reductions of bona fide services permitted thereunder; and

- (c) notwithstanding anything in Section 3(f) to the contrary, for any Change of Control that qualifies as a change in control under Treasury Regulations §1.409A-3(i)(5), all of the Performance Stock Units then outstanding shall become Vested Performance Stock Units at the target level of performance immediately prior to the effective time of the Change of Control and settle within 30 days following the Change of Control, provided that payments may be delayed in accordance with the provisions of Treasury Regulations §1.401A-3(i)(5)(iv).

APPENDIX A

The PSU goals for the 2021 grant which are associated with performance during the fiscal 2021 year are shown below. Each metric is equally weighted at 50%.

Return on Invested Capital (ROIC) is defined as the Company's Net Operating Profit After Taxes over the average invested capital, less goodwill and intangible amortization. The ROIC for such calculations is adjusted to exclude items (see below) that are approved at the time of grant by the Compensation Committee.

GAAP Earnings Per Share (EPS) is defined as Net Income in accordance with U.S. Generally Accepted Accounting Principles divided by the Weighted average diluted shares outstanding as reported in the Company's financial statements. The EPS calculation is adjusted to exclude items (see below) that are approved at the time of grant by the Compensation Committee.

For 2021, the approved adjustments include items such as impairment(s) or accelerated depreciation or amortization related to carrying value of goodwill, intangible assets, and/or long-lived assets and charges, gains/losses or expenses relating to acquisitions and dispositions, and pre-approved system conversions and/or implementations. The full list of approved adjustments for the year is available upon request to the VP of Total Rewards at [].

2021 EPS Achievement Table			2021 ROIC Achievement Table		
Target	Percent Achievement*	Payout Percent for EPS	Target	Percent Achievement*	Payout Percent for ROIC

Vesting

- Vesting (if earned) occurs at the end of the 3-year period.
- The achievement level for 2021 results is based on the achievement tables above (% of target achieved for each metric will be rounded to the nearest tenth of a percent and the % achieved within each point on the grid shall be interpolated on a linear basis).
- Once all 3 years' results are available, they will be averaged for one 3-year number.
- After the 3 years' results are averaged, a relative TSR modifier will then be applied, which compares the performance of Stericycle stock over the 3-year period to the

performance of the S & P MidCap 400 performance and modifies the 3-year EPS/ROIC result by []% - []%.

- The full award will then be available for vesting on the 3rd anniversary of the grant date (as long as the award recipient is still employed on that date or is eligible for vesting under another provision described in the agreement, such as an eligible retirement event) and the actual number of vested PSUs will be based on the calculations above.

Rule 13a-14(a)/15d-14(a) Certification

Cindy J. Miller
Chief Executive Officer

I, Cindy J. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stericycle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ CINDY J. MILLER

Cindy J. Miller
Chief Executive Officer
Stericycle, Inc.

Rule 13a-14(a)/15d-14(a) Certification

Janet H. Zelenka
Chief Financial Officer

I, Janet H. Zelenka, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stericycle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ JANET H. ZELENKA

Janet H. Zelenka
Executive Vice President, Chief Financial Officer & Chief Information Officer
Stericycle, Inc.

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Stericycle, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report") we, Cindy J. Miller, Chief Executive Officer of the registrant, and Janet H. Zelenka, Chief Financial Officer of the registrant, certify as follows:

- (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2021

/s/ CINDY J. MILLER

Cindy J. Miller
Chief Executive Officer
Stericycle, Inc.

/s/ JANET H. ZELENKA

Janet H. Zelenka
Executive Vice President, Chief Financial Officer & Chief Information Officer
Stericycle, Inc.