

Investor Presentation

Fourth Quarter 2021 Results

February 24, 2022

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, 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, inflationary cost pressure in labor, supply chain and other expenses, labor shortages, an economic disruption 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 the remaining phases of our ERP system, and disruptions resulting from deployment of our ERP system, disruptions in our supply chain, disruptions in or attacks on information technology systems, charges related to portfolio optimization or the failure of acquisitions or divestitures to achieve the desired results, failure to consummate transactions with respect to non-core businesses, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and notes, 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, 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.

Stericycle's Key Business Priorities

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

Q4 2021 Key Business Highlights

- Organic revenues increased 3.5%, SID increased 7.4%, RWCS increased 1.9%
- North America SID organic revenues increased 7.6% in the first full quarter post ERP deployment
- Divested Environmental Solutions business in Canada
- Acquired Midwest-based regulated waste business
- Generated Free Cash Flow of \$186.2 million in 2021, with \$69.8 million in the fourth quarter

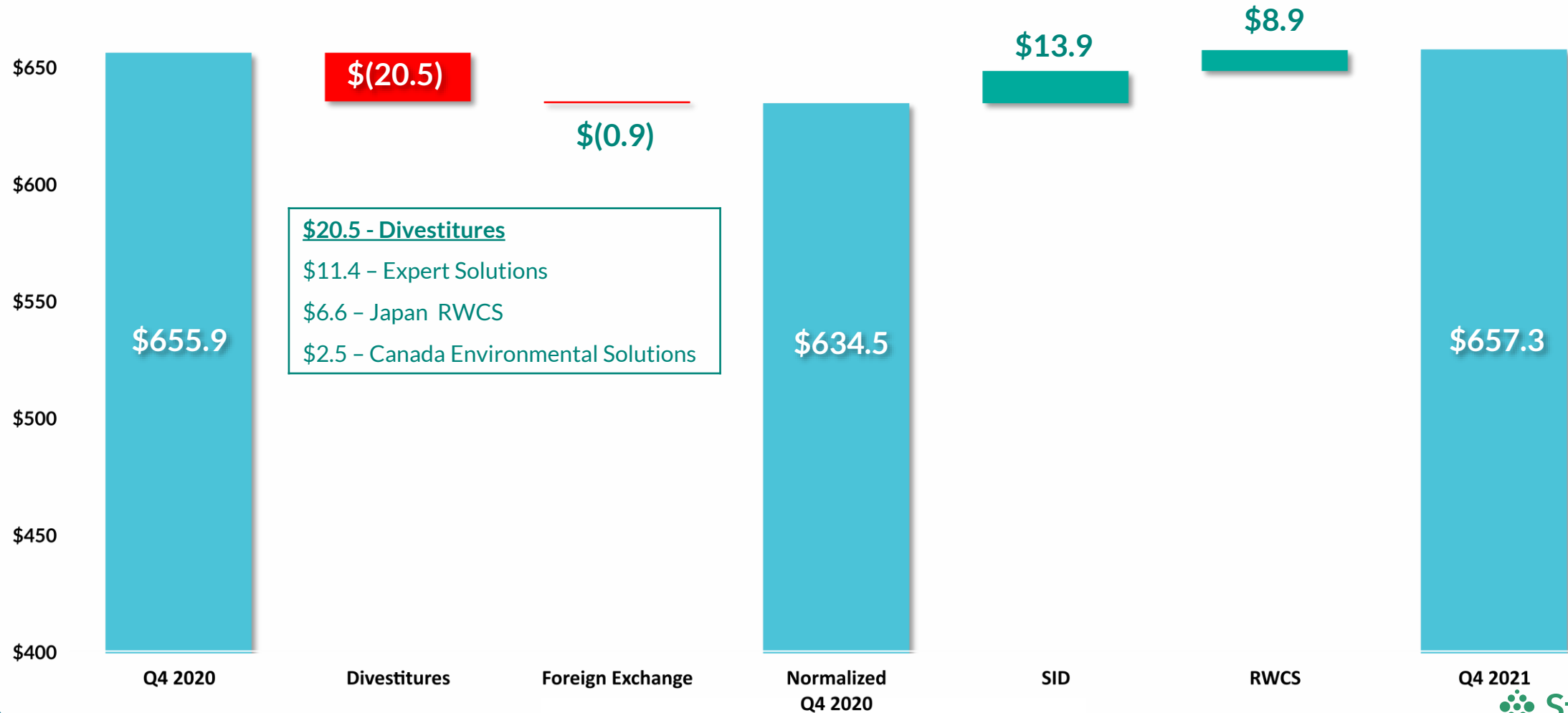
(\$ millions except for EPS)	Three Months Ended December 31, 2021
Revenues	\$657.3
Income from Operations	\$8.2
Adjusted Income from Operations ⁽¹⁾	\$64.2
Diluted Loss per Share	\$(0.19)
Adjusted Diluted Earnings per Share ⁽¹⁾	\$0.38
(\$ millions)	Year Ended December 31, 2021
Net Cash from Operating Activities	\$303.1
Free Cash Flow ⁽²⁾	\$186.2

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

⁽²⁾ Free Cash Flow is calculated as Net cash from operating activities less Capital expenditures.

Q4 2021 Revenue Bridge

\$ millions
\$700



Q4 2021 Revenues Changes by Service and Segment Compared to Q4 2020

	Three Months Ended December 31,						
	In millions				Components of Change (%)		
	2021	2020	Change (\$)	Change (%)	Organic ⁽¹⁾	Divestitures	Foreign Exchange ⁽²⁾
Revenues by Service							
Regulated Waste and Compliance Services ⁽³⁾	\$ 455.7	\$ 468.5	\$ (12.8)	(2.7)%	1.9%	(4.4)%	(0.3)%
Secure Information Destruction Services	201.6	187.4	14.2	7.6%	7.4%	—	0.2%
Total Revenues	\$ 657.3	\$ 655.9	\$ 1.4	0.2%	3.5%	(3.1)%	(0.1)%
North America							
Regulated Waste and Compliance Services ⁽³⁾	\$ 363.1	\$ 365.7	\$ (2.6)	(0.7)%	2.6%	(3.6)%	0.2%
Secure Information Destruction Services	173.2	160.5	12.7	7.9%	7.6%	—	0.3%
Total North America Segment	\$ 536.3	\$ 526.2	\$ 10.1	1.9%	4.1%	(2.5)%	0.2%
International							
Regulated Waste and Compliance Services ⁽³⁾	\$ 92.6	\$ 102.8	\$ (10.2)	(9.9)%	(0.7)%	(7.3)%	(1.9)%
Secure Information Destruction Services	28.4	26.9	1.5	5.6%	6.3%	—	(0.7)%
Total International Segment	\$ 121.0	\$ 129.7	\$ (8.7)	(6.7)%	0.8%	(5.8)%	(1.7)%

⁽¹⁾ Organic growth is the change in revenues which includes SOP (sorted office paper) pricing and volume and excludes the impact of divestitures and foreign exchange.

⁽²⁾ Foreign Exchange is change in revenues attributed to effects of foreign currency exchange rates.

⁽³⁾ In the first quarter of 2021, we updated our service lines to include Communication Solutions (formerly part of CRS) in RWCS.

Q4 2021 Financial Performance

(\$ millions except for EPS)	Three Months Ended December 31,	
	2021	2020
Revenues	\$657.3	\$655.9
Income from Operations	\$8.2	\$93.2
Diluted (Loss) Earnings per Share	\$(0.19)	\$0.53
Adjusted Income from Operations ⁽¹⁾	\$64.2	\$108.6
Adjusted Diluted Earnings per Share ⁽¹⁾	\$0.38	\$0.59

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

Q4 2021 Adjusted Diluted EPS Bridge



Reconciliation of Adjusted Diluted EPS to its respective U.S. GAAP measure can be found in the appendix of this presentation.

Free Cash Flow⁽¹⁾ Bridge for the Year Ended December 31, 2021

\$ millions



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

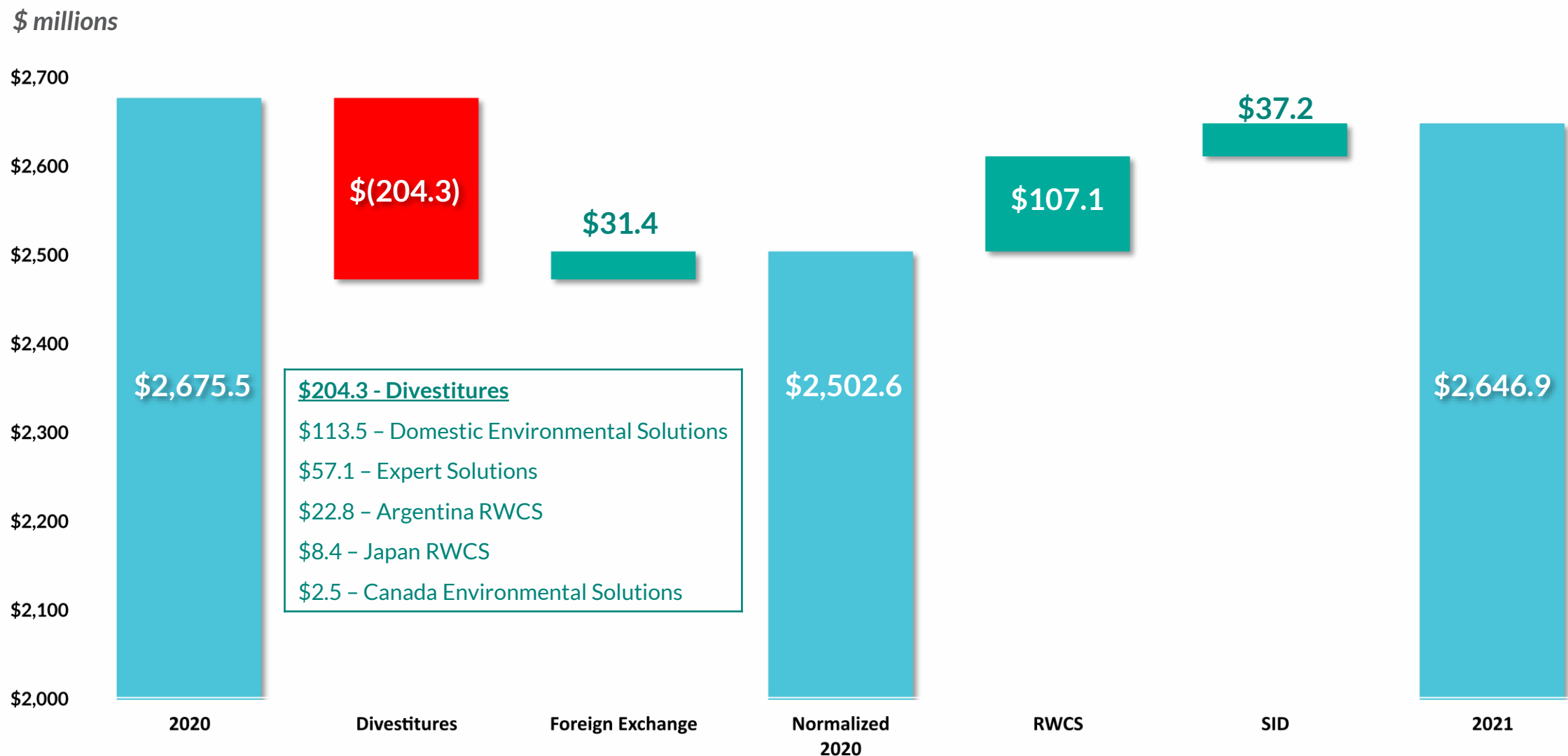
Liquidity and Debt Leverage

(\$ millions)	As of December 31,	
	2021	2020
Net Debt ⁽¹⁾	\$1,568.1	\$1,741.9
Credit Agreement Defined Debt Leverage Ratio ⁽¹⁾	3.61X	3.45X
Unused Portion of the Revolving Credit Facility	\$881.5	\$947.2

- Reduced net debt primarily through free cash flow generation and divestiture proceeds.
- Increased Credit Agreement Defined Debt Leverage Ratio was mainly due to an estimated FCPA settlement accrual of \$80.7 million. Without this expense, our ratio would have decreased to 3.28X.
- Over 70% of our outstanding debt has fixed interest rates, with the first maturity in 2024.
- For additional information, see *Note 9 – Debt* in the Form 10-K for the fiscal year ended December 31, 2021.

⁽¹⁾ Amounts and measures above are defined by credit agreements in effect as of the respective period end.

Fiscal Year 2021 Revenue Bridge



2021 Key Business Priorities Highlights

Quality of revenue	<ul style="list-style-type: none">• Organic revenue growth of 5.4%• RWCS organic revenue growth of 5.6%• SID organic revenue growth of 5.0%
Operating efficiency, modernization and innovation	<ul style="list-style-type: none">• Completed a comprehensive, long-term facility planning process• Opened three new RWCS facilities• Upgraded autoclaves in five facilities• Completed 13 non-autoclave facility modernization projects
ERP System	<ul style="list-style-type: none">• Completed deployment of North America ERP system for Secure Information Destruction business, Finance and Procurement processes
Debt reduction & leverage	<ul style="list-style-type: none">• Reduced net debt by \$173.8 million in 2021 to \$1.57 billion• Renewed our Credit Agreement, maintained credit facility of \$1.2 billion
Portfolio optimization	<ul style="list-style-type: none">• Divested Japan business for \$11.3 million• Divested Canada Environmental Solutions business for \$24.4 million• Acquired regulated waste business for \$43.4 million



2021 Revenues Changes by Service and Segment Compared to Prior Year

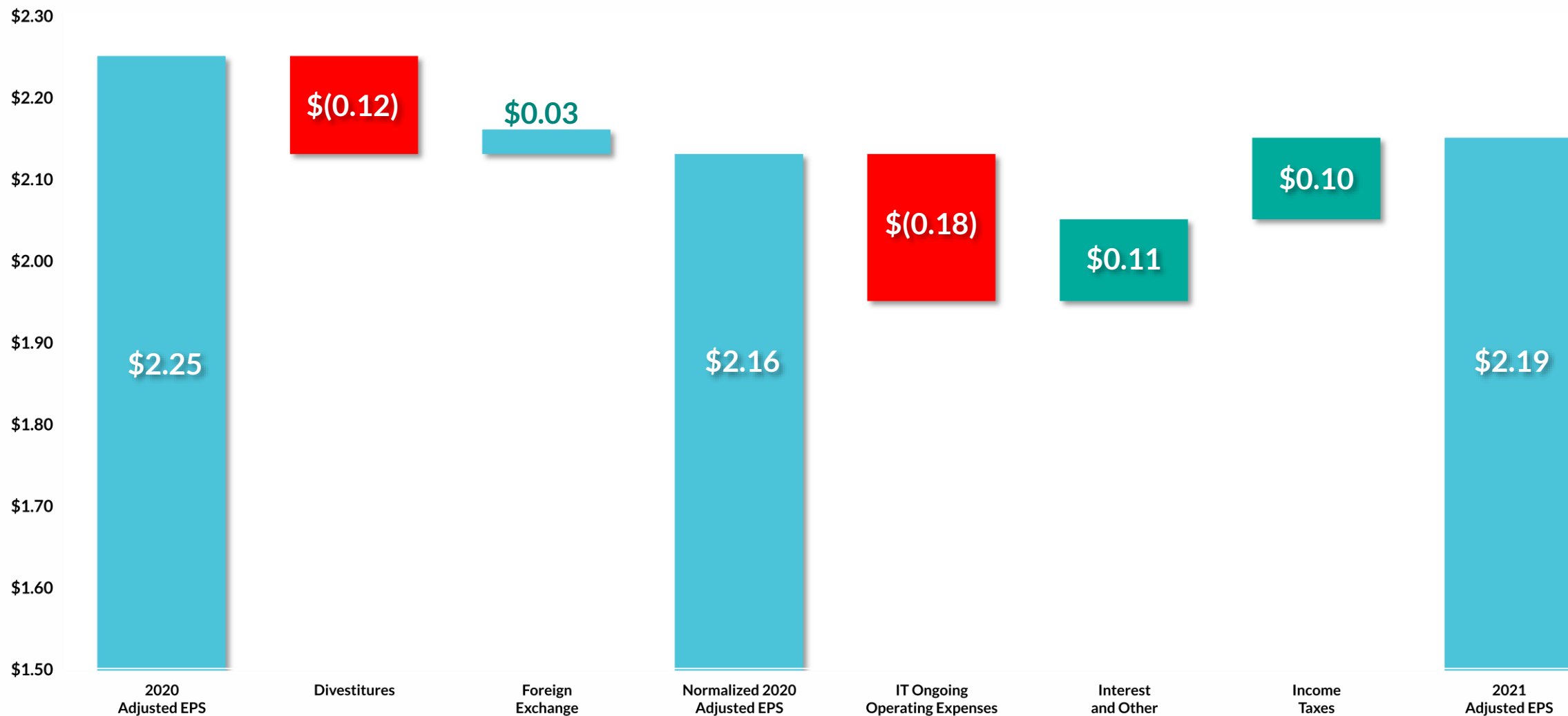
	Year Ended December 31,						
	In millions				Components of Change (%)		
	2021	2020	Change (\$)	Change (%)	Organic ⁽¹⁾	Divestitures	Foreign Exchange ⁽²⁾
Revenues by Service							
Regulated Waste and Compliance Services ⁽³⁾	\$ 1,854.0	\$ 1,930.2	\$ (76.2)	(3.9)%	5.6%	(10.6)%	1.1%
Secure Information Destruction Services	792.9	745.3	47.6	6.4%	5.0%	—	1.4%
Total Revenues	\$ 2,646.9	\$ 2,675.5	\$ (28.6)	(1.1)%	5.4%	(7.7)%	1.2%
North America							
Regulated Waste and Compliance Services ⁽³⁾	\$ 1,457.5	\$ 1,541.9	\$ (84.4)	(5.5)%	4.8%	(10.7)%	0.4%
Secure Information Destruction Services	679.0	647.3	31.7	4.9%	4.3%	—	0.6%
Total North America Segment	\$ 2,136.5	\$ 2,189.2	\$ (52.7)	(2.4)%	4.7%	(7.5)%	0.4%
International							
Regulated Waste and Compliance Services ⁽³⁾	\$ 396.5	\$ 388.3	\$ 8.2	2.1%	8.4%	(10.3)%	4.0%
Secure Information Destruction Services	113.9	98.0	15.9	16.2%	9.4%	—	6.8%
Total International Segment	\$ 510.4	\$ 486.3	\$ 24.1	5.0%	8.6%	(8.2)%	4.6%

⁽¹⁾ Organic growth is the change in revenues which includes SOP (sorted office paper) pricing and volume and excludes the impact of divestitures and foreign exchange.

⁽²⁾ Foreign Exchange is change in revenues attributed to effects of foreign currency exchange rates.

⁽³⁾ In the first quarter of 2021, we updated our service lines to include Communication Solutions (formerly part of CRS) in RWCS.

Fiscal Year 2021 Adjusted Diluted EPS Bridge



Reconciliation of Adjusted Diluted EPS to its respective U.S. GAAP measure can be found in the appendix of this presentation.

Fiscal Year 2021 Financial Performance

(\$ millions except for EPS)	Year Ended December 31,	
	2021	2020
Revenues	\$2,646.9	\$2,675.5
Income from Operations	\$72.3	\$31.9
Diluted Loss per Share	\$(0.30)	\$(0.63)
Adjusted Income from Operations ⁽¹⁾	\$352.4	\$388.6
Adjusted Diluted Earnings per Share ⁽¹⁾	\$2.19	\$2.25

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

2021 ERP-Related Expenditures

Total ERP-related expenditures in 2021 were \$105.7 million, in line with our previously shared estimate of \$105-\$120 million for 2021. Expenditures were incurred in the following categories:

(\$ millions)	2021 ERP Expenditures
Adjusted ERP Operating Expenditures Excluded From Non-GAAP Earnings	\$59.0
ERP Capital Expenditures	19.9
ERP Implementation	\$78.9
Ongoing IT Operating Expenditures*	\$ 26.8
Total ERP-related Expenditures in 2021	\$105.7

**Including \$7.4 million of ERP system depreciation expense in the second half of 2021*

2022 Guidance*

We expect the following:

Organic Revenue Growth⁽¹⁾	3 to 5 percent on a base of \$2.60 billion
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Adjusted EPS⁽²⁾⁽³⁾⁽⁴⁾	\$2.00 to \$2.30
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Free Cash Flow⁽⁵⁾	\$125-\$155 million
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Capital Expenditures	\$120-\$140 million
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1) Organic revenue base of \$2.60 billion represents 2021 revenues normalized for revenues from businesses divested in 2021.

2) Assumes Sorted Office Paper Recycling revenue per ton and foreign exchange rates as of end of year 2021.

3) Assumes increased interest rates with an expected impact of approximately \$0.02 Adjusted EPS.

4) Assumes adjusted effective tax rate in the range of 25% to 28%.

5) Assumes payment of the \$80.7 million FCPA settlement and excludes any potential incremental FCPA settlement related costs.

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP pricing. This guidance also excludes future acquisitions, divestitures and litigation.*

Long-Term Outlook*

We expect the following:

3 – 5 % CAGR

Five-year compounded annual rate of 3 to 5 percent with 2020 as the base year

\$400 million in Free Cash Flow

Generate at least \$400 million in annual free cash flow between 2024 and 2025, primarily driven by operating margin expansion

Debt Leverage <3.0X

Achieve a credit agreement defined debt leverage ratio below 3 times between 2022 and 2023

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This outlook is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP pricing. This outlook also excludes future acquisitions, divestitures and litigation.*

Appendix



Non-GAAP Financial Measures

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

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

(In millions, except per share data)

	Three Months Ended December 31, 2021				
	Gross Profit	Selling, General and Administrative Expenses	Income from Operations	Net (Loss) Income Attributable to Common Shareholders	Diluted (Loss) Earnings Per Share
U.S. GAAP Financial Measures	\$ 247.0	\$ 251.4	\$ 8.2	\$ (17.2)	\$ (0.19)
Adjustments:					
ERP Implementation	-	(9.2)	9.2	6.9	0.07
Intangible Amortization	-	(28.8)	28.8	23.6	0.26
Operational Optimization	-	-	-	-	-
Portfolio Optimization	-	(2.1)	(10.5)	(11.2)	(0.12)
Litigation, Settlements and Regulatory Compliance	-	(21.8)	21.8	23.1	0.25
Asset Impairments	-	(6.7)	6.7	6.1	0.07
Other	-	-	-	-	-
U.S. CARES Act and Other Tax Matter	-	-	-	3.6	0.04
Total Adjustments	-	(68.6)	56.0	52.1	0.57
Adjusted Financial Measures	<u>\$ 247.0</u>	<u>\$ 182.8</u>	<u>\$ 64.2</u>	<u>\$ 34.9</u>	<u>\$ 0.38</u>
Depreciation			28.1		
Adjusted EBITDA			<u>\$ 92.3</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2021 issued on February 24, 2022.

Reconciliation of U.S. GAAP to Adjusted Q4 2020 Financial Measures

(In millions, except per share data)

	Three Months Ended December 31, 2020				
	Gross Profit	Selling, General and Administrative Expenses	Income from Operations	Net Income Attributable to Common Shareholders	Diluted Earnings Per Share
U.S. GAAP Financial Measures	\$ 269.5	\$ 218.9	\$ 93.2	\$ 48.5	\$ 0.53
Adjustments:					
ERP Implementation	-	(12.9)	12.9	9.6	0.10
Intangible Amortization	-	(30.4)	30.4	23.0	0.25
Operational Optimization	-	-	-	-	-
Portfolio Optimization	-	(2.7)	(39.9)	(30.7)	-
Litigation, Settlements and Regulatory Compliance	-	(8.2)	8.2	6.1	0.07
Asset Impairments	-	(2.6)	2.6	2.1	0.02
Other	-	(1.2)	1.2	0.7	0.01
U.S. CARES Act and Other Tax Matter	-	-	-	(5.0)	(0.05)
Total Adjustments	-	(58.0)	15.4	5.8	0.06
Adjusted Financial Measures	<u>\$ 269.5</u>	<u>\$ 160.9</u>	<u>\$ 108.6</u>	<u>\$ 54.3</u>	<u>\$ 0.59</u>
Depreciation			25.0		
Adjusted EBITDA			<u>\$ 133.6</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2021 issued on February 24, 2022.

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

(In millions, except per share data)

	Year Ended December 31, 2021				
	Gross Profit	Selling, General and Administrative Expenses	Income from Operations	Net (Loss) Income Attributable to Common Shareholders	Diluted (Loss) Earnings Per Share
U.S. GAAP Financial Measures	\$ 1,017.2	\$ 946.6	\$ 72.3	\$ (27.8)	\$ (0.30)
Adjustments:					
ERP Implementation	-	(59.0)	59.0	44.0	0.47
Intangible Amortization	-	(117.9)	117.9	92.0	1.00
Operational Optimization	-	-	-	-	-
Portfolio Optimization	-	(5.0)	3.3	(2.5)	-
Litigation, Settlements and Regulatory Compliance	-	(93.2)	93.2	91.8	1.00
Asset Impairments	-	(6.7)	6.7	6.1	0.07
Other	-	-	-	-	-
U.S. CARES Act and Other Tax Matter	-	-	-	(1.9)	(0.02)
Total Adjustments	-	(281.8)	280.1	229.5	2.49
Adjusted Financial Measures	<u>\$ 1,017.2</u>	<u>\$ 664.8</u>	<u>\$ 352.4</u>	<u>\$ 201.7</u>	<u>\$ 2.19</u>
Depreciation			105.4		
Adjusted EBITDA			<u>\$ 457.8</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2021 issued on February 24, 2022.

Reconciliation of U.S. GAAP to Adjusted Full Year 2020 Financial Measures

(In millions, except per share data)

	Year Ended December 31, 2020				
	Gross Profit	Selling, General and Administrative Expenses	Income from Operations	Net (Loss) Income Attributable to Common Shareholders	Diluted (Loss) Earnings Per Share
U.S. GAAP Financial Measures	\$ 1,053.1	\$ 897.6	\$ 31.9	\$ (57.3)	\$ (0.63)
Adjustments:					
ERP Implementation	-	(50.8)	50.8	37.8	0.41
Intangible Amortization	-	(124.9)	124.9	94.3	1.03
Operational Optimization	-	(3.1)	3.1	2.5	0.03
Portfolio Optimization	-	(9.4)	133.0	138.0	-
Litigation, Settlements and Regulatory Compliance	-	(20.3)	20.3	15.3	0.17
Asset Impairments	6.8	(8.7)	15.5	11.8	0.13
Other	-	(9.1)	9.1	7.9	0.09
U.S. CARES Act and Other Tax Matter	-	-	-	(44.4)	(0.48)
Total Adjustments	6.8	(226.3)	356.7	263.2	2.88
Adjusted Financial Measures	<u>\$ 1,059.9</u>	<u>\$ 671.3</u>	<u>\$ 388.6</u>	<u>\$ 205.9</u>	<u>\$ 2.25</u>
Depreciation			106.6		
Adjusted EBITDA			<u>\$ 495.2</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2021 issued on February 24, 2022.

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