

Investor Presentation

Fourth Quarter and Fiscal Year 2023 Results

February 28, 2024

Safe Harbor Statement

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. When we use words such as “believes”, “expects”, “anticipates”, “estimates”, “may”, “plan”, “will”, “goal”, or similar expressions, we are making forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of our management about future events and are therefore subject to risks and uncertainties, which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Factors that could cause such differences include, among others, inflationary cost pressure in labor, supply chain, energy, and other expenses, decreases in the volume of regulated wastes or personal and confidential information collected from customers, and disruptions resulting from deployment of systems, disruptions in our supply chain, disruptions in or attacks on data information technology systems, labor shortages, a recession or economic disruption in the U.S. and other countries, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, SOP (Sorted Office Paper) pricing volatility or pricing volatility in other commodities, changes in the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, 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, the outcome of pending, future or settled litigation or investigations, charges related to portfolio optimization or the failure of acquisitions or divestitures to achieve the desired results, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and Senior Notes, rising interest rates or a downgrade in our credit rating resulting in an increase in interest expense, political, economic, war, and other risks related to our foreign operations, pandemics and the resulting impact on the results of operations, long-term remote work arrangements which may adversely affect our business, restrictions on the ability of our team members to travel, closures of our facilities or the facilities of our customers and suppliers, 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 SEC, including the 2023 Form 10-K and subsequent Quarterly Reports on Form 10-Q. As a result, past financial performance should not be considered a reliable indicator of future performance, and investors should not use historical trends to anticipate future results or trends. We disclaim any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.

Stericycle's Key Business Priorities

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

Q4 2023 Key Business Highlights

- Grew RWCS organic⁽¹⁾ revenues 3.1%
- Improved Gross Profit Margin 150 basis points
- Acquired a U.S. regulated waste tuck-in business in January 2024
- Continued to implement workforce management actions further in the first quarter of 2024, which are expected to generate 2024 savings of over \$35 million
 - When combined with the fourth quarter 2023 workforce management actions, we expect to generate total 2024 savings of \$40 to \$45 million

(\$ millions except for EPS ⁽²⁾)	Three Months Ended December 31, 2023
Revenues	\$652.0
Income from Operations	\$37.1
Diluted EPS	\$0.16
Adjusted Income from Operations ⁽³⁾	\$84.5
Adjusted EBITDA ⁽³⁾⁽⁴⁾	\$110.3
Adjusted Diluted EPS ⁽³⁾	\$0.54

(\$ millions)	Year Ended December 31, 2023
Net Cash from Operating Activities	\$243.3
Free Cash Flow ⁽⁵⁾	\$112.0

(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) Earnings per Share (EPS).

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

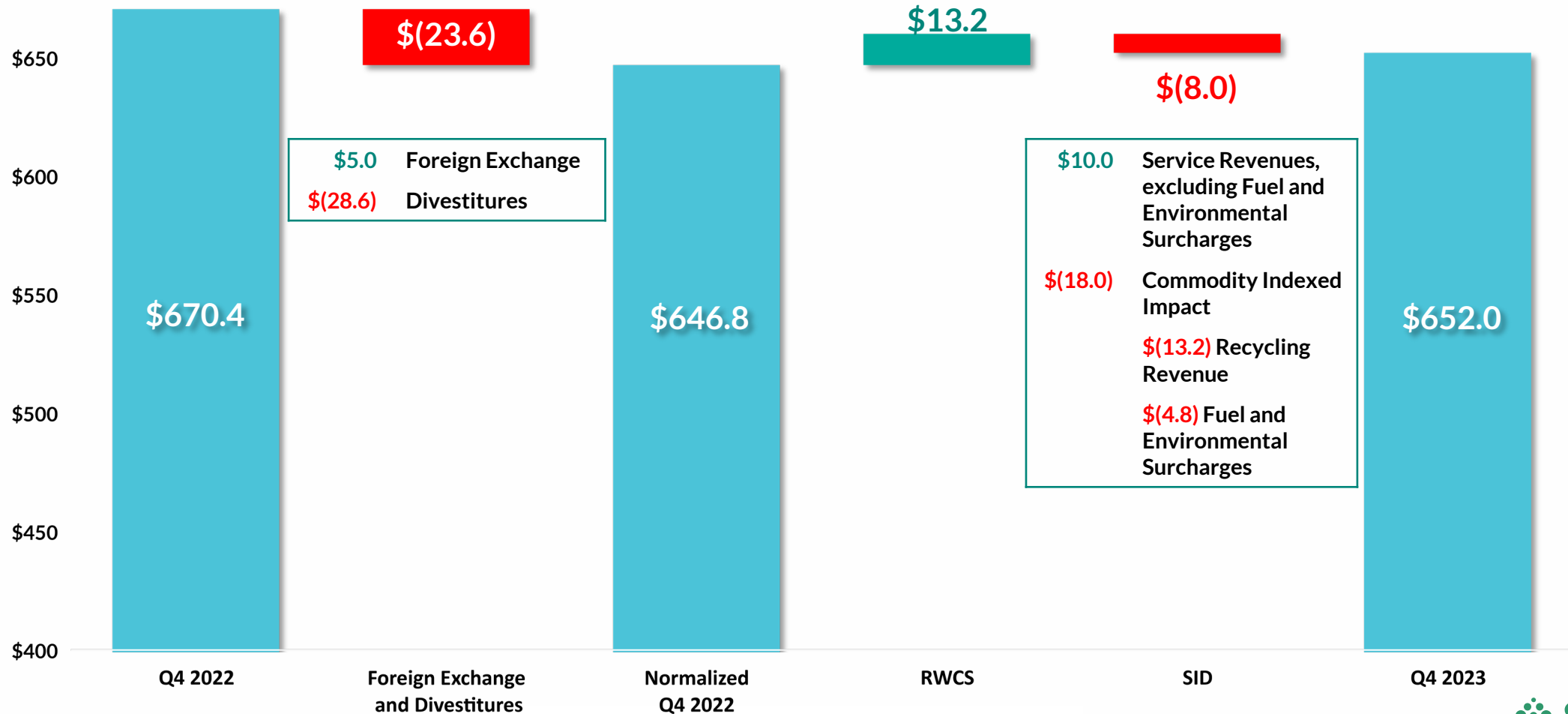
(4) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA or AEBITDA).

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

Q4 2023 Organic Revenues Bridge

\$ millions

\$700



Q4 2023 Revenues by Service and Segment Compared to Q4 2022

	Three Months Ended December 31,							
	In millions				Components of Change (%) ⁽¹⁾			
	2023	2022	Change (\$)	Change (%)	Organic Growth ⁽²⁾	Divestitures	Foreign Exchange ⁽³⁾	
Revenue by Service								
Regulated Waste and Compliance Services	\$ 439.9	\$ 449.3	\$ (9.4)	(2.1)%	3.1 %	(5.8)%	0.8 %	
Secure Information Destruction Services	212.1	221.1	(9.0)	(4.1)%	(3.6)%	(1.1)%	0.6 %	
Total Revenues	<u>\$ 652.0</u>	<u>\$ 670.4</u>	<u>\$ (18.4)</u>	(2.7)%	0.9 %	(4.3)%	0.7 %	
North America								
Regulated Waste and Compliance Services	\$ 371.3	\$ 371.3	\$ -	- %	2.8 %	(2.7)%	- %	
Secure Information Destruction Services	188.8	194.6	(5.8)	(3.0)%	(3.0)%	-%	- %	
Total North America Segment	<u>\$ 560.1</u>	<u>\$ 565.9</u>	<u>\$ (5.8)</u>	(1.0)%	0.8 %	(1.8)%	- %	
International								
Regulated Waste and Compliance Services	\$ 68.6	\$ 78.0	\$ (9.4)	(12.1)%	5.1 %	(20.8)%	4.7 %	
Secure Information Destruction Services	23.3	26.5	(3.2)	(12.1)%	(8.4)%	(9.0)%	4.8 %	
Total International Segment	<u>\$ 91.9</u>	<u>\$ 104.5</u>	<u>\$ (12.6)</u>	(12.1)%	1.3 %	(17.8)%	4.8 %	

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

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

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

Q4 2023 Financial Performance

(\$ millions except for EPS)	Three Months Ended December 31,	
	2023	2022
Revenues	\$652.0	\$670.4
Income from Operations	\$37.1	\$59.1
Diluted EPS	\$0.16	\$0.35
Adjusted Income from Operations ⁽¹⁾	\$84.5	\$90.6
Adjusted EBITDA ⁽¹⁾	\$110.3	\$117.6
Adjusted Diluted EPS ⁽¹⁾	\$0.54	\$0.60

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

Generated Free Cash Flow of \$138.5 Million in 2023 after Considering Adjusted Litigation and Severance Payments

(\$ millions)		
Free Cash Flow ⁽¹⁾ for 2022		\$68.0
Changes in Operating Cash Flow:		
Lower FCPA ⁽²⁾ Settlement Payments	72.8	
Lower Annual Incentive Payments	22.3	
Other Net Working Capital Changes	9.0	
Accounts Payable	7.5	
Accounts Receivable, net of Deferred Revenues ⁽³⁾	(68.5)	
Year-over-year change in Operating Cash Flow		43.1
Year-over-year change in Capital Expenditures		0.9
Year-over-year change in Free Cash Flow		44.0
Free Cash Flow ⁽¹⁾ for the year ended December 31, 2023 ⁽⁴⁾		112.0
Adjusted Litigation Payments (of which \$19.8 was in Q3 and Q4 2023)		23.4
Q4 2023 Severance Payments		3.1
Free Cash Flow for 2023, excluding Adjusted Litigation and Severance Payments		\$138.5

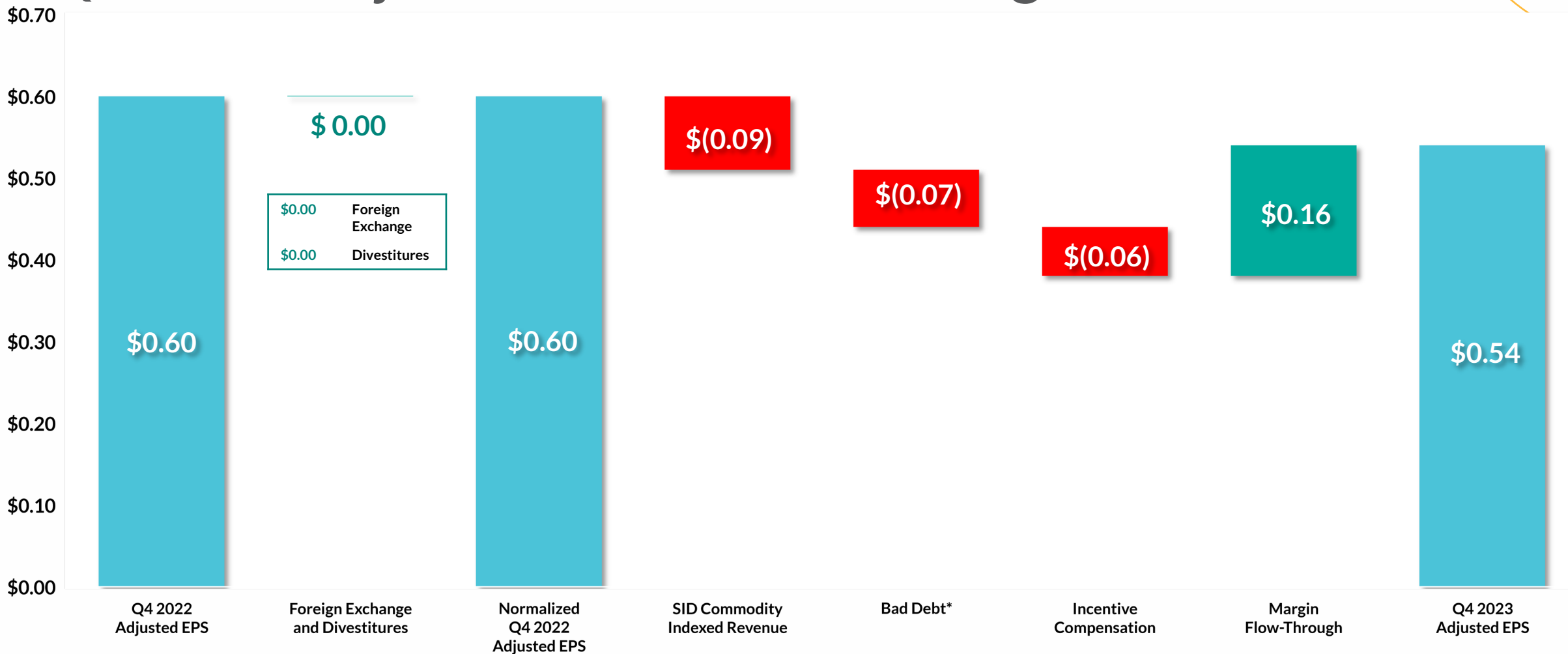
(1) Free Cash Flow is calculated as Net cash from operating activities less Capital expenditures.

(2) Foreign Corrupt Practices Act (FCPA).

(3) In connection with the deployment of the ERP to U.S. RWCS, we advanced certain invoicing for specific regulated waste services resulting in the recording of Deferred Revenues within Accounts Receivables. Notwithstanding the recording of Deferred Revenues, which resulted in an increase to Accounts Receivables, Accounts Receivables increased \$68.5 million year-over-year due to the timing of U.S. Regulated Waste customer billings due to the ERP.

(4) Includes the final FCPA payments of \$8.4 million and FCPA monitor payments of \$8.1 million.

Q4 2023 Adjusted Diluted EPS Bridge



*Higher bad debt expense is primarily due to a lower fourth quarter of 2022 bad debt expense level as a result of improved North America SID collections

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

Debt Reduction and Leverage Improvement

- Maintained our credit agreement defined debt leverage ratio below 3.0X in 2023
- Reduced net debt to \$1,269.9 million, down \$191.5 million since December 31, 2022

(\$ millions except leverage ratio)	As of December 31,	
	2023	2022
Net Debt ⁽¹⁾	\$1,269.9	\$1,461.4
Credit Agreement Defined Debt Leverage Ratio ⁽²⁾	2.85X	3.28X
Unused Portion of the Revolving Credit Facility	\$1,110.0	\$985.7

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

(2) The amended credit agreement allows add backs when calculating the credit agreement defined debt leverage ratio.

For additional information, see Note 9 – Debt in the Form 10-K for the year ended December 31, 2023.

Key Business Priorities Accomplishments 2019-2023

	Key Business Priorities	4.5 Years Ago*	Progress to Date
1	Quality of Revenue	<ul style="list-style-type: none"> RWCS customer and pricing losses Disparate Go-To-Market strategies 	<ul style="list-style-type: none"> Turned around RWCS organic revenue growth trend Introduced new service offerings, including Express/Priority Purge, SafeShield containers, and SharpsRx Pro Standardized approach to pricing Rationalized and aligned sales performance and incentive management plans Introduced customer service metrics
2	Operational Efficiency, Modernization and Innovation		<ul style="list-style-type: none"> Added engineering team to drive standardization and automation Enhanced routing logistics and workforce rationalization Opened 4 greenfield RWCS facilities in 2021-2023; upgraded 22 facilities Started construction of greenfield incinerator in Nevada; expected build completion in H1 2024
3	ERP Implementation	<ul style="list-style-type: none"> In ERP build phase 	<ul style="list-style-type: none"> Deployed U.S. RWCS operational and commercial processes in Q3 2023 Upgraded Europe SID platform in 2023 Deployed North America SID operational and commercial processes in Q3 2021 Deployed North America finance and procurement processes in Q3 2021 Deployed procurement, human capital, travel & entertainment, and tax systems in 2020
4	Portfolio Optimization	<ul style="list-style-type: none"> Completed one divestiture prior to May 2019 	<ul style="list-style-type: none"> Completed 19 divestitures, with 8 in 2023; exited 10 countries Completed 2 U.S. RWCS tuck-in acquisitions in December 2021 and January 2024
5	Debt Reduction and Leverage Improvement⁽¹⁾⁽²⁾	<ul style="list-style-type: none"> Net Debt: \$2.8 billion Total Leverage: 4.36X 	<ul style="list-style-type: none"> Net Debt: \$1.3 billion Total Leverage: 2.85X

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

(2) The amended credit agreement allows add backs when calculating the credit agreement defined debt leverage ratio.

Next Generation of Key Business Priorities

2019-2023	2024+
1. Quality of Revenue	1 Commercial and Service Excellence
2. Operational Efficiency, Modernization and Innovation	2 Operational Excellence
3. ERP Implementation	3 Digital Implementation
4. Portfolio Optimization	4 Strategic Capital Allocation
5. Debt Reduction and Leverage Improvement	✓ Completed in Q2 2023

Next Generation of Key Business Priorities

Commercial and Service Excellence

Drive profitable revenue growth, delivering a differentiated value proposition and a seamless customer experience

Operational Excellence

Drive margin improvement by leveraging a skilled and dedicated workforce; modern technologies; new and updated equipment and infrastructure; and a refreshed fleet

Digital Implementation

Leverage digital, data, and AI capabilities to further deliver commercial, service, and operational excellence and efficiencies across our network and shared services, using the foundation of the modern ERP

Strategic Capital Allocation

Target a debt leverage between 2.5X to 3.0X

Continue to invest in the business to maintain and modernize our infrastructure and drive growth and efficiencies

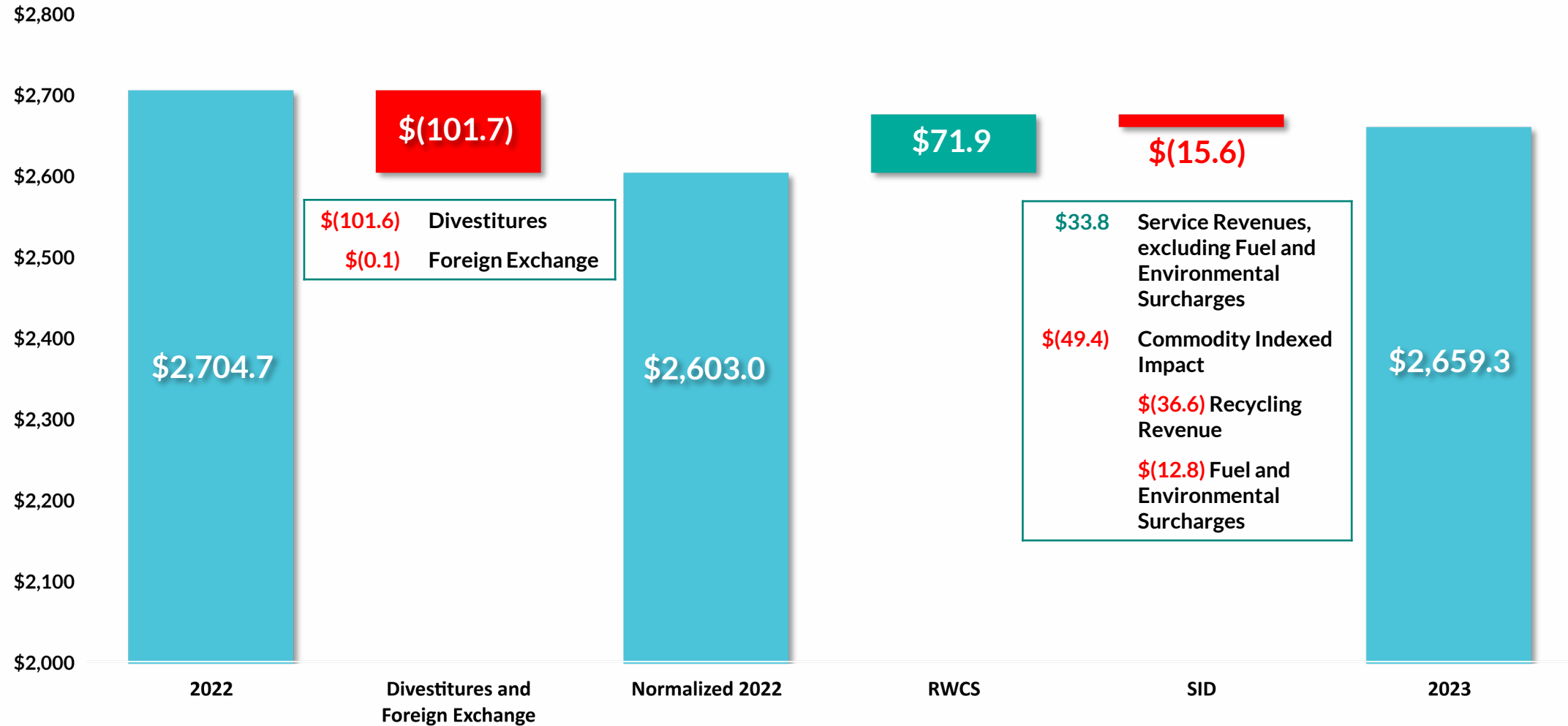
Continue portfolio optimization, including accretive tuck-in acquisitions, using a disciplined acquisition and integration playbook

Evaluate potential for share repurchases

Fiscal Year 2023 Organic Revenues Bridge

Overcame ~\$50 million in SID commodity indexed revenue headwinds, growing total organic revenues 2.2%

\$ millions



2023 Revenues by Service and Segment Compared to Prior Year

	Year Ended December 31,						
	In millions				Components of Change (%) ⁽¹⁾		
	2023	2022	Change (\$)	Change (%)	Organic Growth ⁽²⁾	Divestitures	Foreign Exchange ⁽³⁾
Revenue by Service							
Regulated Waste and Compliance Services	\$ 1,775.8	\$ 1,798.2	\$ (22.4)	(1.2)%	4.2 %	(5.3)%	0.1 %
Secure Information Destruction Services	883.5	906.5	(23.0)	(2.5)%	(1.7)%	(0.6)%	(0.2)%
Total Revenues	<u>\$ 2,659.3</u>	<u>\$ 2,704.7</u>	<u>\$ (45.4)</u>	(1.7)%	2.2 %	(3.8)%	- %
North America							
Regulated Waste and Compliance Services	\$ 1,474.4	\$ 1,468.8	\$ 5.6	0.4 %	4.5 %	(3.8)%	(0.1)%
Secure Information Destruction Services	781.4	794.3	(12.9)	(1.6)%	(1.3)%	- %	(0.3)%
Total North America Segment	<u>\$ 2,255.8</u>	<u>\$ 2,263.1</u>	<u>\$ (7.3)</u>	(0.3)%	2.4 %	(2.4)%	(0.2)%
International							
Regulated Waste and Compliance Services	\$ 301.4	\$ 329.4	\$ (28.0)	(8.5)%	3.1 %	(12.3)%	1.1 %
Secure Information Destruction Services	102.1	112.2	(10.1)	(9.0)%	(4.9)%	(5.1)%	0.7 %
Total International Segment	<u>\$ 403.5</u>	<u>\$ 441.6</u>	<u>\$ (38.1)</u>	(8.6)%	0.9 %	(10.5)%	1.0 %

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

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

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

Fiscal Year 2023 Financial Performance

(\$ millions except for EPS)	Year Ended December 31,	
	2023	2022
Revenues	\$2,659.3	\$2,704.7
Income from Operations	\$77.3	\$153.7
Diluted Earnings (Loss) per Share	\$(0.23)	\$0.61
Adjusted Income from Operations ⁽¹⁾	\$315.5	\$323.7
Adjusted EBITDA ⁽¹⁾	\$420.0	\$432.2
Adjusted Diluted EPS ⁽¹⁾	\$1.89	\$2.04

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

Fiscal Year 2023 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.

2024 Guidance*

We expect the following:

Organic Revenue Growth	3 to 5 percent on a 2023 normalized base of \$2.63 billion
Adjusted EPS⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	\$2.20-\$2.50 (with ~14% Adjusted EBITDA growth rate at the midpoint on a 2023 normalized base of \$420 million)
Free Cash Flow excluding Certain Cash Outlays⁽⁵⁾	\$210-\$265 million and 44% to 55% FCF conversion
Capital Expenditures	\$140-\$160 million

⁽¹⁾ Assumes foreign exchange rates as of December 31, 2023, with a nominal expected impact compared to prior year.

⁽²⁾ Net operating results assume SOP pricing per ton between \$125 to \$140.

⁽³⁾ Assumes adjusted effective tax rate in the range of 26% to 29%.

⁽⁴⁾ Refer to slide 19 for the Adjusted EBITDA Growth Rate Bridge for 2024.

⁽⁵⁾ Refer to slide 20 for a reconciliation of Free Cash Flow excluding Certain Cash Outlays for 2024.

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This guidance also excludes future acquisitions, divestitures and certain litigation costs. For guidance purposes, it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.*

2024 Adjusted EBITDA Growth Rate of ~14% at Adjusted EPS Guidance Range Midpoint

We expect the following approximate year-over-year changes at the Adjusted EPS guidance range midpoint:

Revenue Flow-Through	~4%
Cost of Revenue (COR) Efficiencies and Cost Reductions ⁽¹⁾	~9%
Selling, General and Administrative (SG&A) Efficiencies and Cost Reductions ⁽²⁾	~4%
Commodity Impacts ⁽³⁾⁽⁴⁾	~(3)%
2024 Adjusted EBITDA Growth Rate at Adjusted EPS Guidance Range Midpoint	~14%

- (1) COR Efficiencies and Cost Reductions are driven approximately 50% by workforce management actions, including careful hiring, attrition and a reduction in force, and approximately 50% by operational strategic initiatives. Operational strategic initiatives include transportation initiatives and facility optimization.
- (2) SG&A Efficiencies and Cost Reductions are mainly attributable to workforce management actions, including careful hiring, attrition and a reduction in force.
- (3) Commodity Impacts include the impact of changes in RISI rates on SOP Recycling Revenue and the offsetting recycling recovery surcharge, as well as fuel rate impact to the Fuel and Environmental Surcharges.
- (4) Adjusted EBITDA results assume SOP pricing per ton between \$125 to \$140.

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This guidance also excludes future acquisitions, divestitures and certain litigation costs. For guidance purposes, it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.*

2024 Free Cash Flow (FCF) Excluding Certain Outlays

(\$ millions)	2024 Low FCF Estimate	2024 High FCF Estimate	AEBITDA to FCF Conversion ⁽⁴⁾
2024 Anticipated FCF Range ⁽¹⁾	\$191	\$239	40-50%
Severance Payments ⁽²⁾	~5	~7	
Additional In-Year Interest Cash Payments due to Redeeming Bond with Proceeds from Revolver ⁽³⁾	~14	~19	
2024 FCF Excluding Certain Cash Outlays	\$210	\$265	44-55%

(1) Included in the Free Cash Flow Range is the impact of the following:

- a) Stericycle has historically leased powered and non-powered fleet units. In 2024, Stericycle expects to purchase approximately \$10 million in trailers, representing a use of capital that traditionally was an operating lease expense.
- b) Assumes approximately \$10 to \$15 million for FCPA monitor costs and other one-time litigation-related items that are expected to be reflected in Adjusted Litigation, Settlements and Regulatory Compliance in 2024. This also excludes certain future adjusted litigation payments.

(2) Represents severance cash outlays associated with Stericycle's workforce management actions.

(3) In March 2024, Stericycle expects to redeem its \$600 million fixed-rate bond with proceeds from its floating rate revolver. As part of this transition, Stericycle will migrate from making semi-annual bond payments (in January and July) to monthly revolver payments. This change in timing of interest payments and higher interest rate is expected to result in an approximate \$14 to \$19 million increase in interest payments in 2024 that will normalize in 2025.

(4) Assumes ~14% Adjusted EBITDA growth rate at the midpoint on a 2023 base of \$420 million.

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This guidance also excludes future acquisitions, divestitures and certain litigation costs. For guidance purposes, it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.*

Long-Term Outlook^{*}

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

Organic Revenue Growth

Four-year compounded annual rate of 3 to 5 percent

Adjusted EBITDA Growth Rate

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

Free Cash Flow Conversion⁽¹⁾

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

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

**Forward Looking Statements. Please refer to the Safe Harbor Statement on Slide 2. This guidance is based on currently known items and certain business assumptions, including assumptions with respect to foreign exchange rates and estimates for SOP and other commodity pricing. This guidance also excludes future acquisitions, divestitures and certain litigation costs. For guidance purposes, it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, uncertain tax matters, certain other items, or other unanticipated events, such as a recession or prolonged inflationary environment, which would be included in reported (U.S. GAAP) results and could be material.*

Appendix



Non-GAAP Financial Measures

The Non-GAAP financial measures contained in this document are reconciled to the most comparable measures calculated in accordance with U.S. GAAP. Management believes the Non-GAAP financial measures are useful measures of Stericycle's performance because they provide additional information about Stericycle's operations and exclude certain specified items, allowing better evaluation of underlying business performance and better period-to-period comparability. Additionally, the Company uses such Non-GAAP financial measures in evaluating business unit and management performance. All Non-GAAP financial measures are intended to supplement the applicable U.S. GAAP measures and should not be considered in isolation from, or a replacement for, financial measures prepared in accordance with U.S. GAAP and may not be comparable to or calculated in the same manner as Non-GAAP financial measures published by other companies. Please see Stericycle's Current Report on Form 8-K furnished to the SEC on the date hereof for more information regarding these Non-GAAP financial measures. For guidance purposes, it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters (including monitoring costs), uncertain tax matters, certain other items or other unanticipated events, which would be included in reported (U.S. GAAP) results and could be material.

Reconciliation of U.S. GAAP to Adjusted Q4 2023 Financial Measures

(In millions, except per share data)

	Three Months Ended December 31, 2023				
	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	\$ 256.8	\$ 219.7	\$ 37.1	\$ 14.9	\$ 0.16
Adjustments:					
ERP and System Modernization	-	(6.3)	6.3	4.9	0.05
Intangible Amortization	-	(27.8)	27.8	21.5	0.23
Operational Optimization	2.4	(1.7)	4.1	3.7	0.04
Portfolio Optimization	-	(0.8)	0.8	0.6	0.01
Litigation, Settlements and Regulatory Compliance	-	(8.4)	8.4	6.3	0.07
Asset Impairments	-	-	-	-	-
Other Tax Matters	-	-	-	(2.0)	(0.02)
Total Adjustments	2.4	(45.0)	47.4	35.0	0.38
Adjusted Financial Measures	\$ 259.2	\$ 174.7	\$ 84.5	\$ 49.9	\$ 0.54
Depreciation			25.8		
Adjusted EBITDA			\$ 110.3		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2023 issued on February 28, 2024.

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

(In millions, except per share data)

	Three Months Ended December 31, 2022				
	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	\$ 254.4	\$ 210.9	\$ 59.1	\$ 31.8	\$ 0.35
Adjustments:					
ERP and System Modernization	-	(6.1)	6.1	4.7	0.05
Intangible Amortization	-	(29.3)	29.3	22.7	0.25
Operational Optimization	-	-	-	-	-
Portfolio Optimization	-	(4.2)	(11.4)	(9.4)	(0.10)
Litigation, Settlements and Regulatory Compliance	-	(4.0)	4.0	3.1	0.03
Asset Impairments	-	(3.5)	3.5	2.6	0.02
Other Tax Matters	-	-	-	-	-
Total Adjustments	-	(47.1)	31.5	23.7	0.25
Adjusted Financial Measures	<u>\$ 254.4</u>	<u>163.8</u>	<u>\$ 90.6</u>	<u>\$ 55.5</u>	<u>\$ 0.60</u>
Depreciation			\$ 27.0		
Adjusted EBITDA			<u>\$ 117.6</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2023 issued on February 28, 2024.

Reconciliation of U.S. GAAP to Adjusted Fiscal Year 2023 Financial Measures

(In millions, except per share data)

	Year Ended December 31, 2023				
	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	\$ 1,014.6	\$ 873.9	\$ 77.3	\$ (21.4)	\$ (0.23)
Adjustments:					
ERP and System Modernization	-	(19.2)	19.2	14.9	0.16
Intangible Amortization	-	(112.0)	112.0	86.8	0.94
Operational Optimization	2.4	(1.7)	4.1	3.7	0.04
Portfolio Optimization	-	(2.2)	65.6	64.5	0.69
Litigation, Settlements and Regulatory Compliance	-	(30.8)	30.8	22.1	0.24
Asset Impairments	3.4	(3.1)	6.5	6.5	0.07
Other Tax Matters	-	-	-	(2.0)	(0.02)
Total Adjustments	5.8	(169.0)	238.2	196.5	2.12
Adjusted Financial Measures	<u>\$ 1,020.4</u>	<u>\$ 704.9</u>	<u>\$ 315.5</u>	<u>\$ 175.1</u>	<u>\$ 1.89</u>
Depreciation			104.5		
Adjusted EBITDA			<u>\$ 420.0</u>		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2023 issued on February 28, 2024.

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

(In millions, except per share data)

	Year Ended December 31, 2022				
	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	\$ 1,025.6	\$ 887.5	\$ 153.7	\$ 56.0	\$ 0.61
Adjustments:					
ERP and System Modernization	-	(19.2)	19.2	14.5	0.16
Intangible Amortization	-	(124.0)	124.0	96.1	1.04
Operational Optimization	-	-	-	-	-
Portfolio Optimization	-	(6.9)	(8.7)	(7.4)	(0.08)
Litigation, Settlements and Regulatory Compliance	-	(30.0)	30.0	25.1	0.27
Asset Impairments	-	(5.5)	5.5	4.1	0.04
Other Tax Matters	-	-	-	-	-
Total Adjustments	-	(185.6)	170.0	132.4	1.43
Adjusted Financial Measures	\$ 1,025.6	\$ 701.9	\$ 323.7	\$ 188.4	\$ 2.04
Depreciation			108.5		
Adjusted EBITDA			\$ 432.2		

For more details on adjusted items, please see Stericycle's earnings press release for Q4 2023 issued on February 28, 2024.

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