CleanHarbors

Kenan–Flagler Business School

ALPHA CHALLENGE

The University of North Carolina

November 23, 2025

Team Number: 5

Students: Benjamin Guerrero, Max McCartney, Erika Mendes

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Buy CLH 6.375% 2/01/31

CleanHarbors

Investment Summary

Thesis 1:

Durable Competitive Advantage Will Drive Strong Credit Metrics Through 2027 and Support a Potential Ratings Upgrade in 2027

Thesis 2:

Clean Harbors Will be Able to Maintain its Strong Credit Profile Even After Financing 2026 and 2027 Acquisitions

Bond Info

Moody's/S&P/Fitch	Ba2/BB+/BB+
Issue Size ($M)	$500
OAS (bps)	176
YTW	5.23%
Convexity	0.05
Modified Duration	1.99

	Bull	Base	Bear
2Y HPR (Annualized)	**6.42%**	**6.10%**	**5.43%**

Source(s): Bloomberg, FactSet, Company Filings

Company Overview

Company Overview

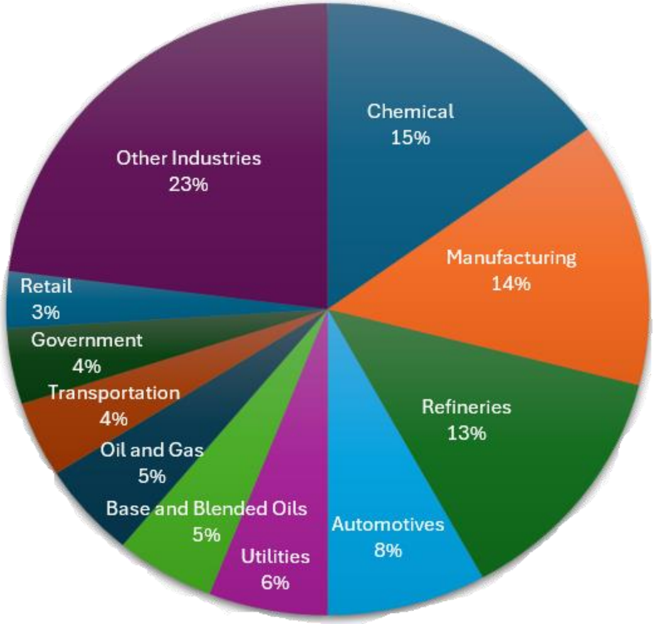
Clean Harbors (CLH) is North America's leading provider of environmental and industrial services, specializing in hazardous waste management, sustainability solutions, and emergency response.

Revenue Segments

Environmental Services Segment (ES)
- Provider of hazardous and non-hazardous waste management services across North America

Safety-Kleen Sustainability Solutions Segment (SKSS)
- Re-refines used oil to produce high quality lubricants

Customer Base



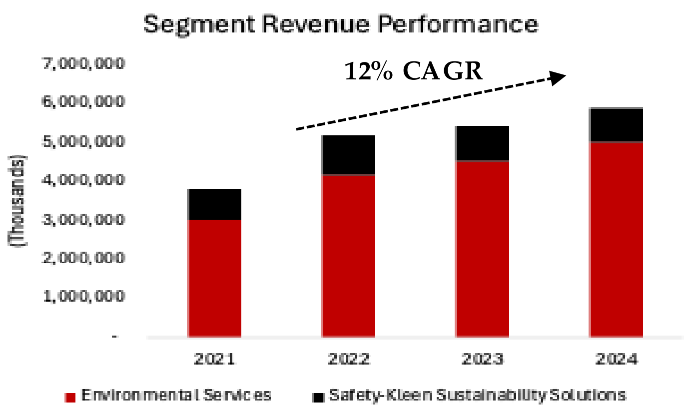
CLH's revenue streams are diversified across a wide range of end markets

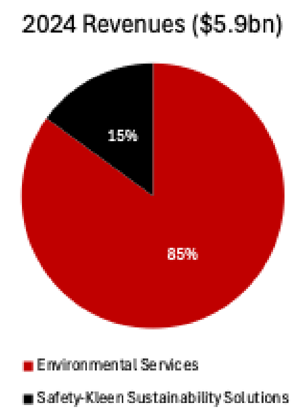
Source(s): Bloomberg, FactSet, Company Filings

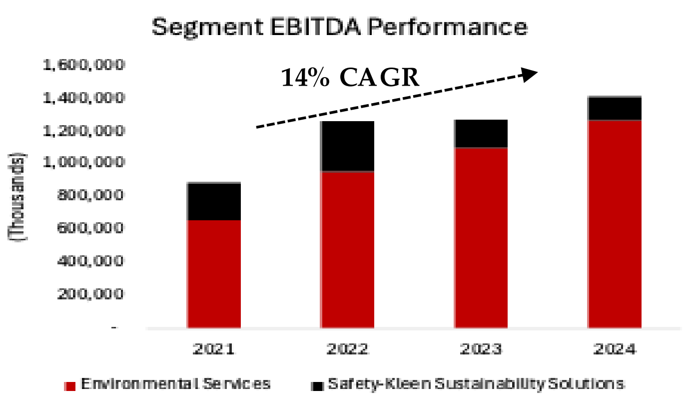
Company Overview

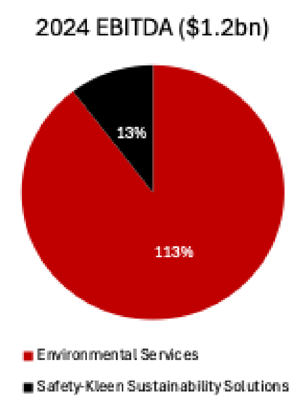
CleanHarbors

Clean Harbors (CLH) has continued to show resilient financial momentum with 12% revenue CAGR and 14% EBITDA CAGR since 2021. The environmental services segment remains the core earnings engine, consistently representing a majority of CLH's sales.









Source(s): Bloomberg, FactSet, Company Filings

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Upgrade and Downgrade Triggers

CleanHarbors

Moody’s (Ba1/Stable)	S&P (BB+/Stable)
Upgrade Triggers: • EBITDA margin approaching 25% • FCF to debt sustained above 12.5% • Total Debt/EBITDA below 3.0x	**Upgrade Triggers:** • FOCF/Debt exceeds and sustains above 20%. • Management moves to establishing and maintaining investment grade policies and credit measures.
Downgrade Triggers: • Debt/EBITDA > 3.5x • FCF to Debt < 7.5% • Materially lower incinerator utilization rate (typically high 80% range).	**Downgrade Triggers:** • Leverage > 4.0x through decline in sales or operating margins. • Clean Harbors pursues a series of bolt-on acquisitions or shareholder rewards, weakening credit metrics.

Source(s): Moody’s, S&P

Capital Structure, Liquidity Model, and Credit Statistics

Capital Structure ($mn)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Revolving Credit Facilities							
$400mn 1L Gtd. Sr. Sec. RCF due 6/28/29	-	-	-	-	-	-	-
$600mn 1L Gtd. Sr. Sec. RCF due 6/28/29	-	-	-	-	-	-	-
Term Loans							
1L Gtd Sr. Sec. TLB due 06/30/24	-	-	-	-	-	-	-
1L Gtd Sr. Sec. TLB due 10/10/28	980.0	970.0	-	-	-	-	-
1L Gtd Sr. Sec. TLB due 10/08/28	-	-	1,449.8	1,442.2	-	-	-
1L Gtd Sr. Sec. TLB due 10/08/32	-	-	-	-	1,260.0	1,247.4	1,234.8
Senior Unsecured Notes	-	-	-	-	-	-	-
CLH 4 7/8 07/15/27	545.0	545.0	545.0	545.0	-	-	-
CLH 5 1/8 07/15/29	300.0	300.0	300.0	300.0	300.0	300.0	300.0
CLH 6 3/8 02/01/31	-	500.0	500.0	500.0	500.0	500.0	500.0
CLH 5 3/4 10/15/33	-	-	-	-	745.0	745.0	745.0
Forecasted New Issuance	-	-	-	-	-	-	357.1
Total	1,825.0	2,315.0	2,794.8	2,787.2	2,805.0	2,792.4	3,136.9

Credit Metrics	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Total Debt/LTM EBITDA	2.4x	2.3x	2.5x	2.4x	2.4x	2.0x	2.0x
Net Debt/LTM EBITDA	1.9x	1.8x	1.9x	1.9x	1.5x	1.2x	1.1x
EBITDA/Interest	9.4x	9.3x	8.3x	8.0x	8.1x	11.5x	12.6x
EBIT/Interest	6.2x	6.0x	5.3x	4.9x	4.9x	7.6x	8.6x
LTM FFO/Debt (S&P)	32.2%	33.8%	30.6%	31.7%	31.8%	39.9%	38.7%
FOCF/Debt (S&P)	11.6%	13.6%	12.4%	14.4%	19.1%	20.9%	23.6%

Source(s): Bloomberg, FactSet, Company Filings

Investment Thesis

Geographic Breakdown

Only national provider offering a full breadth of environmental and industrial services.

Network of Disposal Assets:

- 10 hazardous waste incinerators
- 7 commercial landfill sites
- 33 Treatment, Storage & Disposal Facilities (TSDFs)
- 11 Wastewater Treatment Operations
- Over 100 waste management facilities
- Over 20,000 company vehicles

Geographic Reach:

- Service locations across all 50 U.S. states, 9 Canadian provinces, and Puerto Rico

Disposal Assets


Service Locations

Source(s): Bloomberg, FactSet, Company Filings

Thesis Point 1: Durable Competitive Advantage Will Drive Strong Credit Metrics Through 2027 and Support a Potential Ratings Upgrade in 2027

Scale and Infrastructure Advantage

- Scale drives operational leverage and pricing power, with utilization above 89% and margins near 19% EBITDA
- The new Kimball incinerator (+70k tons capacity) boosts throughput and PFAS* destruction capability, supporting long-term growth and higher FCF generation

PFAS Expansion

- Only U.S. provider offering end-to-end PFAS lifecycle management, with > 99.99% destruction efficiency
- Regulatory framework tailwinds provide recurring revenue opportunities

Oligopolistic Industry Structure

- Portfolio of 500+ permits, regulatory hurdles, and high upfront capital requirements limit new entrants and protects incumbents
- Competitors such as Waste Management and GFL Environmental lack the same hazardous waste footprint

*PFAS: per- and poly-fluorinated alkyl substances

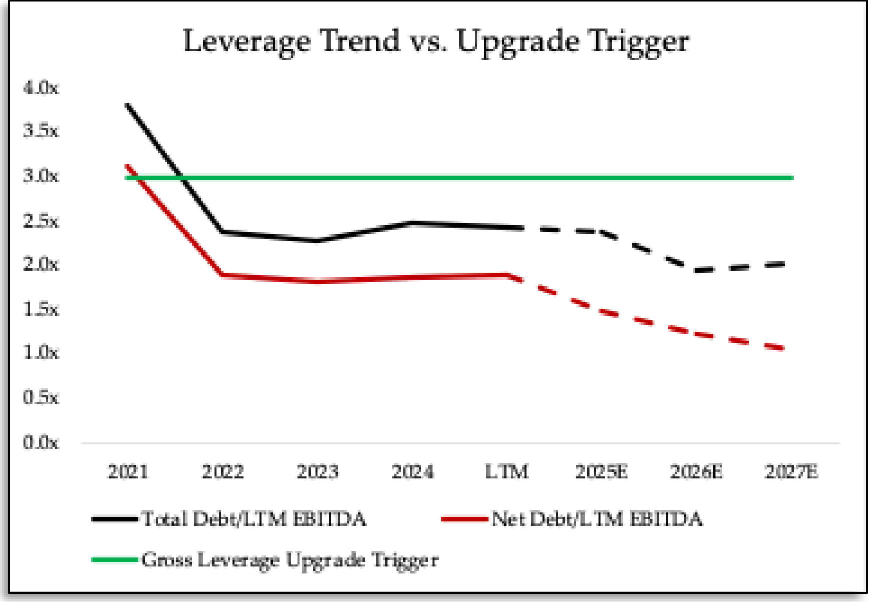
Source(s): Bloomberg, FactSet, Company Filings

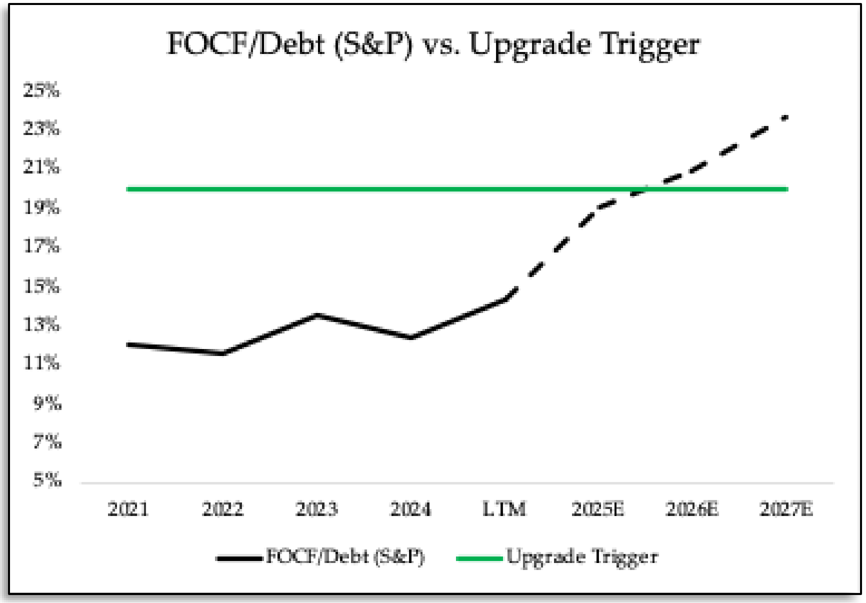
Thesis Point 1: Clean Harbor margin expansion, improving cash generation, and disciplined leverage management position CLH to exceed key upgrade thresholds.

Dominant Competitive Positioning Allows CLH to Surpass Upgrade Triggers by 2027

	2021	2022	2023	2024	LTM	2025E	2026E	2027E
EBITDA Margin	17.5%	19.7%	18.7%	19.0%	19.2%	19.4%	21.6%	22.4%

- Increasing volumes, margins, and synergies should drive EBITDA margins toward 25%





- Gross leverage is expected to be <3.0x and FOCF/Debt is expected to be >20% in 2026

Source(s): Bloomberg, FactSet, Company Filings

Thesis Point 2: Clean Harbors Will be Able to Maintain its Strong Credit Profile Even After Financing 2026 and 2027 Acquisitions

There is a Clear Path to Maintaining 2.0x Net Leverage Over the Next 2 Years

- Clean Harbors historically acquires companies under $1.4bn
- Prior acquisitions were funded using 70% - 100% debt and the remainder with existing cash
- We have generated an estimated range of acquisition funding needs over the next 2 years
- The chart below shows the possible financing mixes for 2 years of consecutive acquisitions that would result in a ~2.0x net leverage ratio (management's target) highlighted in green

Commitment to ~2.0x net leverage limits acquisition credit risk through 2027

2-Year Debt Financing

2-Year Existing Cash Financing	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000
100,000	1.99x	2.11x	2.22x	2.33x	2.43x	2.54x
200,000	1.91x	2.03x	2.14x	2.25x	2.36x	2.46x
300,000	1.83x	1.95x	2.06x	2.17x	2.28x	2.38x
400,000	1.75x	1.87x	1.98x	2.10x	2.20x	2.31x
500,000	1.67x	1.79x	1.91x	2.02x	2.13x	2.23x
600,000	1.60x	1.72x	1.83x	1.95x	2.05x	2.16x
700,000	1.52x	1.64x	1.76x	1.87x	1.98x	2.09x
800,000	1.45x	1.57x	1.69x	1.80x	1.91x	2.01x
900,000	1.37x	1.50x	1.62x	1.73x	1.84x	1.94x

Source(s): Bloomberg, FactSet, Company Filings

Risks and Mitigants

Risks	Mitigants
Leverage and Debt-Financed M&A	Management is committed to maintaining net leverage below 2.0x as well as bolstering liquidity through generating FCF to fund the equity portion of acquisition financing.
Cyclical Exposures in SKSS Segment	CLH revised its SKSS pricing model and implemented new stop-fees to stabilize margins in a softening oil and lubricants market.
Regulatory and Environmental Liability Risk	Tightening environmental regulatory changes drives service demand for hazardous waste treatment and destruction, especially with the expected PFAS regulatory framework.

Source(s): Bloomberg, FactSet, Company Filings

Valuation

Clean Harbors Has a Strong Credit Profile vs. Industry Peers

	Ecolab, Inc. (ECL)	Waste Management, Inc. (WM)	Clean Harbors, Inc. (CLH)	GFL Environmental (GFL)
Ratings (Outlook)	A3/A-/A- (S/S/S)	A3/A-/A- (S/N/S)	Ba1/BB+ (S/S)	Ba3/BB (S/S)
Market Cap	$75.64bn	$87.27bn	$11.60bn	$22.8bn
Revenue (LTM)	$15.89bn	$24.78bn	$5.96bn	$6.92bn
EBITDA (LTM)	$3.71bn	$7.25bn	$1.15bn	$1.89bn
EBITDA Margin	23.4%	29.2%	19.2%	27.3%
EV/EBITDA	22.2x	15.2x	11.9x	16.3x
Total Debt (LTM)	$8.83bn	$2.40bn	$3.02bn	$7.87bn
Free Cash Flow	$1.55bn	$2.16bn	$399.55mn	$431.50mn
Total Debt/EBITDA	2.48x	3.43x	**2.42x**	3.92x
Net Debt/EBITDA	1.93x	3.40x	**1.90x**	3.83x

Source(s): Bloomberg, FactSet, Company Filings

Comparable Bonds

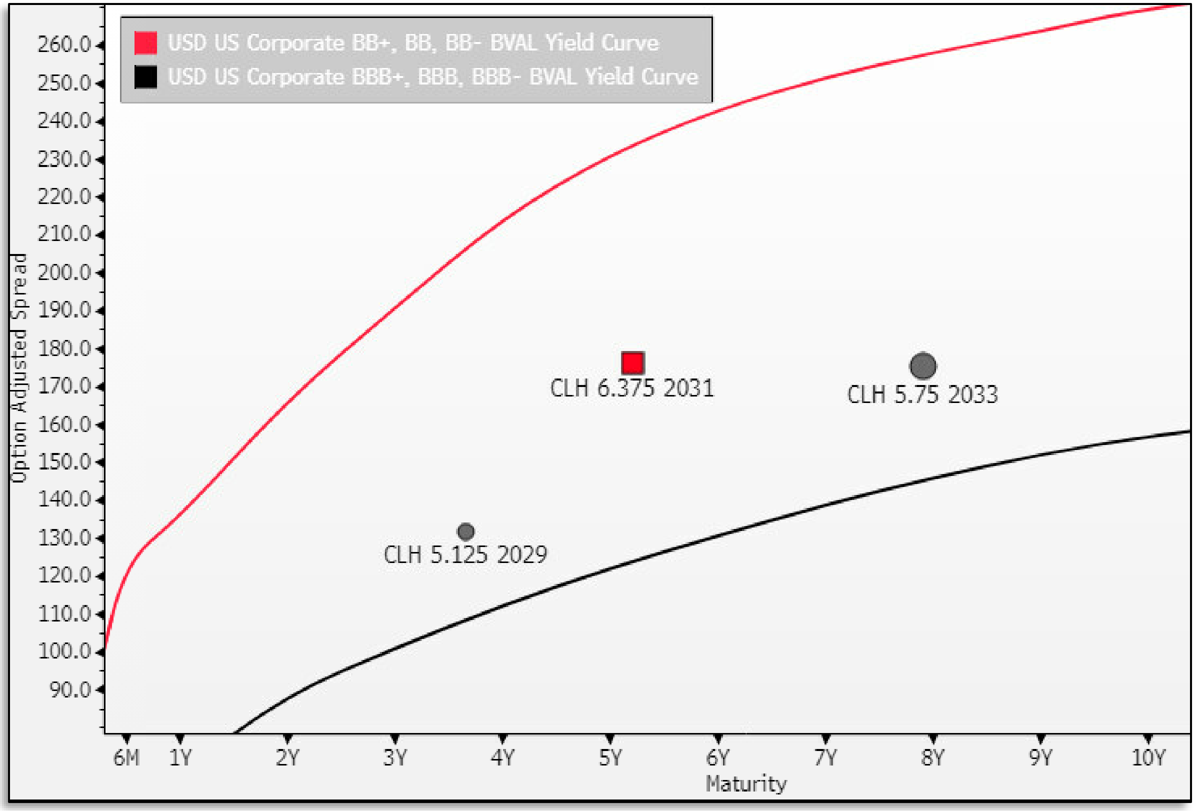
	ECL 1.3% 01/30/2031	WM 4.95% 07/03/2031	CLH 6.375% 02/01/31	GFLCN 6.75% 01/15/31
Ratings (Outlook)	A3/A-/A- (S/S/S)	A3/A-/A- (S/N/S)	Ba1/BB+ (S/S)	Ba3/BB (S/S)
Rank	Sr. Unsecured	Sr. Unsecured	Sr. Unsecured	Sr. Unsecured
Price	86.62	103.64	102.32	104.65
Amount Outstanding	600mn	750mn	500mn	1.8bn
Modified Duration	4.89	4.66	1.99	2.76
YTW	4.20%	4.20%	5.23%	5.13%
OAS	90 bps	88 bps	176 bps	162 bps
5Y CDS	N/A	56 bps	N/A	76 bps

- BB index trades at an OAS of 231 bps and BBB index trades at an OAS of 125 bps

Source(s): Bloomberg, FactSet, Company Filings

CLH 31s Offer an Attractive 2Y Holding Period Return With a Skew to Upside

	Bull	Base	Bear	2027 Call
ΔOAS	- 50 bps	- 25 bps	+ 25 bps	@ 102
2Y HPR (Annualized)	6.42%	6.10%	5.43%	5.63%



Source(s): Bloomberg, FactSet, Company Filings

Buy CLH 6.375% 2/01/31

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Appendix

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Regulatory Tailwinds

CleanHarbors

- Resource Conservation and Recovery Act (RCRA) Subtitle C provides updated guidelines for end-to-end national management for hazardous waste. Program overseen by EPA with implementation and enforcement done at the state level
  - Permit Process: 120+ days to obtain and can last up to 10 years
  - Cost: $20k-$500k

- EPA 2024 waste regulation agenda increases scrutiny on waste-recycling streams

- State-level oversight may raise stricter rules and regulations

Source(s): Government Filings (U.S. Environmental Protection Agency)

CLH's Role in Total PFAS Solution Management

- Clean Harbors provides the most comprehensive suite of PFAS treatment and destruction services, adhering to the EPA's 2024 Interim Guidance and additional state-level mandates

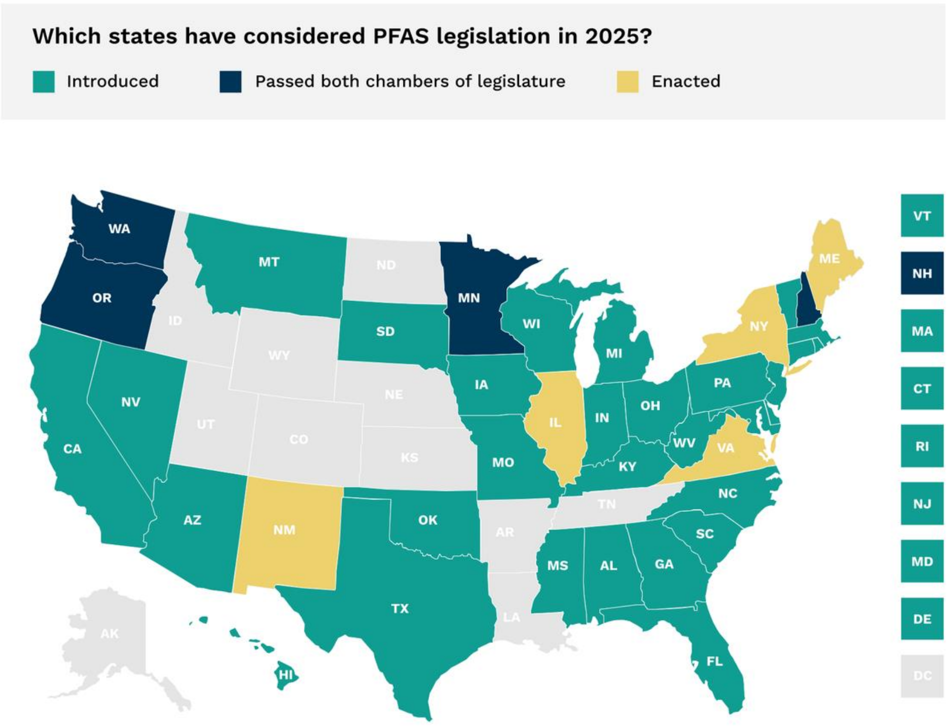
- With over 100 EPA-permitted facilities, CLH can provide nationwide coverage

Source(s): Bloomberg, FactSet, Company Filings

Secular Pressures towards PFAS destruction growing across the United States

- In 2025, over 350 bills regarding PFAS have been introduced throughout 39 states

- The EPA has provided guidance on the testing of containment, destruction, and disposal through their Interim Guidance for 2024



Source(s): Bloomberg, FactSet, Company Filings

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Historical M&A Transactions

CleanHarbors

HEPACO

- Size: $400mn all-cash acquisition
- Multiple: 7.1x EV/EBITDA
- Year: 2024

HPC INDUSTRIAL — POWERED BY CLEAN HARBORS

- Size: $1.25bn all-cash acquisition
- Multiple: 8.3x EV/EBITDA
- Year: 2021

NOBLE OIL SERVICES

- Size: $69mn all-cash acquisition
- Year: 2024

Source(s): Bloomberg, FactSet, Company Filings

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Thesis Point 2: Clean Harbors Will be Able to Maintain its Strong Credit Profile Even After Considering 2026 and 2027 Acquisitions

CleanHarbors

Commitment to ~2.0x net leverage limits acquisition credit risk through 2027

Case 1: $500mn Acquisitions per Year

Implied Future M&A Schedule	Value (In thousands)
Total EBITDA 2027 Target (2023 Guidance)	$2,000,000
Organic EBITDA 2027 Target (2023 Guidance)	$1,400,000
Total EBITDA Acquired	**$600,000**
2024 Acquisition (HEPACO) EV	$400,000
2024 Acquisition EBITDA (post-synergy)	$56,338
Remaining EBITDA Needed from Future Acquisitions	**$543,662**
Historical Average Acquisition Multiple	7.7x
Total Future Acquisition EV Required to Reach Target	**$4,186,197**
Total Debt (10/09/2025)	$3,350,000
Target Post-Acquisition(s) EBITDA	$2,000,000
Cash	$699,100
Pro Forma 2027 Debt to EBITDA (Excl. Financing)	1.7x
Pro Forma 2027 Net Debt to EBITDA (Excl. Financing)	1.3x
Incremental Debt Raise	$750,000
Existing Cash	$300,000
Total Financing	**$1,050,000**
Historical Debt Financing %	*71%*
Pro Forma 2027 Debt to EBITDA (Post Financing)	**2.6x**
Pro Forma 2027 Net Debt to EBITDA (Post Financing)	**1.9x**

Case 2: $1.2bn Acquisitions per Year

Implied Future M&A Schedule	Value (In thousands)
Total EBITDA 2027 Target (2023 Guidance)	$2,000,000
Organic EBITDA 2027 Target (2023 Guidance)	$1,400,000
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Pro Forma 2027 Net Debt to EBITDA (Excl. Financing)	1.3x
Incremental Debt Raise	$1,750,000
Existing Cash	$700,000
Total Financing	**$2,450,000**
Historical Debt Financing %	*71%*
Pro Forma 2027 Debt to EBITDA (Post Financing)	**2.9x**
Pro Forma 2027 Net Debt to EBITDA (Post Financing)	**2.1x**

Source(s): Bloomberg, FactSet, Company Filings

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Management Team

CleanHarbors

Alan S. McKim

- Founder, Executive Chairman, and Chief Technology Office
- Over 4 decades of experience in the environmental services industry.

Michael L. Battles

- Co-Chief Executive Officer
- Served as CLH's Executive Vice President and Chief Financial Office
- Has more than 20 years of financial experience

Eric W. Gerstenberg

- Co-Chief Executive Officer
- Joined CLH in 1989, holding positions of increasing responsibility such as President of the Environmental, Industrial, & Field Services and Chief Operating Officer

Eric J. Dugas

- Executive Vice President and Chief Financial Office
- Served as CLH's Senior Vice President, Finance, and Chief Accounting Officer for 5 years
- 13 years of experience with Deloitte & Touche

Source(s): Bloomberg, FactSet, Company Filings

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Income Statement

CleanHarbors

Income Statement ($mn)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Revenues:							
Environmental Services	4,171.7	4,511.4	5,004.7	5,118.1	5,157.2	5,724.3	6,049.2
Safety-Kleen Sustainability Solutions	994.4	897.3	884.8	843.8	847.8	864.8	882.1
Corporate Items	0.5	0.4	0.4	0.3	0.2	0.2	0.2
Total revenues	5,166.6	5,409.2	5,890.0	5,962.3	6,005.2	6,589.2	6,931.4
Cost of revenues:	-	-	-	-	-	-	-
Environmental Services	(2,903.0)	(3,063.0)	(3,366.0)	(3,417.3)	(3,439.7)	(3,705.3)	(3,859.1)
Safety-Kleen Sustainability Solutions	(615.3)	(646.3)	(659.2)	(639.3)	(637.7)	(657.2)	(670.4)
Corporate Items	(25.6)	(36.8)	(40.5)	(50.7)	(46.8)	(49.0)	(51.6)
Total cost of revenues	(3,543.9)	(3,746.1)	(4,065.7)	(4,107.4)	(4,124.2)	(4,411.5)	(4,581.1)
Selling, general and administrative expenses:	-	-	-	-	-	-	-
Environmental Services	(315.7)	(346.8)	(371.3)	(382.2)	(380.7)	(421.3)	(445.3)
Safety-Kleen Sustainability Solutions	(72.8)	(78.1)	(78.6)	(72.4)	(73.3)	(74.8)	(76.3)
Corporate Items	(239.0)	(246.3)	(289.8)	(286.0)	(277.2)	(275.6)	(290.6)
Total selling, general and administrative expenses	(627.4)	(671.2)	(739.6)	(740.7)	(731.2)	(771.7)	(812.2)
Accretion of environmental liabilities	(12.9)	(13.7)	(13.5)	(14.0)	(14.2)	(14.2)	(14.2)
Depreciation	(297.4)	(315.5)	(346.5)	(394.2)	(403.8)	(423.8)	(443.8)
Amortization	(50.2)	(50.3)	(54.4)	(54.1)	(53.9)	(53.9)	(53.9)
Income from operations	634.7	612.4	670.2	651.9	677.9	914.1	1,026.2
Other income/expense, net	2.5	2.3	(1.5)	3.0	5.5	5.5	5.5
Loss on early extinguishment of debt	(0.4)	(2.9)	(0.4)	(0.4)	-	-	-
Gain on sale of business	8.9	-	-	-	-	-	-
Interest expense	(107.7)	(108.6)	(135.0)	(143.1)	(143.5)	(124.3)	(123.6)
Income before provision for income taxes	538.0	503.3	533.4	511.4	539.9	795.4	908.2
Provision for income taxes	(126.3)	(125.4)	(131.1)	(123.0)	(137.9)	(190.9)	(218.0)
Net income	411.7	377.9	402.3	388.4	402.0	604.5	690.2

Source(s): Bloomberg, FactSet, Company Filings

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Income Statement Margins and Growth Rates

CleanHarbors

Segment Model Growth Rates (Y/Y) (%)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Environmental Services							
Revenues	*37.6%*	*8.1%*	*10.9%*	*4.4%*	*3.0%*	*5.0%*	*6.0%*
Safety-Kleen Sustainability Solutions							
Revenues	*28.7%*	*-9.8%*	*-1.4%*	*-5.7%*	*-4.2%*	*2.0%*	*2.0%*

Segment Model Margins (%)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Environmental Services							
Gross Margin	*30.4%*	*32.1%*	*32.7%*	*33.2%*	*33.3%*	*35.0%*	*36.0%*
SG&A	*7.6%*	*7.7%*	*7.4%*	*7.5%*	*7.4%*	*7.4%*	*7.4%*
EBITDA (Company Reported)	*22.8%*	*24.4%*	*25.3%*	*25.8%*	*25.9%*	*29.5%*	*30.4%*
Safety-Kleen Sustainability Solutions							
Gross Margin	*38.1%*	*28.0%*	*25.5%*	*24.2%*	*24.8%*	*24.0%*	*24.0%*
SG&A	*7.3%*	*8.7%*	*8.9%*	*8.6%*	*8.6%*	*8.6%*	*8.6%*
EBITDA (Company Reported)	*30.8%*	*19.3%*	*16.6%*	*15.7%*	*16.1%*	*15.4%*	*15.4%*

Consolidated Income Statement Metrics (%)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Total revenue growth y/y	*35.8%*	*4.7%*	*8.9%*	*2.9%*	*0.7%*	*9.7%*	*5.2%*
Gross margin	*31.4%*	*30.7%*	*31.0%*	*31.1%*	*31.3%*	*33.0%*	*33.9%*
SG&A margin	*12.1%*	*12.4%*	*12.6%*	*12.4%*	*12.2%*	*11.7%*	*11.7%*
Adj. EBITDA ($mn)	1,015.8	1,012.2	1,119.4	1,147.6	1,165.2	1,423.4	1,555.5
% Margin	19.7%	18.7%	19.0%	19.2%	19.4%	21.6%	22.4%
% Growth y/y	52.3%	-0.4%	10.6%	3.1%	1.5%	22.2%	9.3%

Source(s): Bloomberg, FactSet, Company Filings

Kenan-Flagler Business School ALPHA CHALLENGE The University of North Carolina

Cash Flow Statement

CleanHarbors

Cash Flow Statement ($mn)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Cash flows from operating activities:							
Net income	411.7	377.9	402.3	384.8	402.0	604.5	690.2
Adjustments to reconcile net income to net cash from operating activites:							
Depreciation	297.4	315.5	346.5	394.2	403.8	403.8	403.8
Amortization	50.2	50.3	54.4	54.1	53.9	53.9	53.9
Allowance for doubtful accounts	7.8	6.0	8.1	7.0	9.8	9.8	9.8
Amortization of deferred financing costs and debt discount	6.3	5.3	6.3	6.7	6.7	6.7	6.7
Accretion of environmental liabilities	12.9	13.7	13.5	14.1	14.2	14.2	14.2
Changes in environmental liability estimates	8.3	4.8	4.1	(8.8)	(8.9)	-	-
Deferred income taxes	17.5	12.7	18.4	18.5	-	-	-
Other expense, net	(2.5)	(2.3)	1.5	1.7	(2.0)	-	-
Stock based compensation	26.8	20.7	28.0	26.8	31.5	31.5	31.5
Loss on early extinguishment of debt	(8.9)	2.9	0.4	0.4	-	-	-
Gain on sale of business	0.4	-	-	-	-	-	-
Environmental expenditures	(13.9)	(29.0)	(27.5)	(24.6)	(17.5)	(17.5)	(17.5)
Changes in assets and liabilities, net of acquisitions:	-	-	-	-	-	-	-
Accounts receivable and unbilled accounts receivable	(201.1)	2.5	(28.8)	(28.9)	52.2	(109.3)	(35.6)
Inventories and supplies	(74.5)	(4.3)	(49.6)	(18.0)	14.8	(28.1)	(2.8)
Other current and long-term assets	(17.3)	(22.6)	(57.2)	(41.7)	(5.5)	-	-
Accounts payable	74.5	(27.4)	12.3	(11.3)	(13.8)	43.9	19.6
Other current and long-term liabilities	30.5	8.1	45.1	(7.6)	(13.0)	-	-
Net cash from operating activities	626.2	734.6	777.8	767.5	928.3	1,013.5	1,174.0
Cash flows used in investing activities:							
Additions to property, plant and equipment	(345.1)	(422.3)	(432.2)	(367.9)	(397.6)	(432.2)	(432.2)
Proceeds form sale and disposal of fixed assets	8.8	9.7	9.1	8.9	26.4	26.4	26.4
Acquisitions, net of cash acquired	(86.3)	(119.6)	(478.0)	(0.8)	-	(500.0)	(500.0)
Proceeds from sale of business	(2.0)	0.8	0.8	-	-	-	-
Additions to intangible assets including costs to obtain or renew permits	(49.8)	(2.6)	(9.6)	(8.5)	(2.3)	(2.3)	(2.3)
Purchases of available-for-sale securities	68.6	(158.3)	(117.9)	(108.2)	(78.6)	(78.6)	(78.6)
Proceeds from sale of available-for-sale securities	16.8	117.4	124.2	102.8	99.6	99.6	99.6
Net cash used in investing activities	(388.9)	(575.1)	(903.7)	(373.7)	(352.4)	(887.1)	(887.1)
Cash flows from financing activities:							
Change in uncashed checks	0.6	2.8	(1.5)	(2.4)	(2.5)	(2.5)	(2.5)
Tax payments related to withholdings on vested restricted stock	(8.8)	(13.8)	(13.8)	(19.6)	(17.2)	(17.2)	(17.2)
Repurchases of common stock	(50.2)	(51.2)	(55.2)	(112.0)	(167.0)	(120.0)	(120.0)
Proceeds from employee stock purchase plan	-	-	(9.0)	(5.6)	3.4	-	-
Deferred financing costs paid	(0.4)	(6.7)	(30.9)	(22.7)	-	-	-
Payments on finance leases	(12.8)	(15.9)	3.0	(2.3)	(33.4)	(15.0)	(15.0)
Principal payments on debt	(115.7)	(624.0)	(15.1)	(15.1)	(13.8)	-	-
Proceeds from issuance of debt, net of discount	-	500.0	499.4	-	2.7	-	357.1
Borrowing from revolving credit facility	-	114.0	-	-	-	-	-
Payment on revolving credit facility	-	(114.0)	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net cash from financing activities	(187.3)	(208.9)	377.0	(179.6)	(227.9)	(154.7)	202.4
Effect of exchange rate on cash	(9.9)	1.5	(8.6)	(1.2)	3.5	-	-
Net change in cash and cash equivalents	40.0	(47.9)	242.5	212.9	351.5	(28.2)	489.3
Cash and cash equivalents, beginning of period	452.6	492.6	444.7	402.0	687.2	1,038.7	1,010.4
Cash and cash equivalents, end of period	492.6	444.7	687.2	614.9	1,038.7	1,010.4	1,499.8
Free Cash Flow	**281.2**	**312.3**	**345.5**	**399.5**	**530.7**	**581.3**	**741.7**
FFO (S&P)	**781.9**	**778.1**	**853.3**	**881.5**	**883.8**	**1,108.2**	**1,214.0**

Source(s): Bloomberg, FactSet, Company Filings

Kenan-Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

Balance Sheet

CleanHarbors

Balance Sheet ($mn)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Assets							
Current Assets:							
Cash and cash equivalents	492.6	444.7	687.2	600.2	1,038.7	1,010.4	1,499.8
Short-term marketable securities	62.0	106.1	102.6	98.9	83.0	62.0	41.0
Accounts receivable and unbilled accounts receivable	1,071.6	1,091.0	1,177.6	1,295.6	1,118.3	1,217.8	1,243.6
Inventories and supplies	325.0	327.5	384.7	383.4	370.8	398.8	401.6
Prepaid expenses and other current assets	82.5	82.9	81.7	97.3	93.7	93.7	93.7
Total current assets	2,033.8	2,052.2	2,433.8	2,475.4	2,704.5	2,782.8	3,279.6
Property, plant and equipment, net	1,980.3	2,193.3	2,447.9	2,507.1	2,479.6	2,981.5	3,483.5
Other Assets:							
Operating lease right-of-use assets	166.2	187.1	250.9	247.0	241.0	241.0	241.0
Goodwill	1,246.9	1,287.7	1,477.2	1,479.8	1,478.8	1,478.8	1,478.8
Permits and other intangibles, net	620.8	602.8	702.0	677.2	651.3	599.7	548.0
Other long-term assets	81.8	59.7	65.5	53.4	57.1	74.6	92.0
Total other assets	2,115.6	2,137.3	2,495.5	2,457.4	2,428.3	2,394.1	2,359.9
Total assets	6,129.7	6,382.9	7,377.3	7,439.9	7,612.3	8,158.4	9,123.1
Liabilities and Stockholders' Equity							
Current Liabilities:							
Current portion of long-term debt	10.0	10.0	15.1	15.1	12.6	12.6	12.6
Accounts payable	446.6	451.8	487.3	432.8	465.8	509.7	529.3
Deferred revenue	94.1	95.2	88.5	87.8	92.0	92.0	92.0
Accrued expenses and other current liabilities	396.7	397.2	419.4	376.6	415.2	415.2	415.2
Current portion of closure, post-closure and remedial liabilities	23.1	26.9	20.6	26.5	28.8	28.8	28.8
Current portion of operating lease liabilities	49.5	56.4	71.7	73.0	72.2	72.2	72.2
Total current liabilities	1,020.1	1,037.5	1,102.7	1,011.8	1,086.6	1,130.5	1,150.1
Other liabilities:							
Closure and post-closure liabilities	105.6	105.0	119.5	122.8	122.5	122.5	122.5
Remedial liabilities	106.4	97.9	101.4	86.9	85.3	85.3	85.3
Long-term debt, less current portion	2,414.8	2,291.7	2,771.1	2,766.5	2,766.9	2,766.9	3,124.1
Operating lease liabilities, less current portion	119.3	131.7	182.9	178.3	173.1	173.1	173.1
Deferred tax liabilities	350.4	353.1	363.6	359.7	358.6	358.6	358.6
Other long-term liabilities	90.8	118.3	162.6	199.9	190.2	193.6	197.0
Total other liabilities	3,187.3	3,097.8	3,701.1	3,714.1	3,696.7	3,700.1	4,060.6
Total liabilities	4,207.4	4,135.4	4,803.7	4,725.9	4,783.3	4,830.6	5,210.8
Stockholders' equity:							
Common stock, $0.01 par value:	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Additional paid-in capital	504.2	459.7	421.7	361.6	322.7	337.0	351.4
Accumulated other comprehensive loss	(167.2)	(175.3)	(213.6)	(198.5)	(211.1)	(211.1)	(211.1)
Retained earnings	1,584.7	1,962.6	2,364.9	2,550.5	2,716.9	3,201.3	3,771.5
Total stockholders' equity	1,922.3	2,247.5	2,573.5	2,714.1	2,829.0	3,327.8	3,912.3
Total liabilities and stockholders' equity	6,129.7	6,382.9	7,377.3	7,439.9	7,612.3	8,158.4	9,123.1

Source(s): Bloomberg, FactSet, Company Filings

Liquidity Model

Liquidity Model ($mn)	2022 12/31/22	2023 12/31/23	2024 12/31/24	LTM 9/30/25	2025E 12/31/25	2026E 12/31/26	2027E 12/31/27
Cash	492.6	444.7	687.2	600.2	1,038.7	1,010.4	1,499.8
$400mn 1L Gtd. Sr. Sec. revolving credit facility due 6/28/29	400.0	400.0	-	-	-	-	-
$600mn 1L Gtd. Sr. Sec. revolving credit facility due 6/28/29	-	-	600.0	600.0	600.0	600.0	600.0
Total liquidity	892.6	844.7	1,287.2	1,200.2	1,638.7	1,610.4	2,099.8
Less: Letters of credit	(111.4)	(134.3)	(130.0)	(147.9)	(147.9)	(147.9)	(147.9)
Less: NTM debt maturities	(10.0)	(10.0)	(15.1)	(15.1)	(12.6)	(12.6)	(12.6)
Adj. liquidity	771.2	700.4	1,142.1	1,037.2	1,478.2	1,449.9	1,939.3

Source(s): Bloomberg, FactSet, Company Filings