

REFINITIV

## DELTA REPORT

### 10-Q

CLH - CLEAN HARBORS INC

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 733

█ CHANGES 360

█ DELETIONS 163

█ ADDITIONS 210

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

FORM 10-Q

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

**JUNE SEPTEMBER 30,**

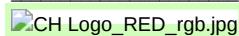
FOR THE QUARTERLY PERIOD ENDED 2024

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 001-34223



**CLEAN HARBORS, INC.**

(Exact name of registrant as specified in its charter)

Massachusetts

04-2997780

(State or Other Jurisdiction of Incorporation or Organization)

(IRS Employer Identification No.)

42 Longwater Drive Norwell MA

02061-9149

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including area code: (781) 792-5000

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	CLH	New York Stock Exchange

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 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 "merging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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 is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of Common Stock, \$0.01 par value, of the registrant outstanding at **July 26, 2024** **October 25, 2024** was **53,972,593** **53,899,103**.

**CLEAN HARBORS, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
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**CLEAN HARBORS, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
**(in thousands)**

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
<b>Current assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Short-term marketable securities		
Accounts receivable, net of allowances aggregating \$50,639 and \$42,209, respectively		
Accounts receivable, net of allowances aggregating \$48,570 and \$42,209, respectively		
Unbilled accounts receivable		

Inventories and supplies		
Prepaid expenses and other current assets		
Total current assets		
Property, plant and equipment, net		
<b>Other assets:</b>		
Operating lease right-of-use assets		
Operating lease right-of-use assets		
Operating lease right-of-use assets		
Goodwill		
Permits and other intangibles, net		
Other long-term assets		
Total other assets		
Total assets		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
<b>Current liabilities:</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt		
Current portion of long-term debt		
Current portion of long-term debt		
Accounts payable		
Deferred revenue		
Accrued expenses and other current liabilities		
Current portion of closure, post-closure and remedial liabilities		
Current portion of operating lease liabilities		
Total current liabilities		
<b>Other liabilities:</b>		
Closure and post-closure liabilities, less current portion of \$15,813 and \$13,556, respectively		
Closure and post-closure liabilities, less current portion of \$15,813 and \$13,556, respectively		
Closure and post-closure liabilities, less current portion of \$15,813 and \$13,556, respectively		
Remedial liabilities, less current portion of \$16,141 and \$13,358, respectively		
Closure and post-closure liabilities, less current portion of \$14,203 and \$13,556, respectively		
Closure and post-closure liabilities, less current portion of \$14,203 and \$13,556, respectively		
Closure and post-closure liabilities, less current portion of \$14,203 and \$13,556, respectively		
Remedial liabilities, less current portion of \$16,274 and \$13,358, respectively		
Long-term debt, less current portion		
Operating lease liabilities, less current portion		
Deferred tax liabilities		
Other long-term liabilities		
Total other liabilities		
Commitments and contingent liabilities (See Note 15)	Commitments and contingent liabilities (See Note 15)	Commitments and contingent liabilities (See Note 15)
<b>Stockholders' equity:</b>		
Common stock, \$0.01 par value:		
Common stock, \$0.01 par value:		
Common stock, \$0.01 par value:		
Authorized 80,000,000 shares; issued and outstanding 53,930,201 and 53,929,703 shares, respectively		
Authorized 80,000,000 shares; issued and outstanding 53,930,201 and 53,929,703 shares, respectively		
Authorized 80,000,000 shares; issued and outstanding 53,930,201 and 53,929,703 shares, respectively		

Authorized 80,000,000 shares; issued and outstanding 53,898,805 and 53,929,703 shares, respectively  
Authorized 80,000,000 shares; issued and outstanding 53,898,805 and 53,929,703 shares, respectively  
Authorized 80,000,000 shares; issued and outstanding 53,898,805 and 53,929,703 shares, respectively

Additional paid-in capital

Additional paid-in capital

Additional paid-in capital

Accumulated other comprehensive loss

Retained earnings

Total stockholders' equity

Total liabilities and stockholders' equity

The accompanying notes are an integral part of these unaudited consolidated financial statements.

#### CLEAN HARBORS, INC. AND SUBSIDIARIES

#### UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except per share amounts)

	Three Months Ended	June 30, 2024	Three Months Ended	June 30, 2023	Six Months Ended	Three Months Ended	June 30, 2024	Nine Months Ended	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024
<b>Revenues:</b>												
Service revenues												
Service revenues												
Service revenues												
Product revenues												
Total revenues												
<b>Cost of revenues: (exclusive of items shown separately below)</b>												
Service revenues												
Service revenues												
Service revenues												
Product revenues												
Total cost of revenues												
Selling, general and administrative expenses												
Accretion of environmental liabilities												
Depreciation and amortization												
<b>Income from operations</b>												
<b>Income from operations</b>												
<b>Income from operations</b>												
Other expense, net												
Other (expense) income, net												
Loss on early extinguishment of debt												
Interest expense, net of interest income of \$4,352, \$2,001, \$7,866, and \$4,956, respectively												
Interest expense, net of interest income of \$4,352, \$2,001, \$7,866, and \$4,956, respectively												
Interest expense, net of interest income of \$4,352, \$2,001, \$7,866, and \$4,956, respectively												
Interest expense, net of interest income of \$5,391, \$2,877, \$13,257, and \$7,833, respectively												

Interest expense, net of interest income of \$5,391, \$2,877, \$13,257, and \$7,833, respectively  
 Interest expense, net of interest income of \$5,391, \$2,877, \$13,257, and \$7,833, respectively

**Income before provision for income taxes**

Provision for income taxes

**Net income**

**Earnings per share:**

Basic

Basic

Basic

Diluted

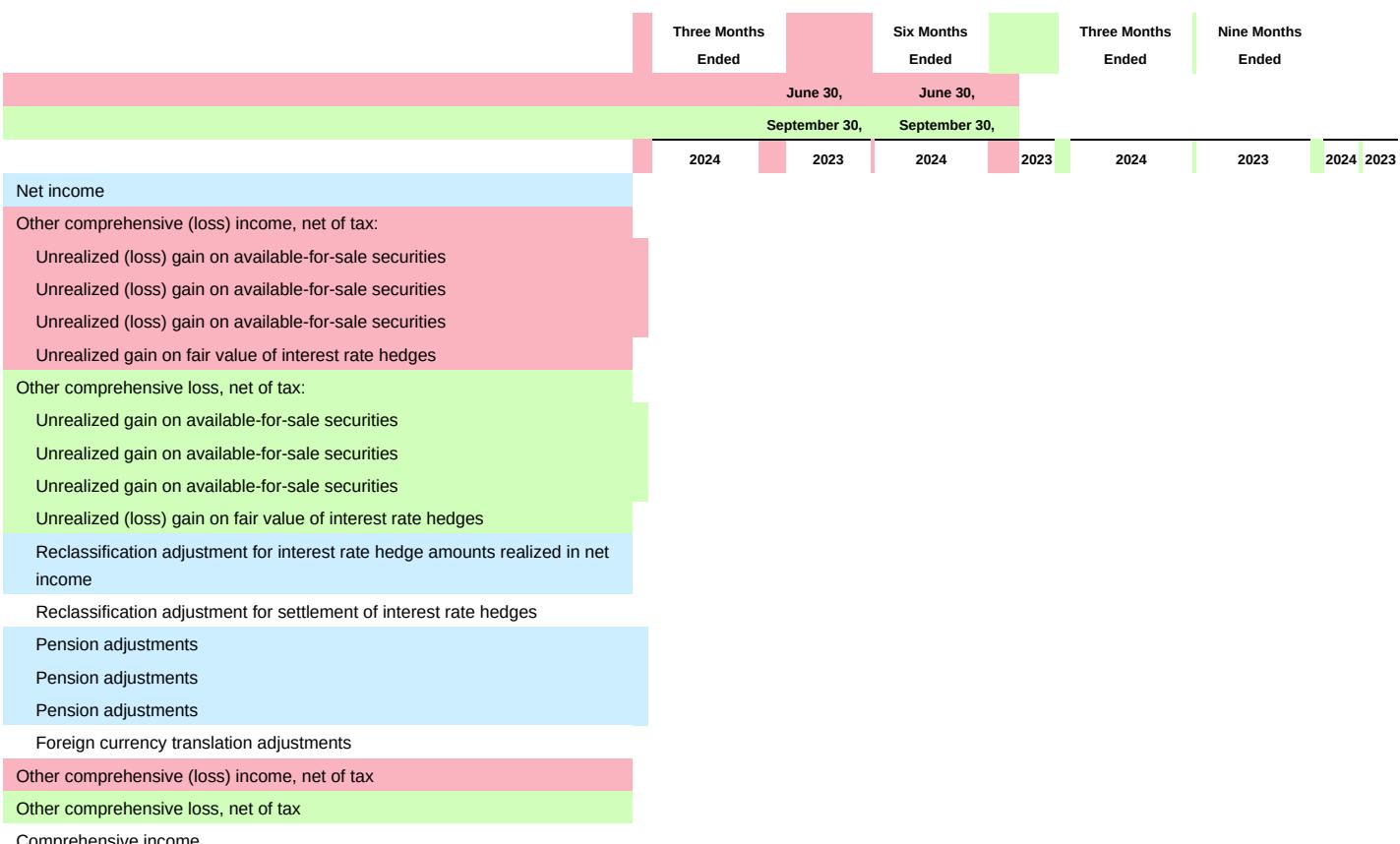
Shares used to compute earnings per share - Basic

Shares used to compute earnings per share - Diluted

The accompanying notes are an integral part of these unaudited consolidated financial statements.

**CLEAN HARBORS, INC. AND SUBSIDIARIES**

**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
 (in thousands)



The accompanying notes are an integral part of these unaudited consolidated financial statements.

**CLEAN HARBORS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Six Months Ended	June 30,	Nine Months Ended	September 30,
	2024	2023	2024	2023
<b>Cash flows from operating activities:</b>				
Net income				
Net income				
Net income				
<b>Adjustments to reconcile net income to net cash from operating activities:</b>				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Allowance for doubtful accounts				
Amortization of deferred financing costs and debt discount				
Accretion of environmental liabilities				
Changes in environmental liability estimates				
Deferred income taxes				
Other expense, net				
Stock-based compensation				
Loss on early extinguishment of debt				
Environmental expenditures				
Environmental expenditures				
Environmental expenditures				
<b>Changes in assets and liabilities, net of acquisitions:</b>				
Accounts receivable and unbilled accounts receivable				
Accounts receivable and unbilled accounts receivable				
Accounts receivable and unbilled accounts receivable				
Inventories and supplies				
Other current and long-term assets				
Accounts payable				
Other current and long-term liabilities				
Net cash from operating activities				
<b>Cash flows used in investing activities:</b>				
Additions to property, plant and equipment				
Additions to property, plant and equipment				
Additions to property, plant and equipment				
Proceeds from sale and disposal of fixed assets				
Acquisitions, net of cash acquired				
Proceeds from sale of business				
Additions to intangible assets including costs to obtain or renew permits				
Purchases of available-for-sale securities				
Proceeds from sale of available-for-sale securities				
Net cash used in investing activities				
<b>Cash flows from (used in) financing activities:</b>				
Change in uncashed checks				
Change in uncashed checks				
Change in uncashed checks				
Tax payments related to withholdings on vested restricted stock				
Repurchases of common stock				

Deferred financing costs paid	
Payments on finance leases	
Payments on finance leases	
Payments on finance leases	
Principal payments on debt	
Proceeds from issuance of debt, net of discount	
Borrowing from revolving credit facility	
Payment on revolving credit facility	
Net cash from (used in) financing activities	
Effect of exchange rate change on cash	
Decrease in cash and cash equivalents	
Increase (decrease) in cash and cash equivalents	
Cash and cash equivalents, beginning of period	
Cash and cash equivalents, end of period	
Supplemental information:	
Cash payments for interest and income taxes:	
Cash payments for interest and income taxes:	
Cash payments for interest and income taxes:	
Interest paid	
Interest paid	
Interest paid	
Income taxes paid, net of refunds	
Non-cash investing activities:	
Property, plant and equipment accrued	
Property, plant and equipment accrued	
Property, plant and equipment accrued	
ROU assets obtained in exchange for operating lease liabilities	
ROU assets obtained in exchange for operating lease liabilities	
ROU assets obtained in exchange for operating lease liabilities	
ROU assets obtained in exchange for finance lease liabilities	

The accompanying notes are an integral part of these unaudited consolidated financial statements.

#### CLEAN HARBORS, INC. AND SUBSIDIARIES

#### UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (in thousands)

Common Stock	Common Stock	Common Stock	Number of Shares	Number of Shares	Number of Shares	Total Stockholders' Equity	\$0.01 Par Value	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity	\$0.01 Par Value	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity

Balance at January 1, 2024
Net income
Other comprehensive loss
Stock-based compensation
Issuance of common stock for restricted share vesting, net of employee tax withholdings
Repurchases of common stock
Balance at March 31, 2024
Net income
Other comprehensive loss
Stock-based compensation
Issuance of common stock for restricted share vesting, net of employee tax withholdings
Repurchases of common stock
Balance at June 30, 2024
Net income
Other comprehensive loss
Stock-based compensation
Issuance of common stock for restricted share vesting, net of employee tax withholdings
Repurchases of common stock
Balance at September 30, 2024
Balance at June 30, 2024
Balance at September 30, 2024
Balance at June 30, 2024
Balance at June 30, 2024
Balance at September 30, 2024

	Common Stock						Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings		
Balance at January 1, 2023	54,065	\$ 541	\$ 504,240	\$ (167,181)	\$ 1,584,722		\$ 1,922,322
Net income	—	—	—	—	72,401		72,401
Other comprehensive loss	—	—	—	(14,346)	—		(14,346)
Stock-based compensation	—	—	6,018	—	—		6,018
Issuance of common stock for restricted share vesting, net of employee tax withholdings	49	—	(3,351)	—	—		(3,351)
Repurchases of common stock	(22)	—	(3,000)	—	—		(3,000)
Balance at March 31, 2023	54,092	541	503,907	(181,527)	1,657,123		1,980,044
Net income	—	—	—	—	115,766		115,766
Other comprehensive income	—	—	—	15,561	—		15,561
Stock-based compensation	—	—	4,500	—	—		4,500
Issuance of common stock for restricted share vesting, net of employee tax withholdings	34	—	(984)	—	—		(984)
Repurchases of common stock	(36)	—	(5,001)	—	—		(5,001)
Balance at June 30, 2023	54,090	\$ 541	\$ 502,422	\$ (165,966)	\$ 1,772,889		\$ 2,109,886

#### CLEAN HARBORS, INC. AND SUBSIDIARIES

**UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)**  
(in thousands)

	Common Stock						Total Stockholders' Equity	
	Number of Shares	\$0.01 Par Value	Additional Paid-in Capital		Accumulated Other Comprehensive Loss			
			Paid-in Capital	Other Comprehensive Loss	Retained Earnings			
Balance at January 1, 2023	54,065	\$ 541	\$ 504,240	\$ (167,181)	\$ 1,584,722	\$ 1,922,322		
Net income	—	—	—	—	72,401	72,401		
Other comprehensive loss	—	—	—	(14,346)	—	(14,346)		
Stock-based compensation	—	—	6,018	—	—	6,018		
Issuance of common stock for restricted share vesting, net of employee tax withholdings	49	—	(3,351)	—	—	(3,351)		
Repurchases of common stock	(22)	—	(3,000)	—	—	(3,000)		
Balance at March 31, 2023	54,092	541	503,907	(181,527)	1,657,123	1,980,044		
Net income	—	—	—	—	115,766	115,766		
Other comprehensive income	—	—	—	15,561	—	15,561		
Stock-based compensation	—	—	4,500	—	—	4,500		
Issuance of common stock for restricted share vesting, net of employee tax withholdings	34	—	(984)	—	—	(984)		
Repurchases of common stock	(36)	—	(5,001)	—	—	(5,001)		
Balance at June 30, 2023	54,090	541	502,422	(165,966)	1,772,889	2,109,886		
Net income	—	—	—	—	91,340	91,340		
Other comprehensive loss	—	—	—	(3,173)	—	(3,173)		
Stock-based compensation	—	—	4,291	—	—	4,291		
Issuance of common stock for restricted share vesting, net of employee tax withholdings	71	1	(6,552)	—	—	(6,551)		
Repurchases of common stock	(58)	(1)	(9,998)	—	—	(9,999)		
Balance at September 30, 2023	54,103	\$ 541	\$ 490,163	\$ (169,139)	\$ 1,864,229	\$ 2,185,794		

The accompanying notes are an integral part of these unaudited consolidated financial statements.

**CLEAN HARBORS, INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**(1) BASIS OF PRESENTATION**

The accompanying consolidated interim financial statements are unaudited and include the accounts of Clean Harbors, Inc. and its subsidiaries (collectively, "Clean Harbors" or the "Company") and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments which are of a normal recurring nature and are necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. Management has made estimates and assumptions affecting the amounts reported in the Company's consolidated interim financial statements and accompanying footnotes; actual results could differ from those estimates and judgments. The results for interim periods are not necessarily indicative of results for the entire year or any other interim periods. The financial statements presented herein should be read in conjunction with the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

The Company's significant accounting policies are described in Note 2, "Significant Accounting Policies," in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

*Accounting Pronouncements Not Yet Adopted*

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance will be effective for the Company's annual period beginning January 1, 2024, and for interim periods beginning January 1, 2025. Early adoption is permitted. Upon adoption, the guidance

should be applied retrospectively to all prior periods presented in the financial statements. The requirements of this ASU are disclosure related and will not have an impact on the Company's financial condition, results of operations, or cash flows. The Company is currently evaluating the impact of adopting this ASU on its reportable segment disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances income tax disclosures related to the tax rate reconciliation and income taxes paid. This guidance will be effective for the annual periods beginning the year ended December 31, 2025. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The requirements of this ASU are disclosure related and will not have an impact on the Company's financial condition, results of operations, or cash flows. The Company is currently evaluating the impact of adopting this ASU on its income tax disclosures.

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. The rules require disclosure of, among other things: material climate-related risks; activities to mitigate or adapt to such risks; governance and management of such risks; and material Scope 1 and Scope 2 greenhouse gas emissions. Additionally, the rules require disclosure in the notes to the financial statements of the effects of severe weather events and other natural conditions, subject to certain materiality thresholds. The rules will become effective on a phased-in timeline beginning with the year ended December 31, 2025. On April 4, 2024, the SEC voluntarily stayed implementation of the final rule to facilitate the orderly judicial resolution of pending legal challenges to the rule. The Company is currently monitoring the legal challenges and evaluating the final rule to determine its potential impact on the Company's consolidated financial statements and disclosures.

### **(3) REVENUES**

The Company generates revenues through the following operating segments: Environmental Services and Safety-Kleen Sustainability Solutions ("SKSS"). The Company's Environmental Services operating segment generally has four sources of revenue and the SKSS operating segment has two sources of revenue. The Company disaggregates third-party revenues by geographic location and source of revenue as management believes these categories depict how revenue and cash flows are affected by economic factors. The Company's significant sources of revenue include:

**Technical Services**—Technical Services contribute to the revenues of the Environmental Services operating segment. Revenues for these services are generated from fees charged for waste material management and disposal services including onsite environmental management services, collection and transportation, packaging, recycling, treatment and disposal of waste and remediation projects. These services handle hazardous and/or non-hazardous waste, including per- and polyfluoroalkyl substances

("PFAS"). Revenue is primarily generated by short-term projects, most of which are governed by master service agreements that are long-term in nature. These master service agreements are typically entered into with the Company's larger customers and outline the pricing and legal frameworks for such arrangements. Services are provided based on purchase orders or agreements with the customer and include prices based upon units of volume of waste, material and personnel costs as well as transportation and other fees. Collection and transportation revenues are recognized over time, as the customer receives and consumes the benefits of the services as they are being performed and the Company has a right to payment for performance completed to date. The Company uses the input method to recognize revenue over time, based on time and materials incurred as a basis for measuring the satisfaction of the performance obligation. Revenues for treatment and disposal of waste are recognized upon completion of treatment, final disposition in a landfill or incinerator, or when the waste is shipped to a third-party for processing and disposal. The Company periodically enters into bundled arrangements for the collection and transportation and disposal of waste. For such arrangements, transportation and disposal are considered distinct performance obligations and the Company allocates revenue to each based on the relative standalone selling price (i.e., the estimated price that a customer would pay for the services on a standalone basis). Revenues and the related costs from waste that is not yet completely processed and disposed of are deferred. The deferred revenues and costs are recognized when the services are completed. The period between collection and transportation and the final processing and disposal ranges depending on the location of the customer, but generally is measured in days.

**Industrial Services**—Industrial Services contribute to the revenues of the Environmental Services operating segment. These revenues are primarily generated from industrial and specialty services provided to refineries, chemical plants, manufacturing facilities, power generation companies and other industrial customers throughout North America. Services include in-plant cleaning and maintenance services, plant outage and turnaround services, specialty cleaning services including chemical cleaning, pigging and high and ultra-high pressure water cleaning, leak detection and repair, daylighting, production services and upstream energy services. Services are provided based on purchase orders or agreements with the customer and include prices based upon daily, hourly or job rates for equipment, materials and personnel. The Company recognizes revenue for these services over time, as the customer receives and consumes the benefits of the services as they are being performed and the Company has a right to payment for performance completed to date. The Company uses the input method to recognize revenue over time, based on time and materials incurred.

**Field and Emergency Response Services**—Field and Emergency Response Services contribute to the revenues of the Environmental Services operating segment. Field Services revenues are generated from cleanup services at customer sites, including those managed by municipalities and utility providers, or other locations on a scheduled or emergency response basis. Services include confined space entry for tank cleaning, site decontamination, environmental remediation, railcar cleaning, manhole/vault clean outs, product recovery and transfer and vacuum services. Additional services include filtration, water treatment services and wetland restoration. Response services for environmental emergencies of any scale range from man-made disasters such as oil spills to natural disasters like hurricanes. Emergency response services also include spill cleanup on land and water, as well as contagion disinfection, decontamination and disposal services. Field and emergency response services are provided based on purchase orders or agreements with customers and include prices generally based upon daily, hourly or job rates for equipment, materials and personnel. The Company recognizes revenue for these services over time, as the customer receives and consumes the benefits of the services as they are being performed and the Company has a right to payment for performance completed to date. The Company uses the input method to recognize revenue over time, based on time and materials incurred. The duration of such services can be over a number of hours, several days or even months for larger scale projects.

**Safety-Kleen Environmental Services**—Safety-Kleen Environmental Services revenues contribute both to the Environmental Services operating segment and the SKSS operating segment depending upon the nature of such revenues and operating responsibilities relative to executing the revenue contracts. Revenues from providing containerized waste handling and disposal services, parts washer services and vacuum services, referred to collectively as the Safety-Kleen branches' core service offerings, contribute to the revenues of the Environmental Services operating segment. In addition, sales of packaged blended oil products and other complementary product sales contribute to the revenues of the Environmental Services operating segment. Revenues generated from waste oil, anti-freeze and oil filter collection services, sales of bulk blended oil products and sales of bulk automotive fluids contribute to the SKSS operating segment.

Generally, the revenue from services is recognized over time, as the customer receives and consumes the benefits of the services as they are being performed and the Company has a right to payment for performance completed to date. The duration of such services can be over a number of hours or several days. The Company uses the input method to recognize revenue over time, based on time and materials incurred. Product revenue is recognized upon the transfer of control whereby control transfers when the products are delivered to the customer. Containerized waste services consist of profiling, collecting, transporting and recycling or disposing of a wide variety of waste. Related collection and transportation revenues are recognized over time, as the customer receives and consumes the benefits of the services as they are being performed and the Company has a right to payment for performance completed to date. Parts washer services include customer use of the Company's parts washer equipment, cleaning and maintenance of the parts washer equipment and removal and replacement of used cleaning fluids. Parts washer services are considered a single performance obligation due to the highly integrated and interdependent nature of the arrangement. Revenue from parts washer services is recognized over the service interval as the customer receives the benefit of the services.

**Safety-Kleen Oil**—Safety-Kleen Oil related sales contribute to the revenues of the SKSS segment. These revenues are generated from sales of high-quality base and blended lubricating oils to third-party distributors, government agencies, fleets, railroads and industrial customers. The business also sells recycled fuel oil to asphalt plants, industrial plants and pulp and paper companies. The used oil is also processed into vacuum gas oil which can be further re-refined into lubricant base oils or sold directly into the marine diesel oil fuel market. Revenue for oil products is recognized at a point in time, upon the transfer of control. Control transfers when the products are delivered to the customer.

The following tables present the Company's third-party revenue disaggregated by source of revenue and geography (in thousands):

	Three Months Ended June 30, 2024				Three Months Ended September 30, 2024			
	Environmental Services	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate Total	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate	Total
<b>Primary Geographical Markets</b>								
United States								
United States								
United States								
Canada								
Total third-party revenues								
<b>Sources of Revenue</b>								
<b>Sources of Revenue</b>								
<b>Sources of Revenue</b>								
Technical Services								
Technical Services								
Technical Services								
Industrial Services and Other								
Field and Emergency Response Services								
Safety-Kleen Environmental Services								
Safety-Kleen Oil								
Total third-party revenues								
	Three Months Ended June 30, 2023				Three Months Ended September 30, 2023			
	Environmental Services	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate Total	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate	Total
<b>Primary Geographical Markets</b>								
United States								
United States								
United States								
Canada								
Total third-party revenues								
<b>Sources of Revenue</b>								
<b>Sources of Revenue</b>								
<b>Sources of Revenue</b>								

**Sources of Revenue**

Technical Services  
Technical Services  
Technical Services  
Industrial Services and Other  
Field and Emergency  
Response Services  
Safety-Kleen Environmental  
Services  
Safety-Kleen Oil  
Total third-party revenues

**Primary Geographical Markets**

United States  
United States  
United States  
Canada  
Total third-party revenues

**Sources of Revenue**

Technical Services  
Technical Services  
Technical Services  
Industrial Services and Other  
Field and Emergency  
Response Services  
Safety-Kleen Environmental  
Services  
Safety-Kleen Oil  
Total third-party revenues

	Six Months Ended June 30, 2024				Nine Months Ended September 30, 2024			
	Environmental Services	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate Total	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate	Total

**Primary Geographical Markets**

United States  
United States  
United States  
Canada  
Total third-party revenues

**Sources of Revenue**

Technical Services  
Technical Services

	Six Months Ended June 30, 2023				Nine Months Ended September 30, 2023			
	Environmental Services	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate Total	Environmental Services	Safety-Kleen Sustainability Solutions	Corporate	Total

Technical Services
Industrial Services and Other
Field and Emergency
Response Services
Safety-Kleen Environmental Services
Safety-Kleen Oil
Total third-party revenues

#### Contract Balances

(in thousands)	(in thousands)	June 30, 2024	December 31, 2023	(in thousands)	September 30, 2024	December 31, 2023
Receivables						
Contract assets (unbilled receivables)						
Contract liabilities (deferred revenue)						

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets) and customer advances and deposits or deferred revenue (contract liabilities) on the consolidated balance sheet. Generally, billing occurs subsequent to revenue recognition, as a right to payment is not just subject to passage of time, resulting in contract assets, which are generally classified as current. The Company sometimes receives advances or deposits from its customers before revenue is recognized, resulting in contract liabilities. These assets and liabilities are reported on the consolidated balance sheet on a contract-by-contract basis at the end of each reporting period. The contract liability balances at the beginning of each period presented are generally fully recognized in the subsequent three-month period.

#### (4) BUSINESS COMBINATIONS

##### 2024 Acquisitions

On March 22, 2024, the Company completed its acquisition of Hepaco Blocker, Inc. and its subsidiaries (collectively, "HEPACO") for an all-cash purchase price of \$395.6 million \$392.2 million, net of cash acquired and subject to final settlement of acquired. The Company settled working capital balances, balances for this acquisition in the third quarter of 2024 and adjusted the purchase price accordingly. The operations of HEPACO expand the Environmental Services segment's field services business.

The preliminary allocation of the purchase price is provisional and was based on estimates of the fair value of assets acquired and liabilities assumed as of March 22, 2024. The Company continues to obtain information to complete the valuation of these balances and the associated income tax accounting. Measurement period adjustments will reflect new information obtained about facts and circumstances that existed as of the acquisition date. The following table summarizes the preliminary determination and recognition of assets acquired and liabilities assumed (in thousands):

At Acquisition Date As Reported March 31, 2024	At Acquisition Date As Reported March 31, 2024	Measurement Period Adjustments	At Acquisition Date As Reported June 30, 2024	At Acquisition Date As Reported March 31, 2024	Measurement Period Adjustments	At Acquisition Date As Reported September 30, 2024
Accounts receivable, including unbilled receivables						
Inventories and supplies						
Prepaid expenses and other current assets						
Property, plant and equipment						
Permits and other intangibles						
Operating lease right-of-use assets						
Other long-term assets						
Accrued expenses and other current liabilities						

Current portion of operating lease liabilities
Operating lease liabilities, less current portion
Deferred tax liabilities
Closure and post-closure liabilities
Other long-term liabilities
Total identifiable net assets
Goodwill
Total purchase price

Other intangible assets acquired include customer relationships and trademarks/tradenames and are anticipated to have estimated useful lives of between 7<sup>seven</sup> and 20 years with a weighted average useful life of approximately 19 years. The excess of the total purchase price, which includes the aggregate cash consideration paid in excess of the fair value of the tangible and intangible assets acquired and liabilities assumed, was recorded as goodwill. The goodwill recognized is attributable to the **expected** operating synergies, assembled workforce and growth potential that the Company expects to realize from the acquisition. Goodwill generated from the acquisition is not deductible for tax purposes.

The operations included in the Company's financial statements for the period ended **June September** 30, 2024, and pro forma revenue and earnings amounts on a combined basis as if this acquisition had been completed on January 1, 2023 are immaterial to the unaudited consolidated financial statements of the Company.

On March 1, 2024, the Company acquired Noble Oil Services, Inc and its subsidiaries (collectively, "Noble Oil") for an all-cash purchase price of \$68.7 million, net of cash acquired. The Company settled working capital for this acquisition in the second quarter of 2024 and adjusted the purchase price accordingly. The acquisition of Noble Oil expands the SKSS segment's oil collection operations in the southeastern region of the United States while also adding incremental production from the re-refinery owned and operated by the acquired company.

The preliminary allocation of the purchase price is provisional and was based on estimates of the fair value of assets acquired and liabilities assumed as of March 1, 2024. The Company continues to obtain information to complete the valuation of these balances and the associated income tax accounting. Measurement period adjustments will reflect new information obtained about facts and circumstances that existed as of the acquisition date. The following table summarizes the preliminary determination and recognition of assets acquired and liabilities assumed (in thousands):

	At Acquisition Date As Reported March 31, 2024	At Acquisition Date As Reported March 31, 2024	Measurement Period Adjustments	At Acquisition Date As Reported June 30, 2024	At Acquisition Date As Reported March 31, 2024	Measurement Period Adjustments	At Acquisition Date As Reported September 30, 2024
Accounts receivable, including unbilled receivables							
Inventories and supplies							
Prepaid expenses and other current assets							
Property, plant and equipment							
Permits and other intangibles							
Operating lease right-of-use assets							
Other long-term assets							
Accrued expenses and other current liabilities							
Current portion of operating lease liabilities							
Operating lease liabilities, less current portion							
Closure and post-closure liabilities							
Closure and post-closure liabilities							
Closure and post-closure liabilities							

Total identifiable net assets
Total identifiable net assets
Total identifiable net assets
Goodwill
Total purchase price

Other intangible assets acquired include customer relationships and trademarks/tradenames and are anticipated to have estimated useful lives of between 7<sup>seven</sup> and 15 years with a weighted average useful life of approximately 13 years. The excess of the total purchase price, which includes the aggregate cash consideration paid in excess of the fair value of the tangible and intangible assets acquired and liabilities assumed, was recorded as goodwill. The goodwill recognized is attributable to the **expected** operating synergies and assembled workforce that the Company expects to realize from the acquisition. Goodwill generated from the acquisition is deductible for tax purposes.

The operations included in the Company's financial statements for the period ended **June September** 30, 2024, and pro forma revenue and earnings amounts on a combined basis as if this acquisition had been completed on January 1, 2023 are immaterial to the unaudited consolidated financial statements of the Company.

#### 2023 Acquisition

On March 31, 2023, the Company acquired Thompson Industrial Services, LLC ("Thompson Industrial") for an all-cash purchase price of \$110.9 million, net of cash acquired. The operations of Thompson Industrial expand the Environmental Services segment's industrial service operations in the southeastern region of the United States.

The Company finalized the purchase accounting for this acquisition in the first quarter of 2024. The allocation of the purchase price was based on estimates of the fair value and assets acquired and liabilities assumed as of March 31, 2023. The following table summarizes the final determination and recognition of assets acquired and liabilities assumed (in thousands):

	At Acquisition Date As Reported December 31, 2023	At Acquisition Date As Reported December 31, 2023	Measurement Period Adjustments	Final Allocation As Reported June 30, 2024	At Acquisition Date As Reported December 31, 2023	Measurement Period Adjustments	Final Allocation As Reported September 30, 2024
Accounts receivable, including unbilled receivables							
Inventories and supplies							
Prepaid expenses and other current assets							
Property, plant and equipment							
Permits and other intangibles							
Operating lease right-of-use assets							
Other long-term assets							
Accrued expenses and other current liabilities							
Current portion of operating lease liabilities							
Operating lease liabilities, less current portion							
Other long-term liabilities							
Other long-term liabilities							
Other long-term liabilities							
Total identifiable net assets							
Goodwill							
Total purchase price							

Permits and other intangible assets acquired include customer relationships, trademarks/tradenames and non-compete agreements and are anticipated to have estimated useful lives of between five and 15 years with a weighted average useful life of approximately 13 years. The excess of the total purchase price, which includes the aggregate cash consideration paid in excess of the fair value of the tangible and intangible assets acquired and liabilities assumed, was recorded as goodwill. The goodwill recognized is attributable

to the expected operating synergies, assembled workforce and growth potential that the Company expects to realize from the acquisition. Goodwill generated from the acquisition is deductible for tax purposes.

#### (5) INVENTORIES AND SUPPLIES

Inventories and supplies consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
Supplies		
Oil and oil related products		
Solvent and solutions		
Other		
<b>Total inventories and supplies</b>	<b>5,233,118</b>	<b>5,325,160</b>

Supplies inventories consist primarily of critical spare parts to support the Company's incinerator and re-refinery operations and other general supplies used in our normal day-to-day operations. Other inventories consist primarily of parts washer components, cleaning fluids, absorbents and automotive fluids, such as windshield washer fluid and antifreeze.

#### (6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
Land		
Asset retirement costs (non-landfill)		
Landfill assets		
Buildings and improvements (1)		
Vehicles (2)		
Vehicles (2)		
Vehicles (2)		
Equipment (3)		
Construction in progress		
Construction in progress		
Construction in progress		
	<b>5,233,118</b>	
		<b>5,325,160</b>
Less - accumulated depreciation and amortization		
<b>Total property, plant and equipment, net</b>	<b>5,233,118</b>	<b>5,325,160</b>

(1) Balances inclusive of gross right-of-use ("ROU") assets classified as finance leases of \$8.0 million in both periods.

(2) Balances inclusive of gross ROU assets classified as finance leases of \$205.8 million \$208.7 million and \$151.7 million, respectively.

(3) Balances inclusive of gross ROU assets classified as finance leases of \$9.3 million and \$9.2 million in both periods., respectively.

Depreciation expense, inclusive of landfill and finance lease amortization, was \$86.5 million \$86.2 million and \$168.7 million \$254.9 million for the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively. Depreciation expense, inclusive of landfill and finance lease amortization, was \$77.2 million \$80.4 million and \$149.2 million \$229.7 million for the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively. The Company recorded \$2.9 million \$3.3 million and \$5.3 million \$8.6 million of capitalized interest during the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively. The Company recorded \$1.4 million \$2.7 million and \$2.7 million \$4.4 million of capitalized interest during the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively. Capitalized interest in the periods presented is primarily attributable to the construction of a new incinerator in Kimball, Nebraska.

#### (7) GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in goodwill by segment for the **six nine** months ended **June 30, 2024** **September 30, 2024** were as follows (in thousands):

Environmental Services	Environmental Services	Safety-Kleen Sustainability Solutions	Totals	Environmental Services	Safety-Kleen Sustainability Solutions	Totals
------------------------	------------------------	---------------------------------------	--------	------------------------	---------------------------------------	--------

Balance at January 1, 2024
Increase from current period acquisitions
Measurement period adjustments from prior period acquisitions
Foreign currency translation
Foreign currency translation
Foreign currency translation
Balance at June 30, 2024
Balance at September 30, 2024

The Company assesses goodwill on an annual basis as of December 31 or at an interim date when events or changes in the business environment ("triggering events") would more likely than not reduce the fair value of a reporting unit below its carrying value. During the period ended **June 30, 2024** **September 30, 2024**, no such triggering events were identified.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company's intangible assets consisted of the following (in thousands):

	June 30, 2024		December 31, 2023							
	September 30, 2024		December 31, 2023							
	Cost	Accumulated Amortization	Net	Cost		Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Permits										
Customer and supplier relationships										
Other intangible assets										
Total amortizable permits and other intangible assets										
Trademarks and trade names										
Total permits and other intangible assets										

Amortization expense of permits, customer and supplier relationships and other intangible assets was **\$14.0 million** **\$13.9 million** and **\$26.9 million** **\$40.7 million** in the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively. Amortization expense of permits, customer and supplier relationships and other intangible assets was **\$12.5 million** and **\$25.2 million** **\$37.8 million** in the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, respectively.

The expected amortization of the net carrying amount of finite-lived intangible assets at **June 30, 2024** **September 30, 2024** was as follows (in thousands):

Years Ending December 31,	Years Ending December 31,	Expected Amortization	Years Ending December 31,	Expected Amortization
2024 (six months)				
2024 (three months)				
2025				
2026				
2027				
2028				
Thereafter				
	\$			

#### (8) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 30, 2024	September 30, 2024	December 31, 2023
Accrued compensation and benefits			
Accrued insurance			
Accrued compensation and benefits			
Accrued income, real estate, sales and other taxes			
Accrued interest			
Accrued interest			
Accrued interest			

Accrued other	\$
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#### (9) CLOSURE AND POST-CLOSURE LIABILITIES

The changes to closure and post-closure liabilities (also referred to as "asset retirement obligations") from January 1, 2024 through **June 30, 2024** **September 30, 2024** were as follows (in thousands):

	Landfill Retirement Liability	Landfill Retirement Liability	Non-Landfill Retirement Liability	Total	Landfill Retirement Liability	Non-Landfill Retirement Liability	Total
Balance at January 1, 2024							
Liabilities assumed in acquisitions							
New asset retirement obligations							
New asset retirement obligations							
New asset retirement obligations							
Accretion							
Accretion							
Accretion							
Changes in estimates recorded to consolidated statement of operations							
Changes in estimates recorded to consolidated balance sheet							
Expenditures							
Currency translation and other							
Balance at June 30, 2024							
Balance at September 30, 2024							

In the **six** nine months ended **June 30, 2024** **September 30, 2024**, there were no significant benefits or charges resulting from changes in estimates for closure and post-closure liabilities.

#### (10) REMEDIAL LIABILITIES

The changes to remedial liabilities from January 1, 2024 through **June 30, 2024** **September 30, 2024** were as follows (in thousands):

	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Inactive Sites	Remedial Liabilities (Including Superfund) for Non-Landfill Operations	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Inactive Sites	Remedial Liabilities (Including Superfund) for Non-Landfill Operations	Total
Balance at January 1, 2024								
Accretion								
Accretion								
Accretion								
Changes in estimates recorded to consolidated statement of operations								
Expenditures								
Currency translation and other								
Balance at June 30, 2024								
Balance at September 30, 2024								

In the **six** nine months ended **June 30, 2024** **September 30, 2024**, changes in estimates for remedial liabilities included a \$2.9 million reserve increase related to new information on the ultimate remediation of an existing Superfund site.

## (11) FINANCING ARRANGEMENTS

### Long-Term Debt

The following table is a summary of the Company's long-term debt (in thousands):

<u>Current Portion of Long-Term Debt:</u>	<u>Current Portion of Long-Term Debt:</u>	June 30, 2024	December 31, 2023	<u>Current Portion of Long-Term Debt:</u>	September 30, 2024	December 31, 2023
Secured senior term loans						
<u>Long-Term Debt:</u>						
<u>Long-Term Debt:</u>						
<u>Long-Term Debt:</u>						
Secured senior term loans due October 8, 2028						
Secured senior term loans due October 8, 2028						
Secured senior term loans due October 8, 2028						
Unsecured senior notes, at 4.875%, due July 15, 2027 ("2027 Notes")						
Unsecured senior notes, at 5.125%, due July 15, 2029 ("2029 Notes")						
Unsecured senior notes, at 6.375%, due February 1, 2031 ("2031 Notes")						
Long-term debt, at par						
Long-term debt, at par						
Long-term debt, at par						
Unamortized debt issuance costs and discount						
Long-term debt, at carrying value						

### Financing Activities

The Company's significant financing arrangements are described in Note 12, "Financing Arrangements," in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and, other than as noted below, there have been no material changes to the arrangements described therein.

On June 28, 2024, the Company and one of the Company's Canadian subsidiaries (the "Canadian Borrower") entered into a seventh amended and restated credit agreement (the "Amended Credit Agreement") with Bank of America, N.A. (**BofA**), as administrative agent, and the lenders party to the Amended Credit Agreement. The Amended Credit Agreement amends amended and restates restated the sixth amended and restated credit agreement dated October 28, 2020 (the "Prior Credit Agreement").

Under the Amended Credit Agreement, the Company has the right to obtain revolving loans and letters of credit for a combined maximum of up to \$550.0 million (with a sub-limit of \$250.0 million for letters of credit) and the Canadian Borrower has the right to obtain revolving loans and letters of credit for a combined maximum of up to \$50.0 million. The maximum borrowing amount of \$600.0 million under the Amended Credit Agreement is increased from \$400.0 million under the Prior Credit Agreement.

Borrowings by the Company under the Amended Credit Agreement will bear interest at the Company's option, at either (i) the sum of Term SOFR plus a SOFR Adjustment of 0.1% plus 1.5% per annum, or (ii) the U.S. Base Rate, plus 0.5% per annum, and borrowings by the Canadian Borrower will bear interest, at the Company's option, at either (i) the sum of Term CORRA plus a Term CORRA adjustment of either 0.29547% or 0.32138% for the one or three month interest period respectively, plus 1.5% per annum, (ii) the Canadian Prime Rate, plus 0.5% per annum, or (iii) the Canadian Base Rate, plus 0.5% per annum, as those terms are defined in the Amended Credit Agreement. Other terms under the Amended Credit Agreement are substantially the same as under the Prior Credit Agreement. Subject to certain customary conditions, the facility will expire on June 28, 2029.

The Company had no outstanding loan balance as of the under the Amended Credit Agreement as of the date of the amendment discussed above, **June 30, 2024** **September 30, 2024** or December 31, 2023. As of **June 30, 2024** **September 30, 2024**, the Company had **\$463.5 million** **\$469.8 million** available to borrow under the revolving credit facility and outstanding letters of credit were **\$136.5 million** **\$130.2 million**.

On March 22, 2024, the Company and substantially all of the Company's domestic subsidiaries entered into Incremental Facility Amendment No. 5 to the Company's existing Credit Agreement, dated as of June 30, 2017 ("Term Loan Agreement"). Incremental Facility Amendment No. 5 provided for the incurrence of additional term loans (the "2024 Incremental Term Loans") under the Term Loan Agreement in the aggregate principal amount of \$500.0 million. Proceeds from the issuance of the 2024 Incremental Term Loans were **\$491.2** **\$491.1** million after debt discount and debt issuance costs, and were used to fund the acquisition of HEPACO, with the excess increasing the Company's cash balances. The 2024 Incremental Term Loans are in addition to the aggregate of \$980.0 million of term loans (the "Existing Term Loans") which were outstanding prior to the issuance of the 2024 Incremental Term Loans. Both the 2024 Incremental Term Loans and the Existing Term Loans (collectively referred to as the "2028 Term Loans") will mature on October 8, 2028, and may be prepaid at any time without premium or penalty other than customary breakage costs or if the Company engages in certain repricing transactions before **September 22, 2024**, in which event a 1.0% prepayment premium would be due. costs. The Company's obligations under the 2028 Term Loans are guaranteed by substantially all of the Company's domestic restricted subsidiaries and secured by liens on substantially all of the assets of the Company and the guarantors.

The 2028 Term Loans bear interest, at the Company's election, at either of the following rates: (a) the sum of the Term SOFR Rate (as defined in the Term Loan Agreement) plus 0.11448% (the one-month Term SOFR adjustment) plus a 1.75% margin per annum, or (b) the sum of the Base Rate (as defined in the Term Loan Agreement) plus 0.75% margin per annum. The Term SOFR rate is subject to a floor of 0.00% and the Base Rate is subject to a floor of 1.00%. The Company has elected one-month Term SOFR for interest payments on that debt; however, the Term Loan Agreement provides for Term SOFR adjustments for other interest periods. Interest on the 2028 Term Loans is paid monthly with interest payments on the 2024 Incremental Term Loan portion **commencing having commenced in April 2024**.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the estimated fair value of the Company's outstanding long-term debt, including the current portion, was \$2.8 billion and \$2.3 billion, respectively. The Company's estimates of fair value of its long-term debt, including the current portion, are based on quoted market prices or other available market data which are considered Level 2 measures according to the fair value hierarchy. Level 2 utilizes quoted market prices in markets that are not active, broker or dealer quotation or alternative pricing sources with reasonable levels of price transparency for similar assets and liabilities.

As of **June 30, 2024** **September 30, 2024**, after taking into account the interest rate swaps discussed under the "Cash Flow Hedges" **header** **heading** below, the Company's variable rate debt consisted of **\$872.4 million** **\$868.7 million** of the 2028 Term Loans. The Company's interest rate on this variable rate debt as of **June 30, 2024** **September 30, 2024** was **7.19%** **7.06%**.

On October 8, 2024, the Company and substantially all of the Company's domestic subsidiaries entered into Amendment No. 6 (the "Sixth Amendment") to the Term Loan Agreement. The Sixth Amendment (i) eliminated the Term SOFR Adjustment (noted above as 0.11448% per annum) and (ii) resets the six month soft call period for a repricing of the 2028 Term Loans. After giving effect to the repricing, the applicable interest rate margins for the 2028 Term Loans are 1.75% for Term SOFR borrowings and 0.75% for base rate borrowings. Under the Sixth Amendment the 2028 Term Loans may be prepaid at any time without premium or penalty other than customary breakage costs or if the Company engages in certain repricing transactions before April 8, 2025, in which event a 1% prepayment premium would be due.

#### Cash Flow Hedges

The Company's strategy to hedge against fluctuations in variable interest rates involves entering into interest rate derivative agreements.

The Company has entered into interest rate swap agreements with a notional amount of \$600.0 million ("2022 Swaps") to effectively fix the interest rate on \$600.0 million principal of the outstanding **Existing** **existing** Term Loans. The fixed rate on these instruments is 1.9645% and the variable rate is linked to the Term SOFR to mirror the variable interest payments for the **Existing** **Term Loans**. **Including** For the nine months ended September 30, 2024, including the 1.75% interest rate margin and the 0.11448% SOFR adjustment for the **Existing** **Term Loans**, the effective annual interest rate of this \$600.0 million of principal debt **is** **was** approximately 3.83%. Following the Sixth Amendment, which eliminated the 0.11448% SOFR adjustment, the effective annual rate on the \$600.0 million of principal is approximately 3.71%.

Prior to the phase-out of LIBOR as a referenced rate on June 30, 2023, the fixed rate on the 2022 Swaps was 0.931% and the variable rate was linked to LIBOR, **again** to mirror the LIBOR linked variable interest payments for the **Existing** **existing** Term Loans. With the then 2.00% interest rate margin for the **Existing** **existing** Term Loans, the effective annual interest rate of the \$600.0 million of principal debt was 2.931% through June 30, 2023. The 2022 Swaps will expire on September 30, 2027.

At the inception of these instruments, the Company designated the 2022 Swaps as cash flow hedges. As of **June 30, 2024** **September 30, 2024**, the Company recorded a derivative asset with a fair value of **\$41.4 million** **\$23.3 million** related to the 2022 Swaps. The balance of the derivative asset as of December 31, 2023 was \$35.5 million. These assets are included in Other long-term assets on the consolidated balance sheets.

No ineffectiveness has been identified on the 2022 Swaps and, therefore the change in fair value is recorded in stockholders' equity as a component of accumulated other comprehensive loss. Amounts are reclassified from accumulated other comprehensive loss into interest expense on the unaudited consolidated statement of operations in the same period or periods during which the hedged transactions affect earnings.

#### (12) EARNINGS PER SHARE

The computation of basic earnings per share (EPS) is based on the weighted-average number of common shares outstanding. The computation of diluted EPS is based on the weighted-average number of common shares outstanding and potential dilutive common shares during the period as determined by using the treasury stock method.

The following are computations of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended September 30, 2023	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Numerator for basic and diluted earnings per share:						
Net income						
Net income						
Net income						
Denominator:						
Denominator:						
Denominator:						
Weighted-average basic shares outstanding						

Weighted-average basic shares outstanding
Weighted-average basic shares outstanding
Dilutive effect of outstanding stock awards
Dilutive shares outstanding
Weighted-average shares outstanding, basic
Weighted-average shares outstanding, basic
Weighted-average shares outstanding, basic
Dilutive impact of equity awards
Weighted-average shares outstanding, diluted
Basic earnings per share:
Basic earnings per share:
Basic earnings per share:
Diluted earnings per share:
Diluted earnings per share:
Diluted earnings per share:

Potentially dilutive shares outstanding include the dilutive effect of unvested restricted stock awards and employee stock purchase plan ("ESPP") rights (collectively referred to as "equity awards"). Potentially dilutive shares whose effect would have been antidilutive are excluded from the computation of diluted earnings per share. The Company included all outstanding performance awards, and restricted stock awards and ESPP rights in the calculation of diluted earnings per share except as shown in the table below (in thousands):

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2024	
	2024	2024	2023	2024	2023	2023	2024	2023
Antidilutive restricted stock awards								
Performance stock awards for which performance criteria was not attained at reporting date								

### (13) ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component and related tax impacts for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** were as follows (in thousands):

	Foreign Currency Translation Adjustments	Foreign Currency Translation Adjustments	Unrealized Loss on Available-For- Sale Securities	Unrealized Gain on Fair Value of Interest Rate Hedges	Unrealized Loss on Pension	Foreign Currency Translation Adjustments	Unrealized (Loss) Gain on Available- For-Sale Securities	Unrealized Gain on Fair Value of Interest Rate Hedges	Unrealized Loss on Pension
Balance at January 1, 2024									
Other comprehensive (loss) income before reclassifications									
Amounts reclassified out of accumulated other comprehensive loss									
<b>Tax benefit (provision)</b>									
<b>Tax (provision) benefit</b>									
Other comprehensive (loss) income									
<b>Balance at June 30, 2024</b>									
Balance at September 30, 2024									

The amount realized in the unaudited consolidated statement of operations during the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** which was reclassified out of accumulated other comprehensive loss was as follows (in thousands):

Component of Accumulated Other Comprehensive Loss	Component of Accumulated Other Comprehensive Loss	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	Location	Component of Accumulated Other Comprehensive Loss	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024	Location
Unrealized Gain on Fair Value of Interest Rate Hedges	Unrealized Gain on Fair Value of Interest Rate Hedges	\$ 5,097	\$ \$ 10,211	Interest expense, net of interest income	Interest expense, net of interest income	Unrealized Gain on Fair Value of Interest Rate Hedges	\$ 5,213	\$ \$ 15,424

#### (14) STOCK-BASED COMPENSATION

Total stock-based compensation cost recognized for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$8.5 million** **\$5.8 million** and **\$14.9 million** **\$20.7 million**, respectively. Total stock-based compensation cost recognized for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** was **\$4.5 million** **\$4.3 million** and **\$10.5 million** **\$14.8 million**, respectively. The total income tax benefit recognized in the unaudited consolidated statements of operations from stock-based compensation expense for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$1.5 million** **\$1.0 million** and **\$2.7 million** **\$3.7 million**, respectively. The total income tax benefit recognized in the unaudited consolidated statements of operations from stock-based compensation expense for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** was **\$0.6 million** **\$0.7 million** and **\$1.7 million** **\$2.4 million**, respectively.

##### Restricted Stock Awards

The following table summarizes information about restricted stock awards for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**:

Restricted Stock	Restricted Stock	Number of Shares	Weighted Average		Restricted Stock	Number of Shares	Weighted Average	
			Grant-Date	Fair Value			Grant-Date	Fair Value
Balance at January 1, 2024								
Granted								
Vested								
Forfeited								
Balance at June 30, 2024								
Balance at September 30, 2024								

As of **June 30, 2024** **September 30, 2024**, there was **\$48.2 million** **\$43.8 million** of total unrecognized compensation cost arising from restricted stock awards. This cost is expected to be recognized over a weighted average period of **3.1** **2.9** years. The total fair value of restricted stock vested during the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$7.2 million** **\$16.3 million** and **\$10.9 million** **\$27.2 million**, respectively. The total fair value of restricted stock vested during the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** was **\$5.9 million** **\$16.6 million** and **\$8.1 million** **\$24.6 million**, respectively.

##### Performance Stock Awards

Performance stock awards are subject to performance criteria established by the Compensation and Human Capital Committee of the Company's Board of Directors prior to or at the date of grant. The performance stock awards are earned based on achieving certain revenue, Adjusted EBITDA Margin, Return on Invested Capital and Total Recordable Incident Rate targets set forth in the applicable award agreements. Performance stock awards include continued service conditions through vesting.

The following table summarizes information about performance stock awards for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**:

Performance Stock	Performance Stock	Number of Shares	Weighted Average		Performance Stock	Number of Shares	Weighted Average	
			Grant-Date	Fair Value			Grant-Date	Fair Value
Balance at January 1, 2024								
Granted								
Vested								
Forfeited								
Balance at June 30, 2024								
Balance at September 30, 2024								

As of **June 30, 2024** **September 30, 2024**, there was **\$10.1 million** **\$6.8 million** of total unrecognized compensation cost arising from performance stock awards achieved or deemed probable of vesting. The total fair value of performance awards vested during the three and **nine** months ended **June 30, 2024** **September 30, 2024** was **\$2.6 million** and **\$6.3 million**. The total fair value of performance awards vested during the **six** **three** and **nine** months ended **June 30, 2024** **September 30, 2023** was **\$1.7 million** and **\$3.7 million** and **\$7.8 million** **\$9.6 million**, respectively.

#### **Employee Stock Purchase Plan**

On May 22, 2024, the Company's shareholders approved the Clean Harbors Employee Stock Purchase Plan (the "ESPP"). The ESPP provides a means for eligible employees of the Company to authorize after-tax payroll deductions on a voluntary basis to be used for the periodic purchase of the Company's common stock at a 10% discount to its fair market value. The purchase price paid by the employees will be 90% of the lower of the closing price of the Company's common stock on (i) the first trading day of the offering period or (ii) the last trading day of the offering period. A total of 500,000 shares of common stock are reserved for issuance under the ESPP. As of **June 30, 2024** September 30, 2024, no shares have been issued under the plan.

#### **(15) COMMITMENTS AND CONTINGENCIES**

The Company and its subsidiaries are subject to legal proceedings and claims arising in the ordinary course of business. Actions filed against the Company arise from commercial and employment-related claims including alleged class actions related to sales practices and wage and hour claims. The plaintiffs in these actions may be seeking damages or injunctive relief or both. These actions are in various jurisdictions and stages of proceedings, and some are covered in part by insurance. In addition, the Company's waste management services operations are regulated by federal, state, provincial and local laws enacted to regulate discharge of materials into the environment, remediation of contaminated soil and groundwater or otherwise protect the environment. This ongoing regulation results in the Company frequently becoming a party to legal or administrative proceedings involving all levels of government authorities and other interested parties. The issues involved in such 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 ("third-party sites") to which either the Company or the prior owners of certain of the Company's facilities shipped waste.

At **June 30, 2024** September 30, 2024 and December 31, 2023, the Company had recorded reserves of **\$32.6 million** **\$32.7 million** and \$32.4 million, respectively, for actual or probable liabilities related to the legal and administrative proceedings in which the Company was then involved, the principal of which are described below. As of **June 30, 2024** September 30, 2024 and December 31, 2023, the **\$32.6 million** **\$32.7 million** and \$32.4 million, respectively, of reserves consisted of (i) **\$26.0 million** **\$26.1 million** and \$25.0 million, respectively, related to pending legal or administrative proceedings, including Superfund liabilities, which were included in remedial liabilities on the consolidated balance sheets, and (ii) \$6.6 million and \$7.4 million, respectively, primarily related to federal, state and provincial enforcement actions, which were included in accrued expenses on the consolidated balance sheets.

In management's opinion, it is not reasonably possible that the potential liability beyond what has been recorded, if any, that may result from these actions, either individually or collectively, will have a material effect on the Company's financial position, results of operations or cash flows. The Company periodically adjusts the aggregate amount of these reserves when actual or probable liabilities are paid or otherwise discharged, new claims arise, or additional relevant information about existing or probable claims becomes available.

##### **Legal or Administrative Proceedings**

As of **June 30, 2024** September 30, 2024, the principal legal and administrative proceedings in which the Company was involved, or which had been terminated during 2024, relate to Safety-Kleen product liability cases and Superfund proceedings.

**Safety-Kleen Product Liability Cases:** Safety-Kleen, Inc. ("Safety-Kleen"), which is a legal entity acquired by the Company in 2012, has been named as a defendant in certain product liability cases that are currently pending in various courts and jurisdictions throughout the United States. As of **June 30, 2024** September 30, 2024, there were approximately **72** **71** proceedings (excluding cases which have been settled but not formally dismissed) wherein persons claim personal injury resulting from the use of Safety-Kleen's parts cleaning equipment or cleaning products. These proceedings typically involve allegations that the solvent used in Safety-Kleen's parts cleaning equipment contains contaminants and/or that Safety-Kleen's recycling process does not effectively remove the contaminants that become entrained in the solvent during their use. In addition, certain claimants assert that Safety-Kleen failed to warn adequately the product user of potential risks, including a historic failure to warn that solvent contains trace amounts of toxic or hazardous substances such as benzene.

The Company maintains insurance that it believes will provide coverage for these product liability claims (over amounts accrued for self-insured retentions and deductibles in certain limited cases), except for punitive damages to the extent not insurable under state law or excluded from insurance coverage. The Company historically has vigorously defended, and intends to continue to vigorously defend, itself and the safety of its products against all of these claims. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. Consequently, the Company is unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of **June 30, 2024** September 30, 2024. From January 1, 2024 to **June 30, 2024** September 30, 2024, **nine** **14** product liability claims were settled or dismissed. Due to the nature of these claims and the related insurance, the Company did not incur any expense as insurance provided coverage in full for all such claims. Safety-Kleen may be named in similar, additional lawsuits in the future, including claims for which insurance coverage may not be available.

**Superfund Proceedings:** The Company has been notified that either the Company or the prior owners of certain facilities the Company has since acquired have been identified as potentially responsible parties ("PRPs") or potential PRPs of indemnification obligations in connection with 131 sites which are subject to or are proposed to become subject to proceedings under federal or state Superfund laws. Of the 131 Superfund related sites, six involve facilities that are now owned or leased by the Company and 125

involve third-party sites which received waste potentially shipped by the Company or the prior owners of certain facilities the Company has since acquired. Of the 125 third-party sites, 30 are now settled, 13 are currently requiring expenditures on remediation and 82 are not currently requiring expenditures on remediation.

In connection with each site, the Company has estimated the extent, if any, to which it may be subject, either directly or as a result of any indemnification obligations, for cleanup and remediation costs, related legal and consulting costs associated with PRP investigations, settlements and related legal and administrative proceedings. The amount of such actual and potential liability is inherently difficult to estimate because of, among other relevant factors, uncertainties as to the legal liability (if any) of the Company or the prior owners of certain of the Company's facilities to contribute a portion of the cleanup costs, the assumptions that must be made in calculating the estimated cost and timing of remediation, the identification of other PRPs and their respective capability and obligation to contribute to remediation efforts and the existence and legal standing of indemnification agreements (if any) with prior owners, which may either benefit the Company or subject the Company to potential indemnification obligations. The Company believes its potential monetary liability could exceed \$1.0 million at three of the 131 Superfund related sites.

Of the 125 third-party sites at which the Company has been notified it is a PRP or potential PRP or may have indemnification obligations, the Company has indemnification agreements at a total of 17 sites. These agreements indemnify the Company with respect to any liability at the 17 sites for waste disposed prior to the Company's acquisition of the former subsidiaries of Waste Management, Inc. and McKesson Corporation which had shipped waste to those sites. Accordingly, the indemnifying parties are paying all costs of defending those subsidiaries in those 17 cases, including legal fees and settlement costs. However, there can be no guarantee that the Company's ultimate liabilities for those sites will not exceed the amount recorded or that indemnities applicable to any of these sites will be available to pay all or a portion of related costs. Except for those indemnification agreements discussed, the Company does not have an indemnity agreement with respect to any of the 125 third-party sites discussed above.

#### **Federal, State and Provincial Enforcement Actions**

From time to time, the Company pays fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities. As of **June 30, 2024** September 30, 2024, there was one proceeding for which the Company believed it was possible that the sanctions could equal or exceed \$1.0 million. As of December 31, 2023, there were no proceedings for which the Company believed it was possible that the sanctions could equal or exceed \$1.0 million. As of the date of these financial statements, the Company believes that the fines or other penalties in this or any of the other regulatory proceedings will, individually or in the aggregate, not have a material effect on its financial condition, results of operations or cash flows.

#### **(16) SEGMENT REPORTING**

Segment reporting is prepared on the same basis that the Company's chief operating decision maker ("CODM"), which is a committee comprised of the Company's Co-Chief Executive Officers, manages the business, makes operating decisions and assesses performance. The Company is managed and reports as two operating segments; (i) the Environmental Services segment and (ii) the Safety-Kleen Sustainability Solutions segment.

Third-party revenue is revenue billed to outside customers by a particular segment. Direct revenue is revenue allocated to the segment providing the product or service. Intersegment revenues represent the sharing of third-party revenues among the segments based on products and services provided by each segment as if the products and services were sold directly to the third-party. The intersegment revenues are shown net. The operations not managed through the Company's operating segments described above are recorded as "Corporate Items."

The following tables reconcile third-party revenues to direct revenues for the three and **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023 (in thousands):

Three Months Ended											
Three Months Ended											
Three Months Ended											
June 30, 2024				June 30, 2023							
September 30, 2024		September 30, 2023									
Third-Party Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net
Environmental Services											
Safety-Kleen Sustainability Solutions											
Corporate Items											
Total											
Six Months Ended											
Six Months Ended											
Six Months Ended											
June 30, 2024				June 30, 2023							

Nine Months Ended											
Nine Months Ended											
Nine Months Ended											
September 30, 2024				September 30, 2023							
Third-Party Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net	Direct Revenues	Third-Party Revenues	Intersegment Revenues (Expenses), net
Environmental Services											
Safety-Kleen											
Sustainability Solutions											
Corporate Items											
Total											

The primary financial measure by which the Company evaluates the performance of its segments is Adjusted EBITDA, which consists of net income plus accretion of environmental liabilities, stock-based compensation, depreciation and amortization, net interest expense, loss on early extinguishment of debt and provision for income taxes and excludes other gains, losses and non-cash charges not deemed representative of fundamental segment results and other expense (income), net. Transactions between the segments are accounted for at the Company's best estimate based on similar transactions with outside customers.

The following table presents Adjusted EBITDA information used by management by reported segment (in thousands):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,	2024	June 30,	2023	September 30,	2024	September 30,	2023
Adjusted EBITDA:								
Environmental Services								
Environmental Services								
Environmental Services								
Safety-Kleen Sustainability Solutions								
Corporate Items								
Total								
Reconciliation to Consolidated Statements of Operations:								
Accretion of environmental liabilities								
Accretion of environmental liabilities								
Accretion of environmental liabilities								
Stock-based compensation								
Depreciation and amortization								
Income from operations								
Other expense, net								
Other expense (income), net								
Loss on early extinguishment of debt								
Loss on early extinguishment of debt								
Loss on early extinguishment of debt								
Interest expense, net of interest income								
Income before provision for income taxes								

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward-Looking Statements

In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements, which are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "seeks," "should," "estimates," "projects," "may," "likely," "potential" or similar expressions. Such statements may include, but are not

limited to, statements about the Company's future financial and operating results, the Company's plans, strategy, objectives expectations and intentions goals, cost management initiatives, contingent liabilities, liquidity, business and market conditions, customer demand, acquisitions, growth opportunities, expectations and other statements that are not historical facts. Forward-looking statements are neither historical facts nor assurances of future performance. Such statements are based upon the beliefs and expectations of Clean Harbors' management as of the date of this report only and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, without limitation, risks and uncertainties and the those items identified as "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 21, 2024, and in other documents we file from time to time with the SEC. Forward-looking statements are neither historical facts nor assurances of future performance. Therefore, readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

## Overview

We are North America's leading provider of environmental and industrial services, supporting our customers in finding environmentally responsible solutions to further their sustainability goals in today's world. Everywhere industry meets the environment, we strive to provide eco-friendly products and services that protect and restore North America's natural environment. We believe we operate, in the aggregate, the largest number of hazardous waste incinerators, landfills and treatment, storage and disposal facilities ("TSDFs") in North America. We serve over 300,000 customers, including the majority of Fortune 500 companies, across various markets including chemical and manufacturing, as well as numerous government agencies. These customers rely on us to safely deliver a broad range of services including but not limited to end-to-end hazardous waste management, emergency response, industrial cleaning and maintenance and recycling services. We are also a leading provider of parts cleaning and related environmental services to general manufacturing, automotive and commercial customers in North America and the largest re-refiner and recycler of used oil in North America, offering a unique closed-loop re-refining process that helps customers achieve their sustainability goals.

Performance of our segments is evaluated on several factors of which the primary financial measure is Adjusted EBITDA, which is reconciled to our net income and described more fully below. The following is a discussion of how management evaluates its segments using other factors, including key performance indicators that management uses to assess the segments' results, as well as certain macroeconomic trends and influences that impact each reportable segment:

- **Environmental Services** - Environmental Services segment results are predicated upon the demand by our customers for our wide variety of services, waste volumes managed by delivering such services and project work for which responsible waste handling and/or disposal is required. Environmental Services results are also impacted by the demand for planned and unplanned industrial related cleaning and maintenance services at customer sites, environmental cleanup services on a scheduled or emergency basis, including response to large scale events such as major chemical spills, natural disasters, or other instances where immediate and specialized services are required. The Environmental Services segment results include the Safety-Kleen branches' core environmental service offerings of containerized waste disposal, parts washer and vacuum services. These results are driven by the volumes of waste collected from these customers, the overall number of parts washers placed at customer sites and the demand for and frequency of other offered services. The results and integration of the acquired operations of HEPACO Blocker, Inc. and its subsidiaries (collectively "HEPACO") also impact the overall segment results. In managing the business and evaluating performance, management tracks the volumes and mix of waste handled and disposed of or recycled, generally through our incinerators, TSDFs and landfills, the utilization rates of our incinerators, equipment and workforce, including billable hours and the number of parts washer services performed, and pricing realized by our business and peer companies as well as other key metrics. Levels of activity and ultimate performance associated with this segment can be impacted by several factors including overall North American GDP, U.S. industrial production, economic conditions in the general manufacturing, chemical and automotive markets, including efforts and economic incentives to increase domestic operations, available capacity at waste disposal outlets, weather conditions, efficiency of our operations, technology, changing regulations, competition, market pricing of our services, costs incurred to deliver our services and the management of our related operating costs.
- **Safety-Kleen Sustainability Solutions** - Safety-Kleen Sustainability Solutions ("SKSS") segment results are impacted by our customers' demand for high-quality, environmentally responsible recycled oil products and their demand for our related service and product offerings. SKSS offers high quality, environmentally responsible recycled base and blended oil products and other automotive and industrial lubricants to fleet customers, distributors, manufacturers of oil products and industrial plants. Segment results are impacted by market pricing, overall market demand and mix of our oil products sales, with management's objective being to limit exposure to commodity market pricing risk through increased production of value added blended lubricants and contracted rate supply agreements with customers. Segment results are also predicated on the demand for other SKSS product and service offerings including collection services for used oil, used oil filters and other automotive fluids. The used oil collected is used as feedstock in our oil re-refining to produce our base and blended oil products and other hydraulic oils, lubricants and recycled fuel oil or are integrated into our recycling and disposal network. The results and integration of the acquired operations of Noble Oil Services, Inc. and its subsidiaries (collectively "Noble Oil" "Noble") also impact the overall segment results. In operating the business and evaluating performance, management tracks the volumes and relative percentages of base and blended oil sales along with various pricing metrics associated with the commodity driven margin between product pricing and the overall costs to collect used oil. Levels of activity and ultimate performance associated with this segment can be impacted by economic conditions and product demand in the manufacturing and automotive services markets, product pricing, efficiency of our operations, partnerships, technology, weather conditions, changing regulations, competition and the management of our related operating costs. Costs incurred in connection with the collection of used oil and other raw materials associated with the segment's oil related products can also be volatile and can be impacted by global events and their relative impact on commodity products and pricing. The overall market price of oil and regulations that change the possible usage of used oil or burning of used oil as a fuel, impact the premium the segment can charge for used oil collections.

## Highlights

Total direct revenues for the three and six nine months ended June 30, 2024 September 30, 2024 were \$1,552.7 million \$1,529.4 million and \$2,929.4 million \$4,458.8 million, compared with \$1,397.9 million \$1,365.7 million and \$2,705.3 million \$4,071.0 million for the three and six nine months ended June 30, 2023 September 30, 2023. Our Environmental Services segment direct revenues increased \$137.3 million \$150.8 million and \$239.1 million \$389.9 million or 11.7% 13.2% and 10.7% 11.5% for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, from the comparable periods in 2023 driven by growth in Technical Services, Field and Emergency

Response Services, including the contributions from the acquisition of HEPACO, Technical Services and Safety-Kleen core service offerings. For the three months ended **June 30, 2024** **September 30, 2024**, our SKSS segment direct revenues increased **\$17.5 million** **\$12.9 million** or **7.7% 5.9%**, from the comparable period in 2023, driven by contributions from our acquisition of Noble Oil and higher base oil sales. Noble. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, SKSS segment direct revenues decreased **\$15.0 million** **\$2.0 million** or **3.2% 0.3%** from the comparable period in 2023, due to lower base and blended oil product revenues resulting from market-driven pricing and lower volumes of base oil sold partially offset by contributions from Noble Oil. Foreign currency translation of our Canadian operations negatively impacted our consolidated direct revenues by **\$2.9 million** **\$2.8 million** and **\$2.5 million** **\$5.3 million** in the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively, compared to the same periods in 2023.

Income from operations for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$215.5 million** **\$192.3 million** and **\$341.0 million** **\$533.3 million**, compared with **\$189.8 million** **\$154.4 million** and **\$310.8 million** **\$465.1 million** in the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, representing an increase of **13.5% 24.6%** and **9.7% 14.6%**, respectively. Net income for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$133.3 million** **\$115.2 million** and **\$203.1 million** **\$318.3 million**, compared with net income of **\$115.8 million** **\$91.3 million** and **\$188.2 million** **\$279.5 million** in the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, representing an increase of **15.1% 26.1%** and **7.9% 13.9%**, respectively.

Adjusted EBITDA, which is the primary financial measure by which we evaluate our segments, increased **\$40.3 million** **\$46.8 million** or **14.0% 18.4%** from **\$287.5 million** **\$255.0 million** in the three months ended **June 30, 2023** **September 30, 2023** to **\$327.8 million** **\$301.8 million** in the three months ended **June 30, 2024** **September 30, 2024**. Adjusted EBITDA increased **\$55.3 million** **\$102.1 million** or **11.0% 13.5%** from **\$502.6 million** **\$757.7 million** in the **six nine** months ended **June 30, 2023** **September 30, 2023** to **\$557.9 million** **\$859.7 million** in the **six nine** months ended **June 30, 2024** **September 30, 2024**. Overall This Adjusted EBITDA growth was is primarily driven by **17.8% and 16.9%** Adjusted EBITDA growth in contributions from the Environmental Services Segment in the three and six months ended June 30, 2024 respectively. Segment. Additional information regarding Adjusted EBITDA, which is a non-GAAP measure, including a reconciliation of net income to Adjusted EBITDA, appears below under "Adjusted EBITDA."

Net cash from operating activities for the **six nine** months ended June 30, 2024 decreased **\$1.0 million** September 30, 2024 increased **\$18.1 million** from **\$235.6 million** **\$455.7 million** in 2023 to **\$234.6 million** **\$473.8 million** in 2024. Adjusted free cash flow, which management uses to measure our financial strength and ability to generate cash, was an outflow of **\$34.1 million** decreased **\$38.6 million** in the **six nine** months ended **June 30, 2024** **September 30, 2024** as compared to an inflow of **\$34.2 million** in the comparable period of 2023. The decrease in adjusted free cash flow was driven by higher planned spend on property, plant and equipment due to including incremental investments in vehicles, machinery and equipment and notable project spend including the acquisition and build out of our Baltimore, Maryland facility and the continued investment in our Kimball, Nebraska incinerator project and increased working capital balances, partially offset by higher cash flow from operations. Additional

information regarding adjusted free cash flow, which is a non-GAAP measure, including a reconciliation of net cash from operating activities to adjusted free cash flow, appears below under "Adjusted Free Cash Flow."

### Segment Performance

The primary financial measure by which we evaluate the performance of our segments is Adjusted EBITDA. The following table sets forth certain financial information associated with our results of operations for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and **June 30, 2023** **September 30, 2023** (in thousands, except percentages):

	Summary of Operations								Summary of Operations		
	Three Months Ended				Six Months Ended				Three Months Ended		
	September 30,				June 30, 2024		June 30, 2023		June 30, 2024		2024
	June 30, 2024	June 30, 2023	Change	% Change	June 30, 2024	June 30, 2023	Change	% Change	Total	Total	
<b>Direct Revenues (1):</b>											
Environmental Services											
Environmental Services											
Environmental Services	\$1,309,383	\$1,172,036	\$137,347	11.7%	\$2,481,893	\$2,242,777	\$239,116	10.7%	\$1,297,187	\$1,529,422	
Safety-Kleen											
Sustainability											
Solutions	243,237	225,748	17,489	7.7	447,320	462,287	(14,967)	(3.2)	232,139		
Corporate											
Items	99	116	(17)	N/M	201	223	(22)	N/M	96		
<b>Total</b>	<b>Total</b>	<b>1,552,719</b>	<b>1,397,900</b>	<b>154,819</b>	<b>11.1</b>	<b>2,929,414</b>	<b>2,705,287</b>	<b>224,127</b>	<b>8.3</b>	<b>Total</b>	<b>1,529,422</b>

Cost of Revenues (2):	Cost of Revenues (2):									Cost of Revenues (2):
Environmental Services	Environmental Services	853,705	781,251	72,454	9.3	1,666,603	1,534,611	131,992	8.6	Environmental Services
Safety-Kleen Sustainability Solutions	Safety-Kleen Sustainability Solutions	170,434	153,901	16,533	10.7	325,321	329,758	(4,437)	(1.3)	Safety-Kleen Sustainability Solutions
Corporate Items	Corporate Items	11,403	12,360	(957)	N/M	14,688	14,657	31	N/M	Corporate Items
<b>Total</b>	<b>Total</b>	<b>1,035,542</b>	<b>947,512</b>	<b>88,030</b>	<b>9.3</b>	<b>2,006,612</b>	<b>1,879,026</b>	<b>127,586</b>	<b>6.8</b>	<b>Total</b>
<b>Selling, General &amp; Administrative Expenses:</b>	<b>Selling, General &amp; Administrative Expenses:</b>									<b>Selling, General &amp; Administrative Expenses:</b>
Environmental Services	Environmental Services	95,763	85,163	10,600	12.4	190,900	174,199	16,701	9.6	Environmental Services
Safety-Kleen Sustainability Solutions	Safety-Kleen Sustainability Solutions	21,327	18,432	2,895	15.7	40,823	37,651	3,172	8.4	Safety-Kleen Sustainability Solutions
Corporate Items	Corporate Items	80,786	63,787	16,999	26.6	148,021	122,285	25,736	21.0	Corporate Items
<b>Total</b>	<b>Total</b>	<b>197,876</b>	<b>167,382</b>	<b>30,494</b>	<b>18.2</b>	<b>379,744</b>	<b>334,135</b>	<b>45,609</b>	<b>13.6</b>	<b>Total</b>
<b>Adjusted EBITDA:</b>	<b>Adjusted EBITDA:</b>									<b>Adjusted EBITDA:</b>
Environmental Services	Environmental Services	359,915	305,622	54,293	17.8	624,390	533,967	90,423	16.9	Environmental Services
Safety-Kleen Sustainability Solutions	Safety-Kleen Sustainability Solutions	51,476	53,415	(1,939)	(3.6)	81,176	94,878	(13,702)	(14.4)	Safety-Kleen Sustainability Solutions
Corporate Items	Corporate Items	(83,575)	(71,531)	(12,044)	(16.8)	(147,655)	(126,201)	(21,454)	(17.0)	Corporate Items
<b>Total</b>	<b>Total</b>	<b>\$ 327,816</b>	<b>\$ 287,506</b>	<b>\$ 40,310</b>	<b>14.0</b>	<b>\$ 557,911</b>	<b>\$ 502,644</b>	<b>\$ 55,267</b>	<b>11.0%</b>	<b>Total</b>

#### Adjusted EBITDA as a %

of Direct

Revenues:

Environmental Services (3)

Environmental Services (3)

Environmental Services (3)

Safety-Kleen Sustainability Solutions (3)

Safety-Kleen Sustainability Solutions (3)

Safety-Kleen Sustainability Solutions (3)

Corporate Items (4)

Corporate Items (4)

Corporate Items (4)

**Total**

**Total**

**Total**

N/M = not meaningful

(1) Direct revenues are revenues allocated to the segment performing the provided service.

(2) Cost of revenues are shown exclusive of items presented separately on the consolidated statements of operations which consist of (i) accretion of environmental liabilities and (ii) depreciation and amortization.

(3) Calculated as a percentage of individual segment direct revenue.

(4) Calculated as a percentage of total Company direct revenue.

#### Direct Revenues

There are many factors which can impact our revenues including, but not limited to: overall levels of industrial activity and economic growth in North America, competitive industry pricing, overall market incineration capacity including captive incineration closures, changes in the regulatory environment including those related to per- and polyfluoroalkyl substances ("PFAS"), impacts of acquisitions and divestitures, the level of emergency response services, government infrastructure investment, reshoring of domestic manufacturing, existence or non-existence of large scale environmental waste and remediation projects, weather related events, the number of parts washers placed at customer sites, miles driven and related lubricant demand, base and blended oil pricing, market supply for base oil products, market changes relative to the collection of used oil and foreign currency translation. In addition, customer efforts to minimize hazardous waste and changes in regulation can impact our revenues.

#### Environmental Services

(in thousands, except percentages)	Three Months Ended			Three Months Ended			Six Months Ended			Three Months Ended		
	June 30,		2024 over 2023	June 30,		2024 over 2023	September 30,		2024 over 2023	September 30,		
	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	
Direct revenues	\$1,309,383	\$1,172,036	\$137,347	11.7	11.7 %	\$2,481,893	\$2,242,777	\$239,116	10.7	10.7 %	\$1,297,187	\$1,146,363

Environmental Services direct revenues for the three months ended **June 30, 2024** **September 30, 2024** increased **\$137.3 million** **\$150.8 million** from the comparable period in 2023 due to growth across most of our service lines driven by acquisitive growth and incremental revenues from legacy operations. Field and emergency response service revenues increased **\$98.5 million** **\$105.2 million** from the comparable period in 2023 primarily driven by incremental revenue of approximately **\$80 million** **\$75 million** from the acquisition of HEPACO as well as a larger number of mid to large scale emergency response events handled by contributions from our legacy field and emergency response services operations during the three months ended **June 30, 2024** operations. Technical services revenue increased **\$53.8 million** with **\$33.3 million** largely due to contributions across our portfolio of waste disposal services, facilities, including increased volumes higher incineration pricing and higher pricing at our incinerator and landfill facilities. Utilization volumes. For the three months ended **September 30, 2024**, utilization at our incinerators increased by 4% from 86% to 88% for the three months ended **June 30, 2024**, as compared to the same period in 2023. Revenues for Safety-Kleen core service offerings grew by **\$23.6 million** **\$18.6 million** from the comparable period in 2023 due to driven by improved pricing and greater demand for our containerized waste, vacuum and parts washer and vacuum services. These increases were partially offset by decreased revenues from our industrial services operations which declined **\$40.1 million** due to lower industrial turnaround activity for the three months ended **June 30, 2024** **September 30, 2024**, which declined **\$4.7 million** due to lower turnaround activity late in the quarter, as compared to the same period in 2023. Direct revenues for Canadian operations of the Environmental Services segment decreased by **\$2.4 million** **\$2.2 million** due to foreign currency translation.

Environmental Services direct revenues for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** increased **\$239.1 million** **\$389.9 million** from the comparable period in 2023 due to growth across most of our service lines driven by incremental revenues from recent acquisitions legacy operations and legacy operations, acquisitive growth. Field and emergency response service revenues for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** increased **\$113.9 million** **\$219.1 million** from the comparable period in 2023 driven by incremental revenue of approximately **\$85 million** **\$160 million** from the acquisition of HEPACO along with as well as overall growth in core field and emergency response service offerings. Technical services revenue increased **\$94.7 million** with contributions across our portfolio of waste disposal services. Higher **\$128.0 million** largely due to higher incineration pricing and increased volumes volume coupled with improved pricing at our incinerators and landfills drove incremental revenue within technical services, landfill facilities. Utilization at our incinerators increased from **82%** **83%** to **83%** **85%** for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** as compared to the same period in 2023. Revenues for Safety-Kleen core service offerings for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** grew by **\$44.5 million** **\$63.1 million** from the comparable period in 2023 due to improved pricing and greater demand for our containerized waste, vacuum and parts washer and vacuum services. Revenue from our industrial services operations declined **\$17.1 million** **\$21.7 million** due to lower industrial turnaround activity and related high-value services for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** compared to the same period in 2023, partially offset by incremental revenue from the acquisition of Thompson Industrial Services which occurred in March 2023. Direct revenues for Canadian operations of the Environmental Services segment decreased by **\$2.1 million** **\$4.3 million** due to foreign currency translation.

#### Safety-Kleen Sustainability Solutions

Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended
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		2024 over				2024 over							
		June 30, 2024		2023		June 30, 2024		2023					
		September 30, 2024		2024 over 2023		September 30, 2024		2024 over 2023					
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	% Change	2024	2023	Change	% Change	(in thousands, except percentages)	2024	2023	Change
Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues	Direct revenues

In the three months ended **June 30, 2024** **September 30, 2024**, SKSS direct revenues increased **\$17.5 million** **\$12.9 million** from the comparable period in 2023 due to a

**\$20.0 million** **\$16.8 million** increase in revenues from the sale of vacuum gas oil and specialty refinery products largely resulting from the acquisition of Noble Oil which took place on March 1, 2024. Revenue This increase was partially offset by a \$1.8 million decrease in revenues from the collection of used oil despite an increase in the volume collected in the three months ended September 30, 2024 when compared to the used oil collections in the same period of 2023. Revenues from the sale of base and blended oil for the three months ended June 30, 2024 increased \$10.6 million from the same period in 2023, products were relatively flat due to favorable pricing and higher volumes sold. These increases were partially offset by a \$6.6 million reduction in revenues from blended oil sales due to lower pricing despite relatively consistent volume sold and a reduction of \$5.3 million in revenues from other product sales, unfavorable market conditions.

In the **six nine** months ended **June 30, 2024** **September 30, 2024**, SKSS direct revenues decreased **\$15.0 million** **\$2.0 million** from the comparable period in 2023 largely due to a **\$17.4 million** **\$12.8 million** reduction in revenues from base oil sales driven primarily by lower pricing and, to a lesser extent, lower volumes sold. Revenue from contract packaging decreased **\$6.0 million** **\$8.9 million** and revenues generated from the sales of other products decreased **\$4.3 million** **\$5.2 million** for the **six nine** months ended **June 30, 2024** **September 30, 2024** as compared to the same period in 2023. Revenue from the sales of blended oil products decreased by \$2.3 million in the **six nine** months ended September 30, 2024 when compared with the same period in the prior year, primarily due to lower pricing despite increased volume sold. These decreases were partially offset by a **\$10.4 million** **\$27.2 million** increase in revenues from the sale of vacuum gas oil and specialty refinery products primarily driven by the acquisition of Noble Oil. Furthermore, as well as a **\$2.3 million** increase in revenues from the collection of used oil for driven by higher volume collected in the **six nine** months ended June 30, 2024 increased **\$4.1 million** as September 30, 2024 when compared to the used oil collections in the same period in 2023, which was driven by higher pricing for these services despite a relatively consistent volume of oil collected, 2023.

#### Cost of Revenues

We believe that management of operating costs is vital to our ability to remain price competitive. We continue to experience inflationary pressures across several cost categories, but most notably related to internal and external labor, transportation, maintenance costs, and energy related costs. We aim to manage these increases through constant cost monitoring and a focus on cost saving areas, including lowering employee turnover, as well as our overall customer pricing strategies designed to offset the inflationary impacts on our margins.

We continue to upgrade the quality and efficiency of our services through the development of new technology and continued modifications and expansion at our facilities while also leveraging certain fixed costs of our operating infrastructure. We invest in new business opportunities and aggressively implement strategic sourcing and logistics solutions, while also continuing to optimize our management and operating structure in an effort to manage our operating margins.

		Three Months Ended				Three Months Ended							
		June 30,		2024 over 2023		June 30,		2024 over 2023					
		September 30,		2024 over 2023		September 30,		2024 over 2023					
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	% Change	2024	2023	Change	% Change	2024	2023	Change	2024
Cost of revenues	Cost of revenues	\$ 853,705	\$ 781,251	\$ 72,454	9.3%	\$ 1,666,603	\$ 1,356,300	\$ 310,303	22.4%	\$ 1,666,603	\$ 1,356,300	\$ 310,303	\$ 1,666,603

As a

% of Direct revenues

Environmental Services cost of revenues for the three months ended **June 30, 2024** **September 30, 2024** increased **\$72.5 million** **\$108.2 million** from the comparable period in 2023 however while remaining relatively consistent as a percentage of revenues decreased 1.5%. revenues. Commensurate with the revenue growth in the business and recent acquisition of HEPACO, labor and benefit related costs increased **\$43.3 million** **\$54.3 million**, equipment and supply costs increased **\$21.2 million** **\$41.6 million** and external transportation, vehicle and fuel related costs increased **\$4.4 million** **\$13.3 million** for the three months ended **June 30, 2024** **September 30, 2024** when compared to the three months ended **June 30, 2023** **September 30, 2023**. Overall, the growth of revenue outpaced cost increases in all major cost categories resulting in improved margins of the segment.

Environmental Services cost of revenues for the **six nine** months ended **June 30, 2024** **September 30, 2024** increased **\$132.0 million** **\$240.2 million** from the comparable period in 2023, however as a percentage of revenues decreased **1.2%** **0.7%**. Commensurate with the revenue growth in the business and recent acquisitions, labor and benefit related costs increased **\$74.5 million** **\$130.3 million**, equipment and supply costs increased **\$35.6 million** **\$77.2 million** and external transportation, vehicle and fuel related costs increased **\$11.3 million** **\$24.6 million** for the **six nine** months ended **June 30, 2024** **September 30, 2024** when compared to the **six nine** months ended **June 30, 2023** **September 30, 2023**. Overall, the growth of revenue outpaced cost increases in all major cost categories resulting in the improved margins of the segment.

### Safety-Kleen Sustainability Solutions

		Three Months Ended			Three Months Ended			Six Months Ended			Three Months Ended			Three Months Ended		
		2024 over			June 30, 2024 over			2024 over			June 30, 2024 over			2024 over		
		June 30, 2024		2023	September 30, 2024		2023	June 30, 2024		2023	September 30, 2024		2023	June 30, 2024		2023
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Cost of revenues	Cost of revenues	\$170,434	\$153,901	\$16,533	10.7 %	\$325,321	\$329,758	(\$4,437)	(1.3) %	Cost of revenues	\$171,120	\$169,207	\$1,913	1.1 %	\$496,441	\$49

As a % of  
Direct  
revenues

SKSS cost of revenues for the three months ended June 30, 2024 September 30, 2024 increased \$16.5 million \$1.9 million from the comparable period in 2023, driven by the revenue increase discussed above. As a percentage of revenues these costs decreased by 3.5% due to lower re-refinery operating costs incurred during the period.

SKSS cost of revenues for the nine months ended September 30, 2024 decreased \$2.5 million from the comparable period in 2023 and remained relatively consistent as a percentage of revenues increased by 1.9%, due to product mix and higher costs from our Noble Oil acquisition. Overall, external transportation costs increased \$7.0 million, labor and benefits related costs increased \$5.4 million, and production costs increased \$1.3 million for the three months ended June 30, 2024, compared to the same period in 2023.

SKSS cost of revenues for the six months ended June 30, 2024 decreased \$4.4 million from the comparable period in 2023 but as a percentage of revenues, increased by 1.4% driven by market related pricing decreases discussed in the revenue section above. Overall above, partially offset by lower re-refinery operating costs of materials including oil additives and other raw materials decreased by \$23.3 million between incurred specifically in the three months ended June 30, 2024 and September 30, 2024 as compared to the same period in 2023, due to lower volumes of base oil inventory sold during the period. Partially offsetting these cost decreases were increases in transportation costs of \$7.8 million and labor and benefit related costs of \$6.9 million which were primarily driven by the operations of the Noble Oil acquisition, prior year.

### Selling, General and Administrative Expenses

We strive to manage our selling, general and administrative ("SG&A") expenses commensurate with the overall performance of our segments and corresponding revenue levels. We believe our ability to properly align these costs with business performance is reflective of our strong management of the businesses and further promotes our ability to remain competitive in the marketplace.

#### Environmental Services

		Three Months Ended			Three Months Ended			Six Months Ended			Three Months Ended			Three Months Ended			Nine Months Ended		
		2024 over			June 30, 2024 over			2024 over			June 30, 2024 over			2024 over			June 30, 2024 over		
		June 30, 2024		2023	September 30, 2024		2023	June 30, 2024		2023	September 30, 2024		2023	June 30, 2024		2023	September 30, 2024		2023
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
SG&A expenses	SG&A expenses	\$95,763	\$85,163	\$10,600	12.4 %	\$190,900	\$174,199	\$16,701	9.6 %	SG&A expenses	\$90,271	\$91,139	(\$868)	(1.0) %	\$281,171	\$265,338			

As a % of  
Direct  
revenues

Environmental Services SG&A expenses for the three and six months ended June 30, 2024 September 30, 2024 remained relatively consistent with the comparable periods in 2023, and decreased 1.0% as a percentage of segment revenues, primarily driven by lower labor and benefit related costs, continuing our trend of leveraging our SG&A base in the midst of the revenue growth discussed above.

Environmental Services SG&A expenses for the nine months ended September 30, 2024 increased \$10.6 million and \$16.7 million \$15.8 million, respectively, from the comparable periods in 2023, however, remained relatively consistent as a percentage of segment revenues, continuing our trend of leveraging our SG&A base in the midst of revenue growth discussed above. SG&A expenses increased \$4.6 million and \$5.8 million in for the three and six nine months ended June 30, 2024, respectively, as compared to the same periods in 2023, September 30, 2024 increased approximately \$10 million due to additional costs from the HEPACO operations. The remaining increases were spread across various cost categories and were driven by overall growth in the segment results.

Safety-Kleen Sustainability Solutions

		Three Months Ended		Three Months Ended		Six Months Ended		Three Months Ended		Three Months Ended		Nine Months Ended		
		2024 over		2024 over										
		June 30, 2023		June 30, 2023										
		September 30, 2023		September 30, 2023		2024 over								
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	% Change	2024	2023	Change	% Change	(in thousands, except percentages)	2024	2023	Change	% Change
SG&A expenses	SG&A expenses	\$21,327	\$18,432	\$2,895	15.7 %	\$40,823	\$37,651	\$3,172	8.4 %	SG&A expenses	\$19,793	\$18,868	\$925	4.9 %

As a % of  
Direct  
revenues

SKSS SG&A expenses for the three months ended June 30, 2024 September 30, 2024 increased \$2.9 million \$0.9 million and remained relatively consistent, as a percentage of revenues, when compared to the same period in 2023. Overall, labor and benefit related costs increased \$1.4 million, mainly driven by increased costs from Noble operations. This increase was partially offset by a \$1.1 million increase to a remedial liability reserve in 2023 which did not recur in 2024.

For the six nine months ended June 30, 2024 September 30, 2024, SKSS SG&A expenses increased \$3.2 million \$4.1 million, and as a percentage of revenues, remained relatively consistent with the prior year. Overall, labor and benefit related costs increased 1.0%, \$5.0 million in the nine months ended September 30, 2024 when compared to the same period in 2023. Overall, labor and benefit related costs increased \$2.5 million and \$3.2 million in the three and six months ended June 30, 2024 when compared to the same periods in 2023, mainly driven by the acquisition of increased costs from Noble Oil operations. This cost increase was partially offset by a \$1.1 million increase to remedial liability reserves in 2023 which did not recur in 2024.

Corporate Items

		Three Months Ended		Three Months Ended		Six Months Ended		Three Months Ended		Three Months Ended		Nine Months I		
		2024 over		2024 over										
		June 30, 2023		June 30, 2023										
		September 30, 2023		September 30, 2023		2024 over								
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	% Change	2024	2023	Change	% Change	(in thousands, except percentages)	2024	2023	Change	% Change
SG&A expenses	SG&A expenses	\$80,786	\$63,787	\$16,999	26.6 %	\$148,021	\$122,285	\$25,736	21.0 %	SG&A expenses	\$67,782	\$61,012	\$6,770	11.1 %

As a % of  
Total  
Company  
Direct  
revenues

Corporate SG&A expenses for the three months ended June 30, 2024 September 30, 2024 increased \$17.0 million \$6.8 million from the same period in the prior year yet remained relatively consistent as a percentage of our total direct revenues when compared to the same period in the prior year. The increase in Corporate SG&A expenses for the three months ended June 30, 2024 September 30, 2024 was driven by a \$9.9 million \$5.3 million increase in labor and benefits related costs, including stock-based compensation, primarily resulting from incremental headcount from the acquired operations and higher incentive compensation, a \$3.8 million change in legal reserve costs and a \$2.9 million \$1.2 million increase in a remedial liability for an existing Superfund site, information technology related costs.

Corporate SG&A expenses for the six nine months ended June 30, 2024 September 30, 2024 increased \$25.7 \$32.5 million yet remained relatively consistent as a percentage of our total direct revenues when compared to the same period in the prior year. The increase in Corporate SG&A expenses for the six nine months ended June 30,

2024 September 30, 2024 was driven by an \$18.9 million a \$21.7 million increase in labor and benefits related costs, including stock-based compensation, a \$3.8 million \$3.6 million change in legal reserve costs and a \$2.9 million \$2.4 million increase in a remedial liability for an existing Superfund site, information technology related costs.

#### Adjusted EBITDA

Management considers Adjusted EBITDA to be a measurement of performance which provides useful information to both management and investors. Adjusted EBITDA should not be considered an alternative to net income or other measurements under generally accepted accounting principles ("GAAP"). We define Adjusted EBITDA as net income plus accretion of environmental liabilities, stock-based compensation, depreciation and amortization, net interest expense, loss on early extinguishment of debt and provision for income taxes and excludes other gains, losses and non-cash charges not deemed representative of fundamental segment results and other expense (income), net. Adjusted EBITDA is not calculated identically by all companies and therefore our measurements of Adjusted EBITDA, while defined consistently with our existing credit agreement, may not be comparable to similarly titled measures reported by other companies.

We use Adjusted EBITDA to enhance our understanding of our operating performance, which represents our views concerning our performance in the ordinary, ongoing and customary course of our operations. We historically have found it helpful, and believe that investors have found it helpful, to consider an operating measure that excludes certain expenses relating to transactions not reflective of our core operations.

The information about our operating performance provided by Adjusted EBITDA is used by our management for a variety of purposes. We regularly communicate Adjusted EBITDA results to our lenders since our loan covenants are based upon levels of Adjusted EBITDA achieved and to our board of directors and we discuss with the board our interpretation of such results. We also compare our Adjusted EBITDA performance against internal targets as a key factor in determining cash and equity bonus compensation for executives and other employees, largely because we believe that this measure is indicative of how the fundamental business is performing and being managed.

We also provide information relating to our Adjusted EBITDA so that analysts, investors and other interested persons have the same data that we use to assess our core operating performance. We believe that Adjusted EBITDA should be viewed only as a supplement to the GAAP financial information. We also believe, however, that providing this information in addition to, and together with, GAAP financial information provides a better understanding of our core operating performance and how management evaluates and measures our performance.

The following table presents Adjusted EBITDA as well as Adjusted EBITDA as a percent percentage of Direct Revenues by segment (in thousands, except percentages):

(in thousands, except percentages)	(in thousands, except percentages)	Three Months Ended			Six Months Ended		
		June 30, 2024 over 2023		September 30, 2024 over 2023	Change	% Change	June 30, September 30, 2024
		2024	2023				
<b>Adjusted EBITDA:</b>							
Environmental Services							
Environmental Services							
Environmental Services		\$ 359,915	\$ 305,622	\$ 54,293	17.8 %	\$ 624,390	
Safety-Kleen Sustainability Solutions							
Corporate Items							
Total	Total	\$ 327,816	\$ 287,506	\$ 40,310	14.0 %	\$ 557,911	
<b>Adjusted EBITDA as a % of Direct Revenues (1):</b>							
Environmental Services							
Environmental Services							
Environmental Services							
Safety-Kleen Sustainability Solutions							

## Safety-Kleen Sustainability Solutions

### Safety-Kleen Sustainability Solutions

#### Corporate Items

Total

Total

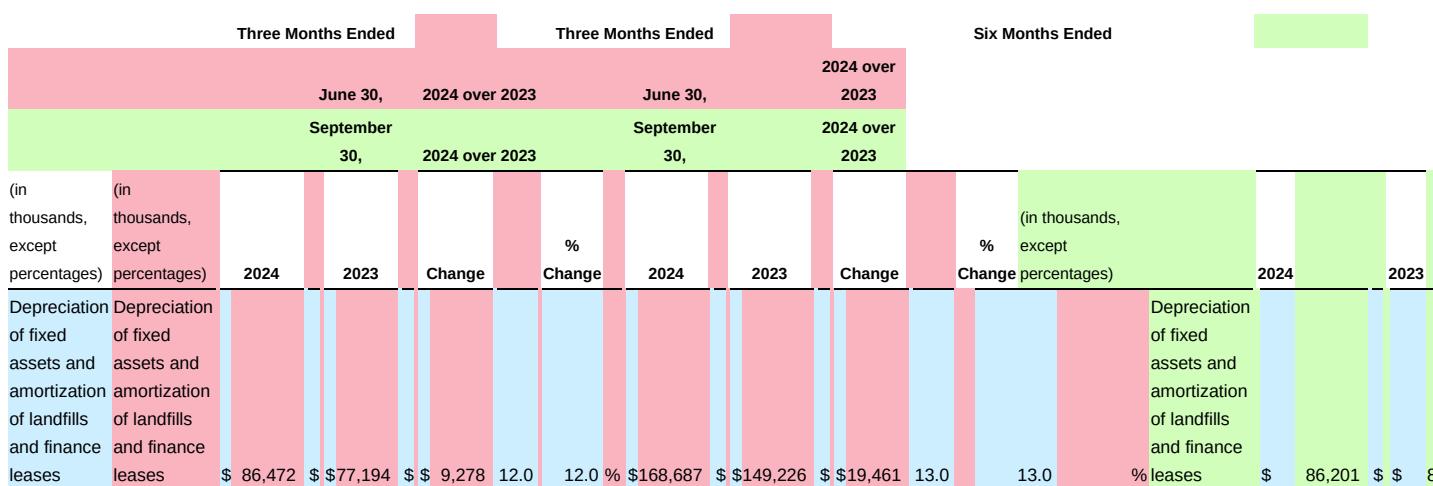
Total

(1) Environmental Services and SKSS calculated as a percentage of individual segment direct revenues. Corporate Items calculated as a percentage of total Company direct revenues.

The following is a reconciliation of net income to Adjusted EBITDA for the following periods (in thousands, except percentages):



### Depreciation and Amortization



Permits and  
other  
intangibles  
amortization

Total depreciation and amortization	Total depreciation and amortization	\$100,504	\$89,697	\$10,807	12.0	12.0 %	\$195,569	\$174,455	\$21,114	12.1	12.1	Total depreciation and % amortization	\$100,063	\$9
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Depreciation and amortization for the three and six months ended June 30, 2024 increased by \$10.8 million \$7.1 million and \$21.1 million \$28.2 million from the comparable periods in 2023 due to the depreciation of fixed assets and amortization of intangible assets placed in service in the second half last quarter of 2023 and throughout 2024 including the incremental assets acquired from the March 2024 HEPACO and Noble Oil acquisitions.

### ***Loss on Early Extinguishment of Debt***

Three Months Ended			Three Months Ended			Six Months Ended			Three Month			
			2024 over 2023									
			June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	September 30, 2024	2023	September 30, 2024	2023
			September 30, 2024	2024 over 2023	September 30, 2024	2024 over 2023	September 30, 2024	2024 over 2023	September 30, 2024	2024 over 2023	September 30, 2024	2024 over 2023
(in thousands, except percentages)			(in thousands, except percentages)			(in thousands, except percentages)			(in thousands, except percentages)			
			2024	2023	Change	2024	2023	Change	2024	2023	Change	2024
Loss on early extinguishment of debt	Loss on early extinguishment of debt	\$—	\$ \$ —	\$ \$ —	— %	\$—	\$—	— %	\$ (2,362)	\$ 2,362	100.0	100.0
												% of debt
									\$—	\$ \$ —	— %	\$ \$

During the **six** nine months ended **June 30, 2023** **September 30, 2023**, we recorded a \$2.4 million loss on early extinguishment of debt in connection with the repayment of outstanding debt due in 2024.

***Interest Expense, Net of Interest Income***

Interest expense, net of interest income for the three months ended **June 30, 2024** **September 30, 2024** increased **\$6.4 million** **\$6.1 million** from the comparable period in 2023 due to higher levels of outstanding debt as a result of the 2024 Incremental Term Loans entered into on March 22, 2024 as well as higher interest rates on our variable interest debt. Interest expense was partially offset by a **\$2.4 million** **\$2.5 million** increase in interest income in the three months ended **June 30, 2024** **September 30, 2024** compared to the comparable period in 2023.

Interest expense, net of interest income for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** increased **\$14.3 million** **\$20.4 million** from the comparable period in 2023. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, interest expense, net of interest income included an \$8.3 million benefit recognized from settling interest rate swaps in that prior year period.

Absent this benefit, interest expense, net of interest income, for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** increased **\$6.0 million** **\$12.1 million** from the comparable period in 2023 due to the 2024 Incremental Term Loans discussed above. Interest expense was partially offset by a **\$2.9 million** **\$5.4 million** increase in interest income in the **six** **nine** months ended **June 30, 2024** **September 30, 2024** compared to the comparable period in 2023.

As of **June 30, 2024** **September 30, 2024**, the effective interest rate on our debt was **5.7%** **5.6%**. For the remainder of 2024, we expect interest expense to continue to trend higher than the prior year due to higher levels of outstanding debt and a slightly higher weighted average effective interest rate. For additional information regarding the financing events during 2024 and our current portfolio of long-term debt, see Note 11, "Financing Arrangements," to the accompanying unaudited consolidated financial statements.

#### Provision for Income Taxes

	Three Months Ended			Three Months Ended			Six Months Ended			Three Months Ended			Nine Months Ended				
	2024 over			2024 over			2024			2024 over			2024				
	June 30, 2023			June 30, 2023			September 30, 2023			September 30, 2023			September 30, 2023				
(in thousands, except percentages)	(in thousands, except percentages)	2024	2023	Change	%	2024	2023	Change	%	2024	2023	Change	2024	2023	Change		
Provision for income taxes	Provision for income taxes	\$45,597	\$42,702	\$2,895	6.8 %	\$71,560	\$68,378	\$3,182	4.7 %	Provision for income taxes	\$40,181	\$33,666	\$6,515	19.4 %	\$111,741	\$102,044	\$9,700

Effective tax rate

For the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, the provision for income taxes increase was consistent with the increase in pre-tax income compared to the prior period. Our effective tax rates for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** remained relatively consistent compared to the prior periods.

#### Liquidity and Capital Resources

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities. Our primary ongoing cash requirements will be to fund operations, capital expenditures, interest payments and investments in line with our business strategy as of the date of this report. We believe our future operating cash flows will be sufficient to meet our future operating and internal investing cash needs. We monitor our actual needs and forecasted cash flows, our liquidity and our capital resources, enabling us to plan our present needs and fund items that may arise during the year as a result of changing business conditions or opportunities. Furthermore, our existing cash balance and the availability of additional borrowings under our revolving credit facility provide additional potential sources of liquidity should they be required.

#### Summary of Cash Flow Activity

(in thousands)		Six Months Ended		June 30,		Nine Months Ended		September 30,	
		(in thousands)	2024	2023	2023	(in thousands)	2024	2023	(in thousands)
Net cash from operating activities									
Net cash used in investing activities									
Net cash from (used in) financing activities									

##### Net cash from operating activities

Net cash from operating activities for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$234.6 million** **\$473.8 million** as compared to **\$235.6 million** **\$455.7 million** in the same period in **2023** **2023**. This **\$18.1 million** increase in operating cash flows was attributable to an increase in operating income of **\$68.1 million**, lower cash paid for taxes of **\$6.6 million**, and a **\$4.4 million** reduction in environmental expenditures for the nine months ended **September 30, 2024** as compared to the same period in **2023**. These were partially offset by increased working capital balances and **higher** an increase in cash paid for interest payments were mostly offset by higher operating income as well as lower payments for income taxes and environmental liabilities, of **\$33.4 million**.

##### Net cash used in investing activities

Net cash used in investing activities for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$730.7 million** **\$812.9 million**, an increase of **\$383.4 million** **\$365.9 million** from the comparable period in **2023**. Cash used for acquisitions increased **\$356.6 million** **\$354.4 million** as we paid more for the acquisitions of HEPACO and Noble **Oil** in **2024** than we did for the acquisition of Thompson Industrial in **2023**. Additions to **Property, property, plant and equipment** increased **\$68.7 million** **\$57.9 million**, largely driven by **increased** investments in vehicles, machinery and equipment for our operations and notable project spend including **\$15.4 million** **\$15.8 million** spent on the Baltimore, Maryland **facility**, and an **increase of \$4.9 million** in capital spending for our incinerator project in Kimball, Nebraska. **facility**. The remaining change in net cash used in investing activities was due to the

timing of transactions within our wholly owned captive insurance company which resulted in a **\$16.4** **\$26.3** million cash inflow in the **six** **nine** months ended **June 30, 2024** **September 30, 2024** as compared to a **\$24.2** **\$19.9** million cash outflow in the **six** **nine** months ended 2023.

#### Net cash from (used in) financing activities

Net cash from financing activities for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$455.5 million** **\$408.6 million**, as compared to net cash used in financing activities of **\$142.9 million** **\$165.3 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**. The primary drivers of this change were the incurrence of additional term loans net of discount of \$499.4 million in 2024 as compared to a net \$121.5 million repayment of term loans debt in 2023 of **\$114.0 million** **2023**. Partially offsetting this activity was an increase in finance lease payments of **\$3.9 million** **\$12.0 million**.

#### Adjusted Free Cash Flow

Management considers adjusted free cash flow to be a measure of liquidity which provides useful information to both management, creditors and investors about our financial strength and our ability to generate cash. Additionally, adjusted free cash flow is a metric on which a portion of management incentive compensation is based. We believe that adjusted free cash flow should be viewed only as a supplement to the GAAP financial information. We define adjusted free cash flow as net cash from operating activities excluding cash impacts of items derived from non-operating activities, less additions to property, plant and equipment plus proceeds from sales or disposals of fixed assets. Adjusted free cash flow should not be considered an alternative to net cash from operating activities or other measurements under GAAP. Adjusted free cash flow is not calculated identically by all companies, and therefore our measurements of adjusted free cash flow may not be comparable to similarly titled measures reported by other companies.

The following is a reconciliation of net cash from operating activities to adjusted free cash flow for the following periods (in thousands):

	Six Months Ended		Nine Months Ended	
	June 30, 2024	September 30, 2023	September 30, 2024	2023
Net cash from operating activities				
Additions to property, plant and equipment				
Proceeds from sale and disposal of fixed assets				
Proceeds from sale and disposal of fixed assets				
Proceeds from sale and disposal of fixed assets				
Adjusted free cash flow				

#### Summary of Capital Resources

At **June 30, 2024** **September 30, 2024**, cash and cash equivalents and marketable securities totaled **\$493.3 million** **\$594.7 million**, compared to \$550.8 million at December 31, 2023. At **June 30, 2024** **September 30, 2024**, cash and cash equivalents held by our Canadian subsidiaries totaled **\$31.0 million** **\$46.8 million**. The cash and cash equivalents and marketable securities balance for our U.S. operations was **\$462.3 million** **\$547.9 million** at **June 30, 2024** **September 30, 2024**. Our U.S. operations had net operating cash inflows of **\$257.9 million** **\$478.3 million** for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**.

We also maintain a \$600.0 million revolving credit facility of which, as of **June 30, 2024** **September 30, 2024**, approximately **\$463.5 million** **\$469.8 million** was available to borrow under the facility, with letters of credit of **\$136.5 million** **\$130.2 million** outstanding.

#### Material Capital Requirements

##### Capital Expenditures

Capital expenditures during the first **six** **nine** months of 2024 were **\$273.0 million** **\$369.8 million** as compared to **\$204.3 million** **\$311.9 million** during the first **six** **nine** months of 2023. The increase was driven by incremental investments in our fleet and equipment and Baltimore, Maryland facility as well as the incremental spend on the Kimball incinerator. We anticipate that 2024 capital spending, net of disposals, will be in the range of \$400.0 million to \$430.0 million. This projected amount includes capital expenditures

We are nearing the completion of approximately \$65 million to finish the construction of our new incinerator in Kimball, Nebraska incinerator and intend to commence operations in the fourth quarter of 2024. Total spending on the project and approximately \$20 million as of September 30, 2024 was \$198.0 million. Capital spending on the strategic project in Baltimore, Maryland for the acquisition first nine months of 2024 was \$15.8 million for the purchase of the facility and build out of our Baltimore, Maryland facility site improvements.

We anticipate that the capital spending will be funded by cash from our operations. Unanticipated changes in environmental regulations could require us to make significant capital expenditures for our facilities and adversely affect our results of operations and cash flow.

During the first six months of 2024, capital spending on the construction of our new incinerator in Kimball, Nebraska was \$40.4 million. Total spending on the project as of June 30, 2024 was \$175.1 million. We continue to anticipate that the total spend for this project will be approximately \$200.0 million and we anticipate it will be operational in late 2024. Additionally, capital spending on the strategic project in Baltimore, Maryland for the first six months of 2024 was \$15.4 million for the purchase of the facility and site improvements and we expect to incur an additional \$4.6 million relative to this project during the remainder of 2024.

##### Financing Arrangements

As of **June 30, 2024** **September 30, 2024**, our financing arrangements include (i) \$545.0 million of 4.875% senior unsecured notes due 2027, (ii) **\$1,472.4 million** **\$1,468.7 million** of senior secured term loans due 2028, (iii) \$300.0 million of 5.125% senior unsecured notes due 2029 and (iv) \$500.0 million of 6.375% senior unsecured notes due 2031. As noted above, we also maintain our \$600.0 million revolving credit facility with no amounts owed as of **June 30, 2024** **September 30, 2024**.

The material terms of these arrangements are discussed further in Note 11, "Financing Arrangements," to the accompanying unaudited consolidated financial statements.

As of **June 30, 2024** **September 30, 2024**, we were in compliance with the covenants of all of our debt agreements, and we believe we will continue to meet such covenants.

#### Common Stock Repurchases Pursuant to Publicly Announced Plan

The Company's common stock repurchases are made pursuant to the previously authorized board approved plan to repurchase up to \$1.1 billion of the Company's common stock. During the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, the Company repurchased and retired **23,397** **84,910** and **50,662** **135,572** shares, respectively, of the Company's common stock for total expenditures of **\$5.0 million** **\$20.0 million** and **\$10.0 million** **\$30.0 million**, respectively. During the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, the Company repurchased and retired a total of **36,473** **58,341** and **58,723** **117,064** shares, respectively, of the Company's common stock for total expenditures of **\$5.0 million** **\$10.0 million** and **\$8.0 million** **\$18.0 million**, respectively.

Through **June 30, 2024** **September 30, 2024**, the Company has repurchased and retired a total of approximately **8.6 million** **8.7 million** shares of its common stock for **\$555.9 million** **\$575.9 million** under the board approved plan, and as of **June 30, 2024** **September 30, 2024**, an additional **\$544.1 million** **\$524.1 million** remained available for repurchase of shares.

#### Environmental Liabilities

(in thousands, except percentages)	(in thousands, except percentages)	June 30, 2024	December 31, 2023	Change	% Change	(in thousands, except percentages)	September 30, 2024	December 31, 2023	Change	% Change
Closure and post-closure liabilities	Closure and post-closure liabilities	\$119,112	\$ 118,600	\$ \$ 512	0.4	Closure and post-closure liabilities	\$ 119,578	\$ 118,600	\$ \$ 978	0.8
<b>Remedial liabilities</b>										
Total environmental liabilities	Total environmental liabilities	\$230,711	\$ 229,843	\$ \$ 868	0.4	Total environmental liabilities	\$ 230,236	\$ 229,843	\$ \$ 393	0.2

Total environmental liabilities as of **June 30, 2024** **September 30, 2024** were **\$230.7 million** **\$230.2 million**, relatively consistent with the balance as of December 31, 2023. During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, the environmental liability balance increased due to accretion of **\$6.5 million** **\$10.1 million**, new environmental liabilities, including those assumed through acquisition, of **\$5.9 million** and **increases** changes in environmental liability estimates of **\$4.1 million** **\$4.4 million**. These increases were partially offset by expenditures of **\$9.9 million** **\$19.7 million**. The liability estimate increase was primarily driven by a **change** a **\$2.9 million increase to the remedial liability estimate reserve for a Superfund site of \$2.9 million**.

We anticipate our environmental liabilities, substantially all of which we assumed in connection with our acquisitions, will be payable over many years and that cash flow from operations will generally be sufficient to fund the payment of such liabilities when required.

Events not anticipated (such as future changes in environmental laws and regulations) could require that payments to satisfy our environmental liabilities be made earlier or in greater amounts than currently anticipated, which could adversely affect our results of operations, cash flow and financial condition. Conversely, the development of new treatment technologies or other circumstances may arise in the future which may reduce amounts ultimately paid.

#### Letters of Credit

We obtain standby letters of credit as security for financial assurances we have been required to provide to regulatory bodies for our hazardous waste facilities and which would be called only in the event that we fail to satisfy closure, post-closure and other obligations under the permits issued by those regulatory bodies for such licensed facilities. As of **June 30, 2024** **September 30, 2024**, there were **\$136.5 million** **\$130.2 million** outstanding letters of credit. See Note 11, "Financing Arrangements," to the accompanying unaudited consolidated financial statements.

#### Critical Accounting Policies and Estimates

There In the first nine months of 2024, there were no material changes in the first six months of 2024 to the information provided under the heading "Critical Accounting Estimates" included in our Annual Report on Form 10-K for the year ended December 31, 2023. For more information regarding our accounting policies, please refer to Note 2, "Significant Accounting Policies" to the accompanying unaudited consolidated financial statements.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There In the first nine months of 2024, there were no material changes in the first six months of 2024 to the information provided under Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of our Co-Chief Executive Officers and Chief Financial Officer, as of the end of the period covered by this Quarterly Report on Form 10-Q, our Co-Chief Executive Officers and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined under Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) were effective as of **June 30, 2024** **September 30, 2024** to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including our Co-Chief Executive Officers and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that was conducted during the quarter ended **June 30, 2024** **September 30, 2024** that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## CLEAN HARBORS, INC. AND SUBSIDIARIES

### PART II—OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

See Note 15, "Commitments and Contingencies," to the unaudited consolidated financial statements included in Item 1 of this report, which description is incorporated herein by reference.

#### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors from the information provided in Item 1A. in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

##### Common Stock Repurchase Program

The following table provides information with respect to the shares of common stock repurchased by us for the periods indicated:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) <sup>(3)</sup>
April 1, 2024 through April 30, 2024	3,841	\$ 197.04	—	\$ 549,101
May 1, 2024 through May 31, 2024	24,580	213.16	23,397	544,101
June 1, 2024 through June 30, 2024	2,469	216.59	—	544,101
<b>Total</b>	<b>30,890</b>	<b>\$ 211.43</b>	<b>23,397</b>	

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) <sup>(3)</sup>
July 1, 2024 through July 31, 2024	25,752	\$ 220.63	—	\$ 544,101
August 1, 2024 through August 31, 2024	45,116	232.87	43,028	534,101
September 1, 2024 through September 30, 2024	44,800	239.23	41,882	524,101
<b>Total</b>	<b>115,668</b>	<b>\$ 232.61</b>	<b>84,910</b>	

(1) Includes 7,493 30,758 shares withheld by us from employees to satisfy employee tax obligations upon vesting of restricted stock granted to our employees under the Company's equity incentive plans.

(2) The average price paid per share of common stock repurchased under the Company's stock repurchase program includes the commissions paid to brokers.

(3) The Company's common stock repurchases are made pursuant to the stock repurchase plan, which was most recently authorized by the board of directors on December 5, 2024, to repurchase up to \$1.1 billion of the Company's common stock. The stock repurchase plan will expire when all of the available allotted funds under the stock repurchase plan are depleted. As of **June 30, 2024** **September 30, 2024**, the amount available for repurchase under the board approved plan is **\$544.1 million** **\$524.1 million**. We have funded and intend to fund the repurchases through available cash resources. The stock repurchase program authorizes us to purchase our common stock on the open market or in privately negotiated transactions periodically in a manner that complies with applicable U.S. securities laws. The number of shares purchased and the timing of the purchases has depended and will depend on several factors, including share price, cash required for business plans, trading volume and other conditions. As part of our share repurchase program, we maintain a repurchase plan in accordance with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended. During the three months ended **June 30, 2024** **September 30, 2024**, no shares were repurchased under the Rule 10b5-1 plan. Future repurchases may be made as open market or privately negotiated transactions as described above. We have no obligation to repurchase stock under this program and may suspend or terminate the repurchase program at any time.

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

#### ITEM 5. OTHER INFORMATION

On May 23, 2024 During the quarter ended September 30, 2024, Ms. Lauren States, no director or "officer" (as defined in Rule 16a-1(f)) of Clean Harbors, Inc. adopted, modified or terminated a member of the Company's board of directors, adopted a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement, for the sale" as each term is defined in Item 408(a) of shares of the Company's common stock (a "Rule 10b5-1 Trading Plan") that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Ms. States' Rule 10b5-1 Trading Plan, which has a term from September 15, 2024 to February 28, 2025, provides for the sale of up to 1,849 shares of common stock pursuant to the terms of the Rule 10b5-1 Trading Plan. Regulation S-K.

#### ITEM 6. EXHIBITS

Item No.	Description	Location
10.1+	<a href="#">Seventh Amended and Restated Credit Agreement dated as of June 28, 2024 among Clean Harbors, Inc., as the U.S. Borrower, Clean Harbors Industrial Services Canada, Inc., as the Canadian Borrower, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto</a>	(1)
10.2+	<a href="#">Second Amended and Restated Confirmation and Ratification of Ancillary Loan Documents dated as of June 28, 2024 among Clean Harbors, Inc., as the U.S. Borrower, Clean Harbors Industrial Services Canada, Inc., as the Canadian Borrower, the subsidiaries of Clean Harbors, Inc. listed on Annex A thereto or that thereafter become a party thereto as Grantors, and Bank of America, N.A., as Agent for its own benefit and the benefit of the other Lenders and Credit Parties</a>	(2)
10.3	<a href="#">Clean Harbors Employee Stock Purchase Plan</a>	(3)
31.1	<a href="#">Rule 13a-14a/15d-14(a) Certification of the Co-CEO Michael L. Battles</a>	Filed herewith
31.2	<a href="#">Rule 13a-14a/15d-14(a) Certification of the Co-CEO Eric W. Gerstenberg</a>	Filed herewith
31.3	<a href="#">Rule 13a-14a/15d-14(a) Certification of the CFO Eric J. Dugas</a>	Filed herewith
32	<a href="#">Section 1350 Certifications</a>	Furnished herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101*)	Filed herewith

Item No.	Description	Location
10.1+	<a href="#">Amendment No. 6 to Credit Agreement dated as of October 8, 2024, among the Financial Institutions party thereto, as Lenders, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent, Clean Harbors, Inc., as Borrower, and the Loan Guarantors from time to time party thereto</a>	(1)
31.1	<a href="#">Rule 13a-14a/15d-14(a) Certification of the Co-CEO Michael L. Battles</a>	Filed herewith
31.2	<a href="#">Rule 13a-14a/15d-14(a) Certification of the Co-CEO Eric W. Gerstenberg</a>	Filed herewith
31.3	<a href="#">Rule 13a-14a/15d-14(a) Certification of the CFO Eric J. Dugas</a>	Filed herewith
32	<a href="#">Section 1350 Certifications</a>	Furnished herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101*)	Filed herewith

(1) Incorporated by reference to Exhibit 4.43.3 4.43H to the Company's Current Report on Form 8-K filed on July 2, 2024.

(2) Incorporated by reference to Exhibit 4.43I to the Company's Current Report on Form 8-K filed on July 2, 2024.

(3) Incorporated by reference to Exhibit 10.66 to the Company's Current Report on Form 8-K filed on May 23, 2024 October 11, 2024.

+ Certain schedules and similar attachments have been omitted. The Company agrees to furnish a supplemental copy to the SEC upon request.

#### CLEAN HARBORS, INC. AND SUBSIDIARIES

##### 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.

CLEAN HARBORS, INC.

By: /s/ MICHAEL L. BATTLES

Michael L. Battles

Co-Chief Executive Officer and Co-President

Date: July 31, October 30, 2024

By: /s/ ERIC W. GERSTENBERG

Eric W. Gerstenberg

Co-Chief Executive Officer and Co-President

Date: July 31, October 30, 2024

By: /s/ ERIC J. DUGAS

Eric J. Dugas

Executive Vice President and Chief Financial Officer

Date: July 31, October 30, 2024

## CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, Michael L. Battles, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clean Harbors, 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(s) 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 fiscal 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(s) 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.

/s/ MICHAEL L. BATTLES

Michael L. Battles

Co-Chief Executive Officer and Co-President

Date: **July 31, 2024** October 30, 2024

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## CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, Eric W. Gerstenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clean Harbors, 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(s) 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 fiscal 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(s) 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.

/s/ ERIC W. GERSTENBERG

Eric W. Gerstenberg  
Co-Chief Executive Officer and Co-President

Date: July 31, 2024 October 30, 2024

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**EXHIBIT 31.3**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Eric J. Dugas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clean Harbors, 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(s) 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 fiscal 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(s) 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.

/s/ ERIC J. DUGAS

Eric J. Dugas  
Executive Vice President and Chief Financial Officer

Date: **July 31, 2024** October 30, 2024

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## EXHIBIT 32

### CLEAN HARBORS, INC. AND SUBSIDIARIES

#### CERTIFICATION PURSUANT TO SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350, each of the undersigned certifies that, to his knowledge, this Quarterly Report on Form 10-Q for the period ended **June 30, 2024** September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Clean Harbors, Inc.

By: \_\_\_\_\_ /s/ MICHAEL L. BATTLES  
**Michael L. Battles**  
**Co-Chief Executive Officer and Co-President**

Date: **July 31, October 30, 2024**

By: \_\_\_\_\_ /s/ ERIC W. GERSTENBERG  
**Eric W. Gerstenberg**  
**Co-Chief Executive Officer and Co-President**

Date: **July 31, October 30, 2024**

By: \_\_\_\_\_ /s/ ERIC J. DUGAS  
**Eric J. Dugas**  
**Executive Vice President and Chief Financial Officer**

Date: **July 31, October 30, 2024**

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