

STERICYCLE INVESTOR PRESENTATION

Company Overview & Business Update

Stifel Cross Sector Insight Conference
June 8, 2020

Nasdaq: **SRCL**



Safe Harbor Statement

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. When we use words such as "believes," "expects," "anticipates," "estimates" "may," "plan," "will," "goal" or similar expressions, we are making forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of our management about future events and are therefore subject to risks and uncertainties, which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Factors that could cause such differences include, among others, developments in the COVID-19 pandemic and the resulting impact on the results of operations, precautions we have taken to safeguard the health and safety of our employees which may make certain of our business processes less efficient, measures taken by governmental authorities to prevent the spread of COVID-19 which could disrupt our supply chain, result in disruptions in transportation services and restrictions on the ability of our employees to travel, result in temporary closure of our facilities or the facilities of our customers and suppliers, affect the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, disruptions in our relationships with our employees as a result of certain cost-saving measures, an economic slowdown in the U.S. and other countries resulting from the outbreak of COVID-19, SOP pricing volatility, foreign exchange rate volatility in the jurisdictions in which we operate, the volume and size of any recall events, changes in governmental regulation of the collection, transportation, treatment and disposal of regulated waste or the proper handling and protection of personal and confidential information, the level of government enforcement of regulations governing regulated waste collection and treatment or the proper handling and protection of personal and confidential information, decreases in the volume of regulated wastes or personal and confidential information collected from customers, the ability to implement our ERP system, charges related to portfolio rationalization or the failure of divestitures to achieve the desired results, failure to consummate transactions with respect to non-core businesses, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and notes, a downgrade in our credit rating resulting in an increase in interest expense, political, economic, inflationary and other risks related to our foreign operations, the outcome of pending or future litigation or investigations including with respect to the U.S. Foreign Corrupt Practices Act, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, failure to maintain an effective system of internal control over financial reporting, delays or failures in implementing remediation efforts with respect to existing or future material weaknesses, disruptions in or attacks on information technology systems, as well as other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Forms 10-Q. As a result, past financial performance should not be considered a reliable indicator of future performance, and investors should not use historical trends to anticipate future results or trends. We disclaim any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.

Stericycle is Well Positioned for Long-Term Value Creation

Leveraging our strong market position and strategic differentiators to generate growth, improve profitability, and enhance shareholder value

Differentiated Value Proposition

- Unmatched infrastructure
- Strong, distinguished and trusted brand with a robust history
- Team of industry experts with deep relationships
- Leader in large, fragmented markets with multiple growth opportunities
- Diverse customer base with multi-year agreements and compelling cross-selling opportunities

Focused on Driving Shareholder Value

- Successfully executing clear strategy to increase profitability and drive consistent free cash flow
- Committed to:
 - Delivering consistent results and reducing leverage
 - Operating efficiently and effectively
 - Capitalizing on growth opportunities
- Investing to enhance operations and improve performance

Trusted Provider of High-Value Outsourced Services

Regulated Waste & Compliance Services



Medical
Waste



Sharps
Management



Pharmaceutical
Waste



Compliance

Secure Information Destruction



Information
Destruction



Communication and Related Services



Secure Doctor-
Patient Message
Services

Regulated
Product Recall
Services

Core Businesses Address Complex, Highly-Regulated Business Needs

- Critical functions with significant potential liability associated with non-compliance
- Stringent standards from global regulatory agencies
- Increasing demand for support with compliance, sustainability, and brand protection
- Customer focus on healthcare, but also includes financial services, professional services, retail, manufacturers, and government agencies

Market Dynamics and Customer Relationships Provide Strong Platform for Growth

Stericycle serves large, fragmented and growing markets, driven by:

- Increasing regulations
- Need for sustainable waste solutions
- Aging population
- Focus on information security
- Demand for outsource services



Durable business model focused on long-term customer relationships

- Superior service levels provided by highly-trained experts
- Vast infrastructure including multiple waste treatment options and regional redundancies
- Services structured in 3-5 year contract agreements

Substantial Progress on Key Priorities

Portfolio rationalization	Six divestitures since Q1 2020, including the Domestic Environmental Solutions business
Debt reduction and leverage improvement	Applied \$430M divestiture proceeds to debt in April; \$115M net debt reduction over Q4 2019 & Q1 2020
Quality of revenue	Delivered overall organic revenue growth in Q1 2020 for the first time since 2017
Operational cost efficiencies	Engineering team formed to centralize decision-making and standardize operations to drive efficiencies and improve safety
ERP system	Launched global human capital management system in January 2020; shifted ERP implementation timeline as safety precaution



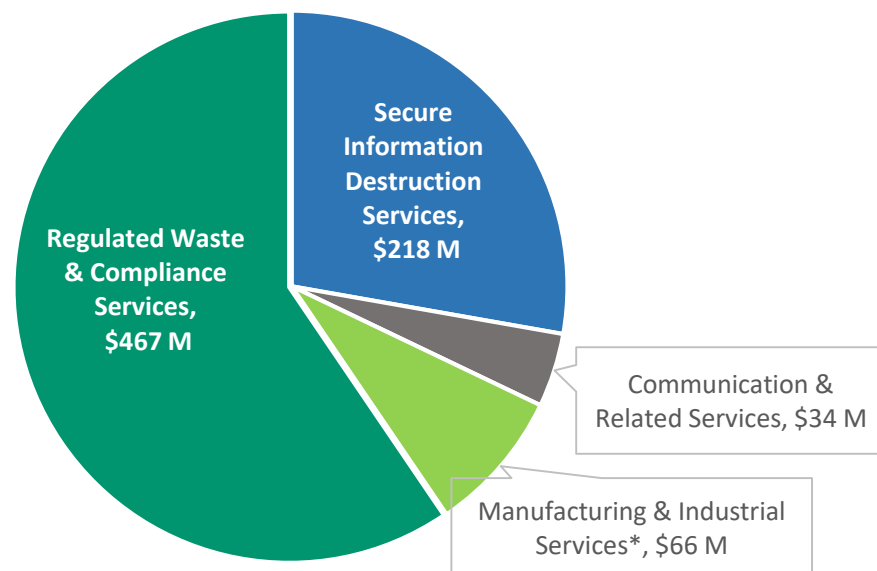
Demonstrated Leadership and Brand Value during COVID-19

- Global medical waste business remained fully operational
- Servicing large quarantine sites, temporary hospitals, and testing centers
- Secure Information Destruction operations supporting healthcare and essential services
- Established a [Coronavirus Knowledge Center](#) hosted webinars on managing COVID-19 medical waste



Focused on Quality of Revenue and Cash Flow Growth

Q1 2020 Revenues by Service



(\$ in millions)	FY18	FY19	Q1 FY20
Revenues	\$3,485.9	\$3,308.9	\$785.0*
Cash from Operations	\$165.7	\$248.0	\$82.1
Free Cash Flow	\$34.9	\$53.8	\$42.5

**The divestiture of the Domestic Environmental Solutions business closed on April 6, 2020. Annual revenues were approximately \$460 million and were included in both Manufacturing & Industrial Services and Regulated Waste & Compliance Services.*

Responding to COVID-19 with Speed and Discipline

March and April

- Coordinated sourcing and distribution for critical PPE for our front-line workers
- Restricted travel and significantly reduced purchasing and consulting costs
- Optimized operations to reduce drivers, plant workers, overtime, and fleet assets
- Managed staff expenses with a hiring freeze, deferral of merit increases, and the furlough of approximately 2,300 team members
- Limited capital expenditures to business-critical needs

May

- Hospitals reopening for elective surgeries and routine procedures
- Customers resuming secure information destruction services as states reopen
- A portion of team members returning from furlough to support increased demand
- Restrictions on travel, expenses and capital remain in place
- Front line employees continue to serve customer and work from home continues for support staff

Strong Liquidity & Debt Leverage Positioning

- **~\$450 million of available credit as of the Q1 earnings call**
- Continuing track record of **significant debt reduction**:
 - **~\$115 million net debt reduction** over Q4 2019 and Q1 2020
 - **~\$430 million in net proceeds** from the Domestic Environmental Solutions divestiture applied to debt repayment in April
- **Q1 2020 Net Debt to Adj. EBITDA ratio of 4.5X⁽¹⁾**
 - Anticipate **maintaining debt leverage ratio below 4.75X** debt covenant for 2020

⁽¹⁾Amounts and measures above are defined by debt agreements in effect as of the respective period end. Excludes proceeds from the divestiture of the Domestic Environmental Solutions business completed on April 6, 2020.

Strengthening Performance over the Long-Term Outlook⁽¹⁾ (5-year)

Organic Revenue
Growth

3% – 5% CAGR

Free Cash Flow⁽²⁾
Generation

At least **\$400**M/Year

Leverage
Ratio Below

3.0X within 2-3 years

⁽¹⁾ This outlook excludes the Domestic Environmental Solutions business but includes all businesses in the portfolio today. Additionally, this outlook assumes a stable SOP pricing and foreign exchange environment at rates as of the start of 2020. A prolonged or extreme coronavirus-induced recession is not contemplated in the modeling for this outlook.

⁽²⁾ Free Cash Flow is calculated as Net cash flow from operating activities less Capital expenditures. For guidance purposes it is not possible to predict or provide without unreasonable effort a reconciliation reflecting the impact of future acquisitions, divestitures, certain litigation, settlements and regulatory compliance matters, uncertain U.S. cash tax matters, and certain other items or other unanticipated events, which would be included in reported (U.S. GAAP) results and could be material.

Evolving for the Future: the Transformation of Stericycle

As a market leader, Stericycle is disrupting itself,
transforming to improve performance and driving long-term growth

- New leadership team focused on driving change and delivering shareholder value
- Successfully executing on five key priorities
- New focus on standardization, centralization and accountability
- Financially disciplined decision-making
- Recent COVID-19 environments reaffirm strength of value proposition and demonstrated the benefits of key priorities

Appendix

Non-GAAP Financial Measures

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

Reconciliation of U.S. GAAP to Adjusted Financial Measures

Free Cash Flow is calculated as Net cash flow from operating activities less Capital expenditures.

(\$ in millions)	FY18	FY19	Q1 FY20
Net Cash from Operations	\$165.7	\$248.0	\$82.1
Capital Expenditures	(130.8)	(194.2)	(39.6)
Free Cash Flow	\$34.9	\$53.8	\$42.5