

## Clean Harbors to Acquire HEPACO for \$400 Million

*February 6, 2024*

Clean Harbors, Inc. ("Clean Harbors") (NYSE: CLH) today announced it has entered into a definitive agreement with Gryphon Investors ("Gryphon") to acquire HEPACO ("HEPACO"), a leading provider of specialized environmental and emergency response services in the Eastern United States, for \$400 million in cash. The acquisition is expected to close in the first half of 2024, subject to regulatory approval and other customary closing conditions.

Headquartered in Charlotte, North Carolina, HEPACO has more than 2,000 customers, which it services through more than 40 regional locations in 17 states. Its primary offerings include field services, environmental remediation and emergency response services.

On an adjusted basis, HEPACO is expected to generate full-year 2023 EBITDA of approximately \$36 million on \$270 million of revenues. Clean Harbors expects the acquisition to generate cost synergies of approximately \$20 million after the first full year of operations, which equates to a post-synergy acquisition multiple of 7.1 times. Clean Harbors expects to fund the acquisition through available cash and the issuance of some additional debt financing.

Key strategic benefits of the transaction for Clean Harbors include:

- Complementary product offerings that increase the scale and capabilities of Clean Harbors' Field Services business;
- Synergies in areas such as subcontracting, branch network, asset rentals, transportation and procurement;
- Expansion of its rail and marine service capabilities through the addition of HEPACO's highly trained people and specialized equipment;
- The opportunity to drive additional volumes of waste to Clean Harbors' network of disposal and recycling facilities;
- Meaningful cross-selling opportunities, particularly for industrial services & hazardous waste disposal;
- The opportunity to introduce new customers to the Clean Harbors and Safety-Kleen brands, and to deepen relationships with existing customers.

HEPACO employs approximately 1,000 people, operates a fleet of more than 900 vehicles and serves a diverse set of industry verticals. In addition to the company's regional operations spanning 17 states, HEPACO's National Operations center provides 24-hour coverage across the continental U.S. through a network of contractors.

Robb Schreck, Chief Executive Officer of HEPACO, said, "Given its leading position in environmental and field services, as well as a 40-year history in emergency response, Clean Harbors is an ideal fit for HEPACO. Clean Harbors will provide HEPACO's customers with far greater resources and access to North America's largest network of permitted disposal and recycling assets. This transaction also will offer enhanced career opportunities for HEPACO employees."

*Link to original press release:*

<https://www.businesswire.com/news/home/20240206126978/en/Clean-Harbors-to-Acquire-HEPACO-for-400-Million>

