

# Press Release

## CLEAN HARBORS REPORTS RECORD FOURTH-QUARTER REVENUES AND EARNINGS

### Company Increases Q4 Revenue by 30%, Reduces Debt by More Than \$14 Million in 2001 And Achieves Significant Financial Milestones

**Braintree, MA – February 12, 2002** -- Clean Harbors, Inc. (“Clean Harbors”) (Nasdaq: CLHB), a leading provider of environmental services throughout the United States and Puerto Rico, today announced record results for the fourth quarter and year ended December 31, 2001.

The Company reported record fourth-quarter revenues of \$75,824,000, an increase of 30% compared with \$58,197,000 for the same quarter of 2000. Net income for the fourth quarter of 2001 was \$3,779,000, or \$0.27 per diluted share, an increase of 25% compared with net income of \$3,012,000, or \$0.25 per diluted share, for the same quarter of the prior year. Pre-tax income for the fourth quarter of 2001 was \$6,089,000, compared with \$702,000 for the same quarter of 2000. The difference between pre-tax and net income reflects tax expense of \$2,310,000 for the fourth quarter of 2001, while a tax benefit of \$2,310,000 was recorded for the same period of the prior year.

The fourth quarter results reflected growth in the Company’s base business augmented by Clean Harbors’ high profile response to decontaminate anthrax contaminated media outlets and mail sorting facilities in New York City and the Company’s involvement in cleaning up the World Trade Center site under a contract with the Federal Government.

The Company also reported record revenues for 2001 of \$251,601,000, an 8% increase compared with \$233,466,000 for 2000, which the Company attributes to growth in both emergency response events and its base environmental services business. Pre-tax income for 2001 was \$7,952,000, compared with \$5,102,000 for 2000. Net income for 2001 was \$5,540,000, or \$0.40 per diluted share, compared with net income of \$7,118,000, or \$0.59 per diluted share, for 2000. The difference between pre-tax and net income reflects tax expense of \$2,412,000 for 2001, while a tax benefit of \$2,016,000 was recorded for 2000.

Commenting on the outstanding balance sheet improvement the company achieved in 2001, Alan S. McKim, Chairman and Chief Executive Officer, stated, “In addition to the record \$251 million in revenues reported for 2001 and record results for the fourth quarter, our balance sheet demonstrates something far more significant than just one year’s performance. It reflects the culmination of the steady momentum we have accomplished over the past four years based on our well-executed growth strategy. Some of our recent financial highlights include:

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) grew 16.6% year over year, from \$24,925,000 to \$29,056,000 and for the past 4 years has grown over 200% from \$9.5 million to \$29



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million today.

- Free cash flow for 2001 was \$17,824,000, or \$1.41 per diluted share, and the Company used that strong free cash flow to substantially reduce debt.
- In 2001, Clean Harbors reduced its debt by more than \$14.5 million (a 21% reduction) and almost \$12 million of that reduction was on its outstanding Term Note “B” high interest debt which will substantially decrease future interest expense. Combined with 2000, Clean Harbors reduced its debt by a total of \$21,573,000 in the past two years.
- The Company has no outstanding debt from its revolving credit line and has over \$20 million available as of December 31, 2001.
- Accounts receivable are in the best shape in more than a decade and days sales outstanding (DSOs) have been steadily decreasing.
- The Company’s revenue growth for the past 4 years has been 8% compounded annually.

Mr. McKim continued, “In 2001, even with the economy in recession, Clean Harbors increased its non-emergency base revenues by approximately \$7 million as we increased our share of the environmental services market. At the same time, we made important operational strides to increase our margins and improve the company’s financial infrastructure. The many programs we have initiated in recent quarters to reduce expenses are continuing to generate measurable results.”

“In addition to controlling costs Clean Harbors continues to be customer focused and the leading brand for technological innovation in our industry. Clean Harbors is deploying its enhanced proprietary waste management software (WIN) which is Web enabled by utilizing the newly released *Microsoft .Net Technologies*. This will allow Clean Harbors to further streamline the company’s business processes.”

“As the environmental services industry continues to consolidate and several major competitors continue to struggle, Clean Harbors expects to continue to increase its market share in 2002,” stated McKim. “We believe that companies like Clean Harbors with strong balance sheets and healthy cash flows will have the opportunity to acquire highly valued assets at reasonable prices. We will continue to review opportunities as they become available in the environmental services industry, particularly those that would expand our geographic reach or technical capabilities.”

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“Looking ahead, depending on what specific opportunities arise, the free cash flow we are generating will be used to enhance shareholder value either by reducing debt or making strategic capital investments that expand the Company’s capabilities. Based on our fourth-quarter performance and opportunities we see within our industry, I am encouraged about the prospects for Clean Harbors in 2002,” McKim concluded.

### Conference Call Information

Clean Harbors will conduct a conference call for investors to discuss the information contained in this news release today, Tuesday, February 12, 2002 at 11:00 a.m. (ET). Investors who want to hear a webcast of the call should log onto <http://www.cleanharbors.com> and select “Investor Relations” at least 15 minutes prior to the broadcast. Investors should then follow the instructions provided to assure that the necessary audio applications are downloaded and installed. The call will be available on the investor relations section of <http://www.cleanharbors.com> for one week.

### About Clean Harbors, Inc.

Clean Harbors, Inc. provides a wide range of environmental and waste management services to a diversified customer base including a majority of the *Fortune 500* companies, thousands of smaller private entities and numerous governmental agencies. Within its national footprint, the Company currently has service and sales offices located in 25 states and Puerto Rico, and operates 11 waste management facilities strategically located throughout the country. For more information, visit our Website at [www.cleanharbors.com](http://www.cleanharbors.com).

### Safe Harbor Statement

Any statements contained herein that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and involve risks and uncertainties. These forward-looking statements are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans to,” “estimates,” “projects,” or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Information on the potential factors that could affect the Company’s actual results of operations is included in its filings with the Securities and Exchange Commission, including but not limited to its Annual Report on Form 10-K for the fiscal year ended December 31, 2000.



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### CLEAN HARBORS, INC.

#### CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Three Months Ended December 31, (unaudited)		Twelve Months Ended December 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues.....	\$75,824	\$58,197	\$251,601	\$233,466
Cost of revenues.....	51,112	42,014	178,085	166,303
Selling, general and administrative expenses.....	13,004	10,571	44,460	42,238
Depreciation and amortization....	2,771	2,741	11,113	10,656
Income from operations.....	<u>8,937</u>	<u>2,871</u>	<u>17,943</u>	<u>14,269</u>
Interest expense, net.....	<u>2,848</u>	<u>2,169</u>	<u>9,991</u>	<u>9,167</u>
Income before provision for (benefit from) income taxes.....	6,089	702	7,952	5,102
Provision for (benefit from) income taxes.....	2,310	(2,310)	2,412	(2,016)
Net income.....	<u>\$ 3,779</u>	<u>\$ 3,012</u>	<u>\$ 5,540</u>	<u>\$ 7,118</u>
Diluted earnings per share.....	<u>\$ 0.27</u>	<u>\$ 0.25</u>	<u>\$ 0.40</u>	<u>\$ 0.59</u>
Weighted average common shares outstanding plus potentially dilutive common shares.....	<u>13,421</u>	<u>11,381</u>	<u>12,676</u>	<u>11,305</u>



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## **CLEAN HARBORS, INC. AND SUBSIDIARIES**

### **SUMMARIZED CONSOLIDATED BALANCE SHEET**

(in thousands)

	<b>December 31, 2001</b>	<b>December 31, 2000</b>
	-----	-----
Current assets	\$64,367	\$58,143
Net property, plant and equipment	53,424	55,602
Other assets	33,930	35,823
Total assets	----- \$151,721 =====	----- \$149,568 =====
Current liabilities	\$53,088	\$41,722
Other liabilities	49,064	66,211
Stockholders' equity	49,569	41,635
Total liabilities and stockholders' equity	----- \$151,721 =====	----- \$149,568 =====

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