



Environmental Services

Sector Brief Q1 2025

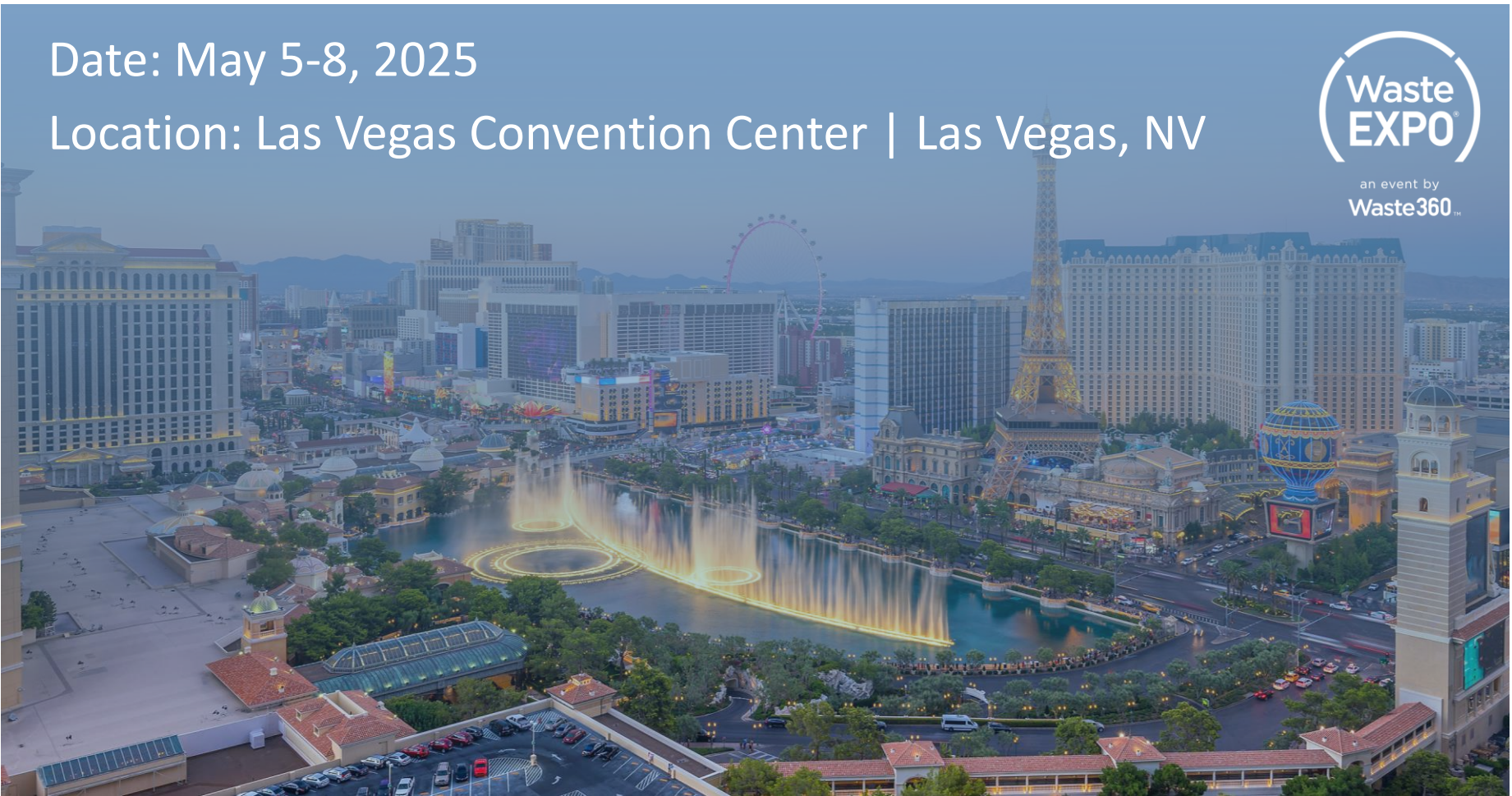
HW Harris Williams

Upcoming Events

Our team is attending WasteExpo 2025 in Las Vegas. Connect with us at the conference to discuss M&A trends in the environmental services sector. Let us know if you'll be there, via [email](#)

Date: May 5-8, 2025

Location: Las Vegas Convention Center | Las Vegas, NV



Website Link: <https://www.wasteexpo.com/en.html>

Key Themes Across Environmental Services

Tightening Regulations for Hazardous Waste



- Extended Producer Responsibility (EPR) regulations require manufacturers to manage product waste, packaging, and electronics for hazardous waste treatment and specialized disposal
- Many of the sector's largest companies have continued to invest in specialized capabilities, such as advanced recycling plants and hazardous plastic disposal facilities to handle the increase in recyclable waste from EPR regulations

Continued Industry Consolidation



- High-velocity M&A is expected to continue into 2025 as the environmental services sector's multiyear acquisition trend is supported by increased demand for infrastructure, environmental cleanup, and sustainable waste management solutions
- The environmental services sector continues to experience increasing interest from private equity buyers and investment funds, as acquirers have been willing to pay premium multiples for established players given the sector's resilience and long-term growth potential

Sustained Demand for Skilled Workers



- Post-pandemic shifts in work preferences and an aging workforce create challenges for the environmental services sector, with M&A and creative hiring practices being critical to bolster the sector's workforce in 2025
- Many of the sector's largest companies still don't think they are at optimized staffing levels, noting increasing regulatory and operational complexity, which has led to additional outsourced labor

Automation & Smart Waste Management



- Waste management is one element of sustainability that is changing rapidly, with dedicated Artificial Intelligence (AI) commitments from numerous sector participants focused on reducing emissions due to rising labor costs and high turnover rates
- Large corporations are becoming increasingly focused on AI-driven strategies, such as automated recycling and smart waste sorting, enhanced cameras to categorize waste in real time, and AI-based route planning to improve efficiency

Sustainability, Circular Economy, and Waste to Energy



- Sustainability and circular economy initiatives are transforming the U.S. waste industry as businesses and governments push for waste-to-energy solutions to reduce landfill dependency and meet net-zero goals
- Clean Harbors, Republic Services, and Waste Management are expanding facilities across scrap metal recovery, anaerobic digestion, and renewable natural gas to monetize additional waste streams

What We're Reading

Major Public Waste Companies Spent Nearly \$11B on M&A in 2024



"Major publicly traded waste companies spent an estimated \$10.9 billion on acquisitions in 2024. This surpassed nearly \$4.2 billion spent in 2023, largely due to WM's major purchase of Stericycle in Q4 for \$7.2 billion. In addition to the WM's acquisition of Stericycle, the company invested about \$800 million in acquisitions in 2024, mainly for solid waste businesses through tuck-in acquisitions."

"The totals include spending reported by WM, Republic Services, Waste Connections, GFL Environmental, and Casella Waste Systems. Republic and GFL Environmental had quieter years than normal, while Casella and Waste Connections focused on a mix of deals to both solidify their footprints and break into new markets."

[Waste Dive](#)

Tariffs Could Have Undue Effects on Recycling, Waste Sectors



"Trump signed executive orders this week enacting 25% tariffs on goods from Canada and Mexico, as well as an additional 10% tariff on imports from China. Recycling and waste groups say they're concerned the dynamic situation could prompt a trade war that might affect jobs and the economy."

"The tariffs could also hinder recycling industry job creation and harm domestic manufacturing. These new tariffs, and any retaliatory measures they may provoke, will only reduce the competitiveness of our industry and the manufacturers that rely on recycled materials."

[Supply Chain Dive](#)

Waste M&A Trends to Watch in 2025



"M&A has long been a constant in the solid waste industry, and 2025 is expected to be no different under what some anticipate could be a more favorable federal regulatory environment... They also expect ongoing acquisition opportunities in the related environmental services sector."

"I am a believer that solid waste and special waste should be together. I actually think there will be more coming together of the essential services, industrial services, environmental services, infrastructure services marketplace, not only this year, but over the next decade. I think that there's huge consolidation opportunities."

[Waste Dive](#)

EPA Revisiting Dozens of Climate, Environment Rules in 'Day of Deregulation'



"The U.S. EPA announced 31 actions taken across the agency on Wednesday, potentially clearing away or limiting rules that affect the permitting and operation of thousands of industrial facilities across the country, including waste and recycling facilities."

"Several other actions will also likely have consequences on work to address climate change. The EPA plans to roll back the social cost of carbon calculation. The Unleashing American Energy executive order had proposed eliminating the calculation from any federal permitting or regulatory decision."

[Waste Dive](#)

Recent Harris Williams Industry Content



[Link to Read](#)





"While M&A in 2024 was influenced by a somewhat tentative mindset among many buyers and sellers, 2025 is shaping up to be a year of action, with the easing of liquidity constraints, valuation gaps, and macro uncertainty."



[Link to Read](#)

"As M&A conditions continue to improve in 2025, we expect this growing array of innovative solutions to remain in strong demand among investors. This activity, coupled with more assets coming to market for sale, will enable private equity groups to deploy their substantial stores of dry powder, deliver returns to limited partners, and thus spark interest in new fund investments."

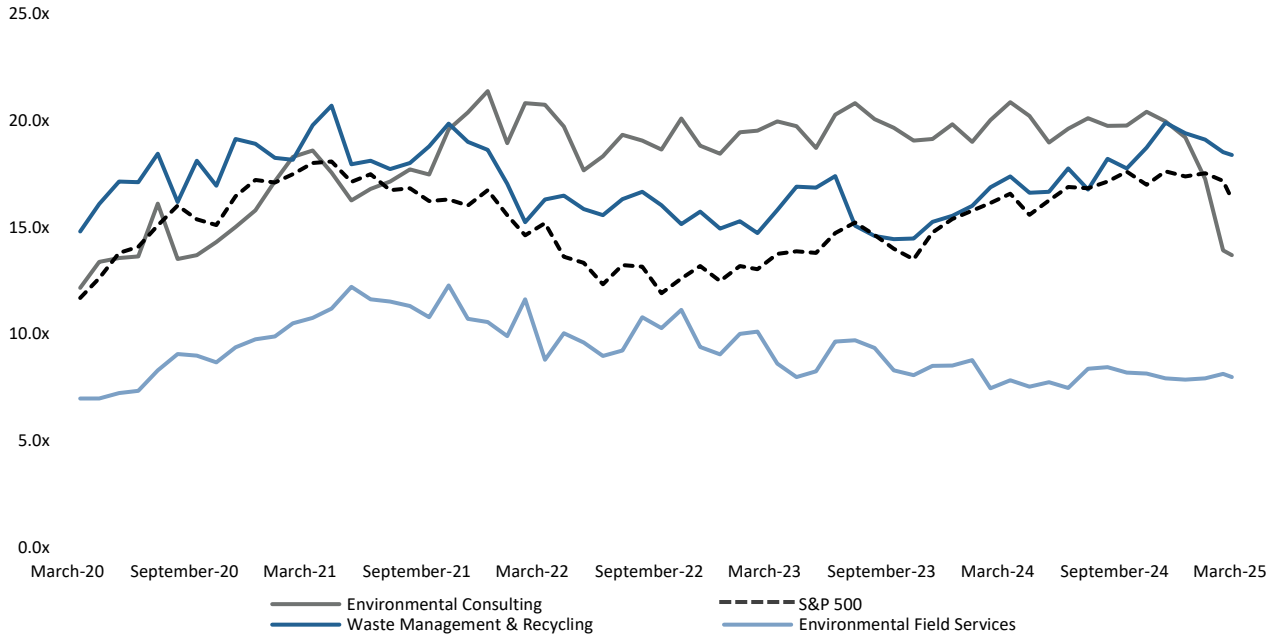
Select Recent Public Market Commentary

Company	Key Takeaway	Presentation & Earnings Call Excerpts ¹
	<p>Exceeding expectations for growth across revenue, adjusted EBITDA, and FCF, GFL has seen industry-leading organic growth for the year with 300 basis points of margin expansion for the second quarter in a row.</p>	<p><i>"We believe our continued focus on these strategies will provide significant runway for further value creation over the coming years. The previously announced sale of our ES business is on track to close on March 1. As we said in January, this transaction facilitates the acceleration of several of our key financial objectives while preserving the opportunity to participate in expected material upside through our retained equity in the business. The sale leaves us with an enhanced balance sheet that will provide us with incremental capital deployment optionality, creating capacity for additional M&A activity and also, for the first time, allowing us to do share buybacks and increase dividends to become meaningful drivers of our shareholder value creation."</i></p> <p>- Patrick Dovigi, Founder, President & CEO, February 25, 2025</p>
	<p>Continued execution on strategic priorities delivered strong 2024 results and sustained momentum in the Environmental Services segment, which capped a record year.</p>	<p><i>"Reflecting the strength of the year overall, we delivered record revenue, adjusted EBITDA, and adjusted free cash flow in 2024. Operationally, we also achieved a number of milestones, including the completion and commercial launch of our Kimball, Nebraska, incinerator, the acquisition and integration of HEPACO and Noble Oil, growth in our workforce and improved retention as we lowered turnover by 250 basis points, the launch of our total PFAS solution, initial expansion of our Baltimore hub, our partnership with Castrol for its more circular offering, and more than 20,000 emergency response events."</i></p> <p>- Eric W. Gerstenberg, Co-CEO & Co-President, February 19, 2025</p>
	<p>2024 was another year of consistent, high-performance growth, positioning Republic to capture new opportunities with an expected \$1 billion invested in acquisitions in 2025.</p>	<p><i>"During 2024, we achieved revenue growth of 7%, generated adjusted EBITDA growth of 12%, expanded adjusted EBITDA margin by 140 basis points, delivered adjusted earnings per share of \$6.46, and produced \$2.18 billion of adjusted free cash flow. We continue to be well positioned to capture new opportunities and create long-term value for our stakeholders through our differentiated capabilities, customer zeal, digital, and sustainability...Our pipeline supports continued acquisition activity in both Recycling & Waste and Environmental Solutions. We expect to deploy at least \$1 billion of investment in value-creating acquisitions in 2025. Our 2025 guidance includes the financial contribution from acquisitions closed to date."</i></p> <p>- John Vander Ark, President & CEO, February 13, 2025</p>
	<p>Another strong year of growth for the company after closing eight acquisitions in 2024 and starting 2025 with three acquisitions closed to date.</p>	<p><i>"Most of our acquisition growth over the last several years has been in the collection line of business. In fact, now over 60% of our consolidated revenues are in collection... Sean and team are focused on driving further value here in 2025. In Resource Solutions, we had one of the best years in the history across our recycling processing operations in national accounts business. We invested in and upgraded our Boston recycling facility in '23. The operation performed very, very well in 2024. In fact, better than expected. And was a contributor to our success in the year."</i></p> <p>- John W. Casella, CEO & Secretary, February 13, 2025</p>
	<p>With strong EBITDA growth from cost structure optimization and sustainability platform expansion, WM is confident that the momentum built will lead to another year of outpaced growth.</p>	<p><i>"In 2024, we advanced automation upgrades at 10 recycling facilities, improving throughput and lowering operating costs across our recycling network, and added recycling facilities in two new markets. These investments are unlocking opportunities with customers and delivering positive environmental outcomes while also putting us on a path to broader long-term financial growth. We're progressing well on the remaining renewable natural gas and recycling projects and expect our growth investments to contribute operating EBITDA approaching \$800 million in 2027."</i></p> <p>- James C. Fish, President & CEO, January 30, 2025</p>

Public Market Trends

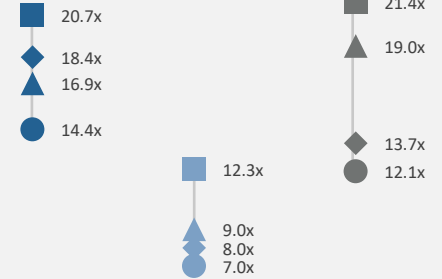
Historical Public Comparable Valuations^{1,2}

(EV / EBITDA)



TRADING STATISTICS – MEDIAN EV / EBITDA

■ 5-Year Max. ▲ 5-Year Median
● 5-Year Min. ◆ Current



WASTE MANAGEMENT & RECYCLING



ENVIRONMENTAL FIELD SERVICES



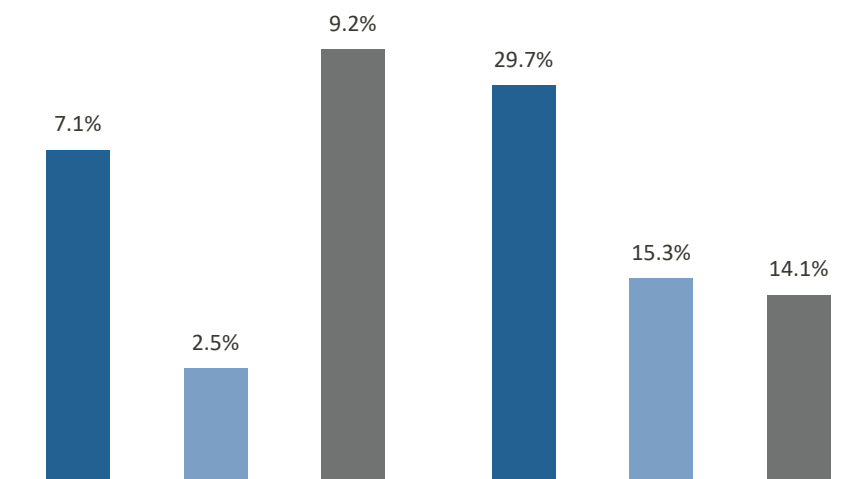
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Public Market Trends (Cont.)

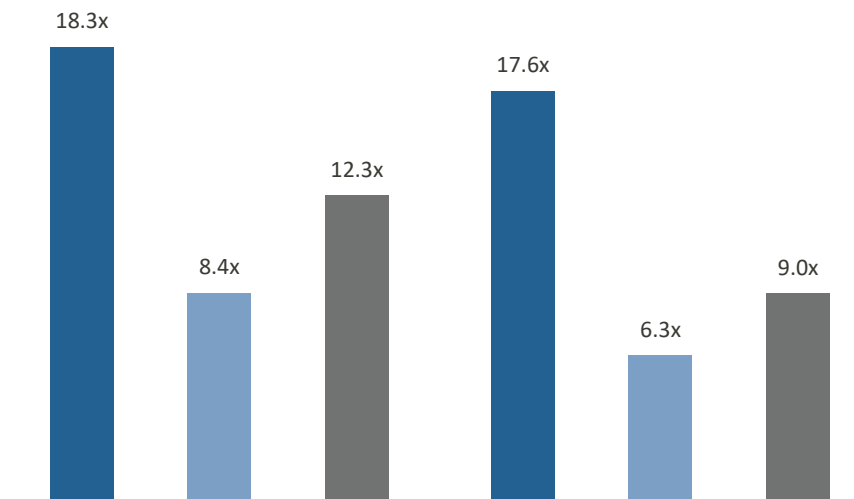
Public Company – Operating Metrics^{1,2}

Median 2025E Annual Revenue Growth Median 2025E EBITDA Margin



Public Company – Valuation Metrics^{1,2}

Median EV / LTM EBITDA Median EV / NTM EBITDA



WASTE MANAGEMENT & RECYCLING



ENVIRONMENTAL FIELD SERVICES



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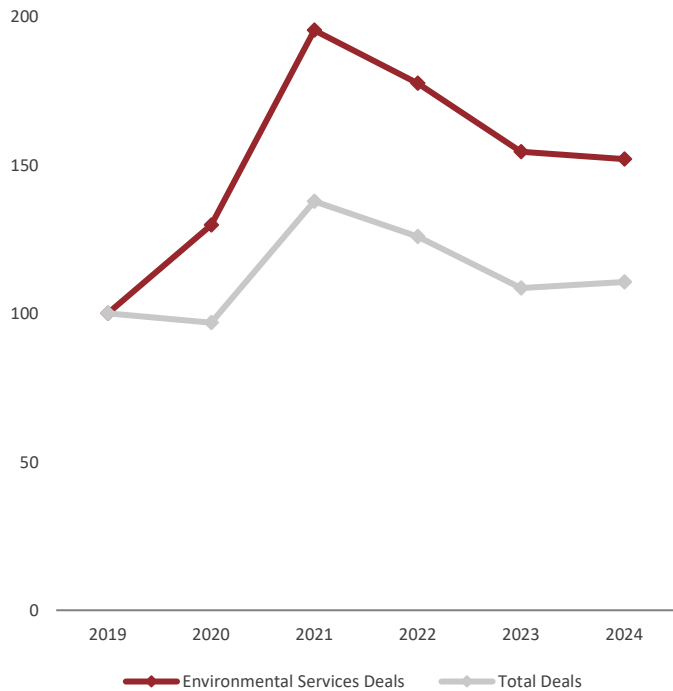


Continued Investor Interest in Environmental Services

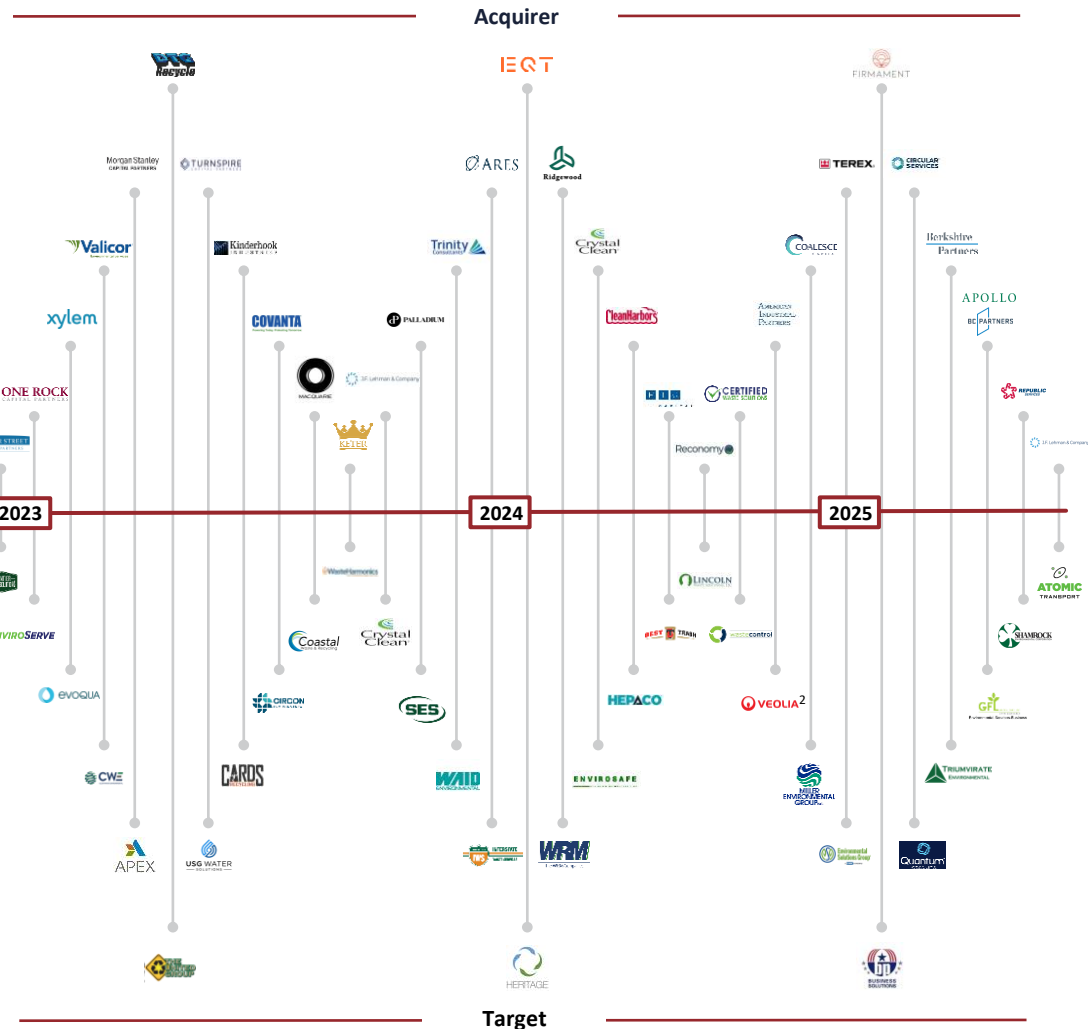
M&A Transaction Deal Volume¹

(Indexed to 2019)

Environmental Services has experienced greater M&A activity relative to the broader M&A market the last five years due to investor interest in the space



Select Environmental Services Deals Since 2023



Select Recent Environmental Services M&A Transactions

Announced February 2025



J.F. Lehman Completes Acquisition of Atomic Transport

- Atomic is a leading specialized waste services company providing bulk-material transport and transfer station management services, providing highly tailored waste management solutions
- J.F. Lehman's deep industry experience will help Atomic execute on the next phase of growth and build upon the strong foundation of best-in-class waste management service across 19 states

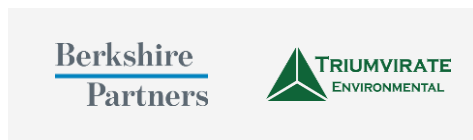
Announced February 2025



Republic Services Acquires Shamrock Environmental

- Shamrock Environmental is a vertically integrated industrial waste and wastewater services platform
- The acquisition broadens Republic's geographic reach and enhances their service capabilities within the specialized waste management and environmental services sector

Announced January 2025



Berkshire Completes Investment in Triumvirate Environmental

- Triumvirate is a leading provider of environmental services, combining environmental advisory with hazardous and regulated waste handling services to provide an end-to-end solution for customers
- Berkshire's partnership will accelerate and expand its position as a leader in environmental services and introduce a broad-based employee ownership program

Announced January 2025



Superior Environmental Solutions Acquires American Remediation & Environmental

- American Remediation & Environmental is a mission-critical environmental services, industrial services, and tank maintenance company
- This acquisition, SES's largest to date, expands the company's operations in the Southeast, broadening geographic reach and expanding SES's position as a leading provider of environmental and industrial services

Announced January 2025



GFL Environmental Sells Environmental Services Business to Apollo and BC Partners

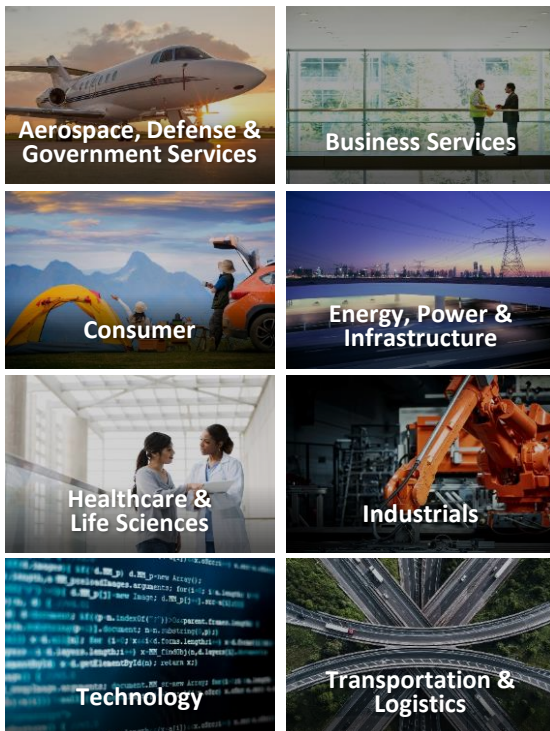
- GFL's Environmental Services Business offers services in solid waste management, liquid waste management, and soil remediation to businesses, communities, and households
- The acquisition is a notable step for GFL in that it will provide greater flexibility to pursue organic and inorganic growth opportunities while benefiting from Apollo's resources and structuring capabilities

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Deep Industry Experience

Proven Expertise

Core Values That Drive Success



MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

Our Energy, Power & Infrastructure Group and Business Services Group collaborate to advise leading environmental services companies worldwide.

Learn more about our experience in the space:

Select transactions in the environmental services sector:







 <i>a portfolio company of</i>  <i>has been acquired by</i> 	 <i>The WRM Companies</i> <i>a portfolio company of</i>  <i>has been acquired by</i> 	 <i>a portfolio company of</i> ARCAPITA <i>has merged with</i>  <i>a portfolio company of</i> 	 <i>has acquired</i> USG Water Solutions <i>a division of</i> 
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 <i>has acquired</i>  <i>a portfolio company of</i> 	 <i>has acquired</i>  <i>a portfolio company of</i> 	 <i>a portfolio company of</i>  <i>has been acquired by</i> 
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