Crystal Clean®

Investor Presentation
Q2 2021

Safe Harbor Statement

All references to the “Company,” “we,” “our,” and “us” refer to Heritage-Crystal Clean, Inc., and its subsidiaries. This release contains forward-looking statements that are based upon current management expectations. Generally, the words "aim," "anticipate," "believe," "could," "estimate," "expect,“ "intend," "may," "plan," "project," "should," "will be,“ "will continue," "will likely result," "would" and similar expressions identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other important factors include, among others: developments in the COVID-19 pandemic and the resulting impact on our business and operations, general economic conditions and downturns in the business cycles of automotive repair shops, industrial manufacturing businesses and small businesses in general; increased solvent, fuel and energy costs and volatility, including a drop in the price of crude oil, the selling price of lubricating base oil, solvent, fuel, energy, and commodity costs; our ability to enforce our rights under the FCC Environmental purchase agreement; our ability to pay our debt when due and comply with our debt covenants; our ability to successfully operate our used oil re-refinery and to cost-effectively collect or purchase used oil or generate operating results; increased market supply or decreased demand for base oil; further consolidation and/or declines in the United States automotive repair and manufacturing industries; the impact of extensive environmental, health and safety and employment laws and regulations on our business; legislative or regulatory requirements or changes adversely affecting our business; competition in the industrial and hazardous waste services industries and from other used oil re-refineries; claims and involuntary shutdowns relating to our handling of hazardous substances; the value of our used solvents and oil inventory, which may fluctuate significantly; our ability to expand our non-hazardous programs for parts cleaning; our dependency on key employees; our level of indebtedness, which could affect our ability to fulfill our obligations, impede the implementation of our strategy, and expose us to interest rate risk; the impact of legal proceedings and class action litigation on us and our ability to estimate the cash payments we will make under litigation settlements; our ability to effectively manage our network of branch locations; the control of The Heritage Group over the Company; and the risks identified in the Company's Annual Report on Form 10-K filed with the SEC on March 2, 2021. Given these uncertainties, you are cautioned not to place undue reliance on these forwardlooking statements. We assume no obligation to update or revise them or provide reasons why actual results may differ. The information in this release should be read in light of such risks and in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this release.

HCCI Introduction

Vision

Protecting the earth's resources by helping the business world run cleaner.

Mission

To continually drive an employee-empowered culture dedicated to providing premier, environmentally-sustainable solutions for our customers.

HCCI Strengths & Opportunities

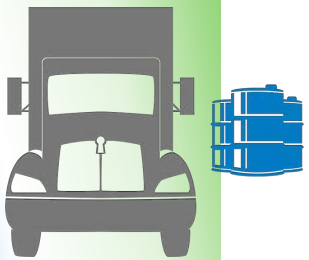
Demonstrated Strengths

- Excellent Customer Service
- Integrated Sales & Service Approach
- Large Branch Network – 89 Branches
  - Efficient Rollout Model
- Large and Highly Diverse Customer Base
- Experienced Management Team

Numerous Growth Avenues

- Same-Branch Sales Growth
- Expanded Service Offerings
- Geographic Expansion
- Focused on Pursuing Acquisition Opportunities

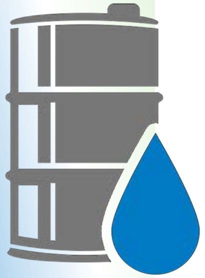
HCCI Business Segments



Environmental Services

- Primary Services: parts cleaning, drummed waste, vacuum services
- Provider of industrial and hazardous waste services to small and mid-sized customers
  - Focus on small-to medium sized industrial businesses (e.g. manufacturers, industrial service providers, etc.) and vehicle maintenance providers (e.g., car dealerships and automotive repair shops)
- Parts Cleaning Services:
  - 2nd largest full-service provider in the U.S.
  - Reduce the volume of hazardous waste generated and associated regulatory burden for our customers
  - Strong recurring revenue business with substantial majority of revenues under automatically renewing service contracts
- Customers outsource their parts cleaning service needs and the disposal of containerized waste to HCCI; allows them to focus on their core business

Oil Business



- Includes used oil collection, oil filter disposal, RFO sales, re-refining and the sale of base oil and related by-products
- Complementary to Environmental Services segment; leverages branch infrastructure
- 2nd largest used oil collector and re-refiner in North America
- Integrated business from used oil collection to marketing and sale of re-refined base oil
- Annual base oil capacity of 49 million gallons

Environmental, Social & Governance

Environmental

- Our goal is to be an environmentally responsible member of the communities we operate in
- Through the various service offers, we provide our customers several ways to preserve and reuse natural resources

Social

- We strive to provide a safe, rewarding and developmental workplace
- We aim to positively impact the community via various forms of outreach and philanthropic activities

Governance

- We strive to operate our business with a high ethical standard and the utmost integrity
- HCCI accepted the Board Challenge to hire a Black Director during 2020
- Met The Board Challenge as Tony Chase joined our board of directors during Q1 2021

Environmental Highlights Preserving Natural Resources

Oil

44.4M
Gallons
Re-Refined base oil produced

21.4M
Gallons
Other recycled oil products and by-products produced from used oil

Parts Cleaning Solvent

2.7M
Gallons
Used solvent processed

2.3M
Gallons
Recycled solvent produced

521K
Gallons
Solvent reused as a manufacturing ingredient

Wastewater

52.8M
Gallons
Treatment of wastewater

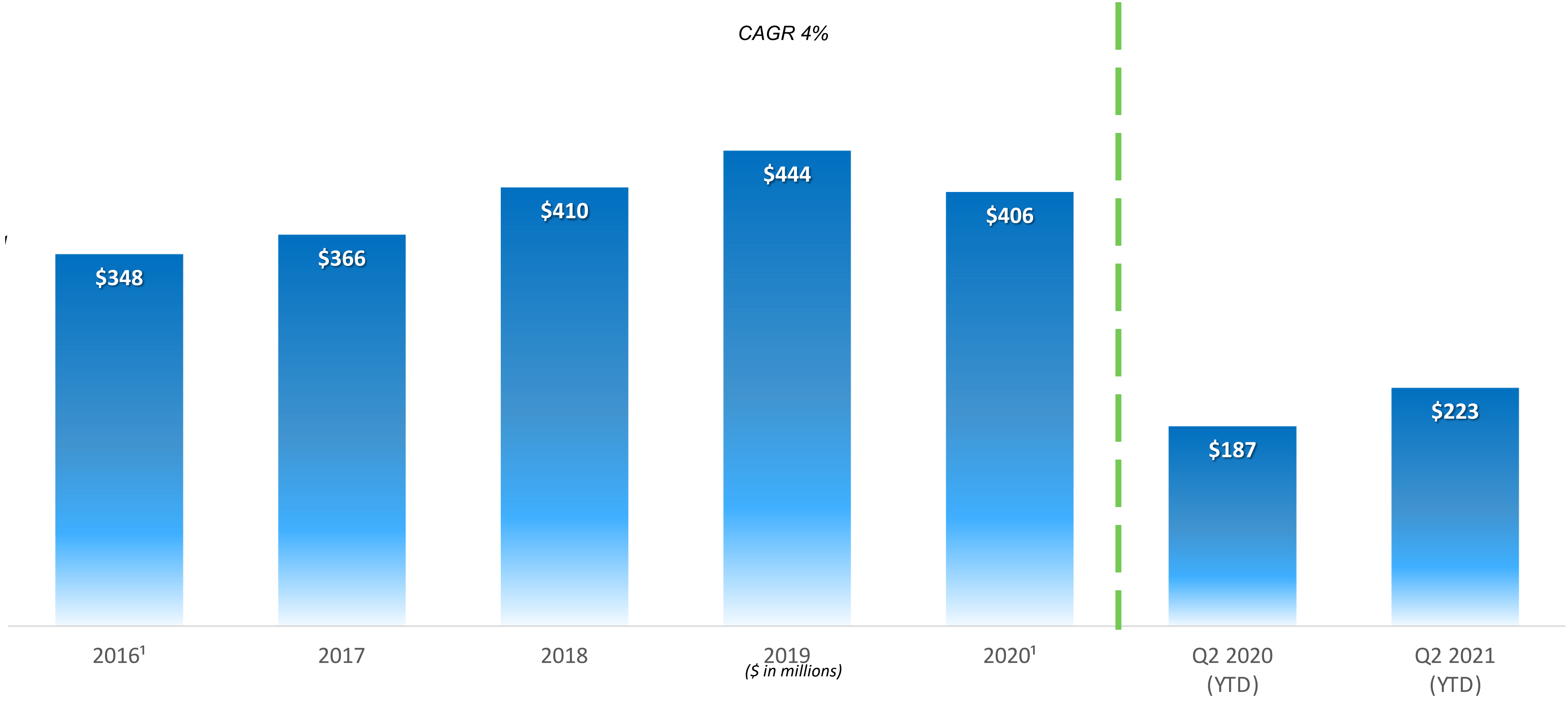
Antifreeze

3.7M
Gallons
Spent antifreeze collected

3.7M
Gallons
Remanufactured antifreeze produced

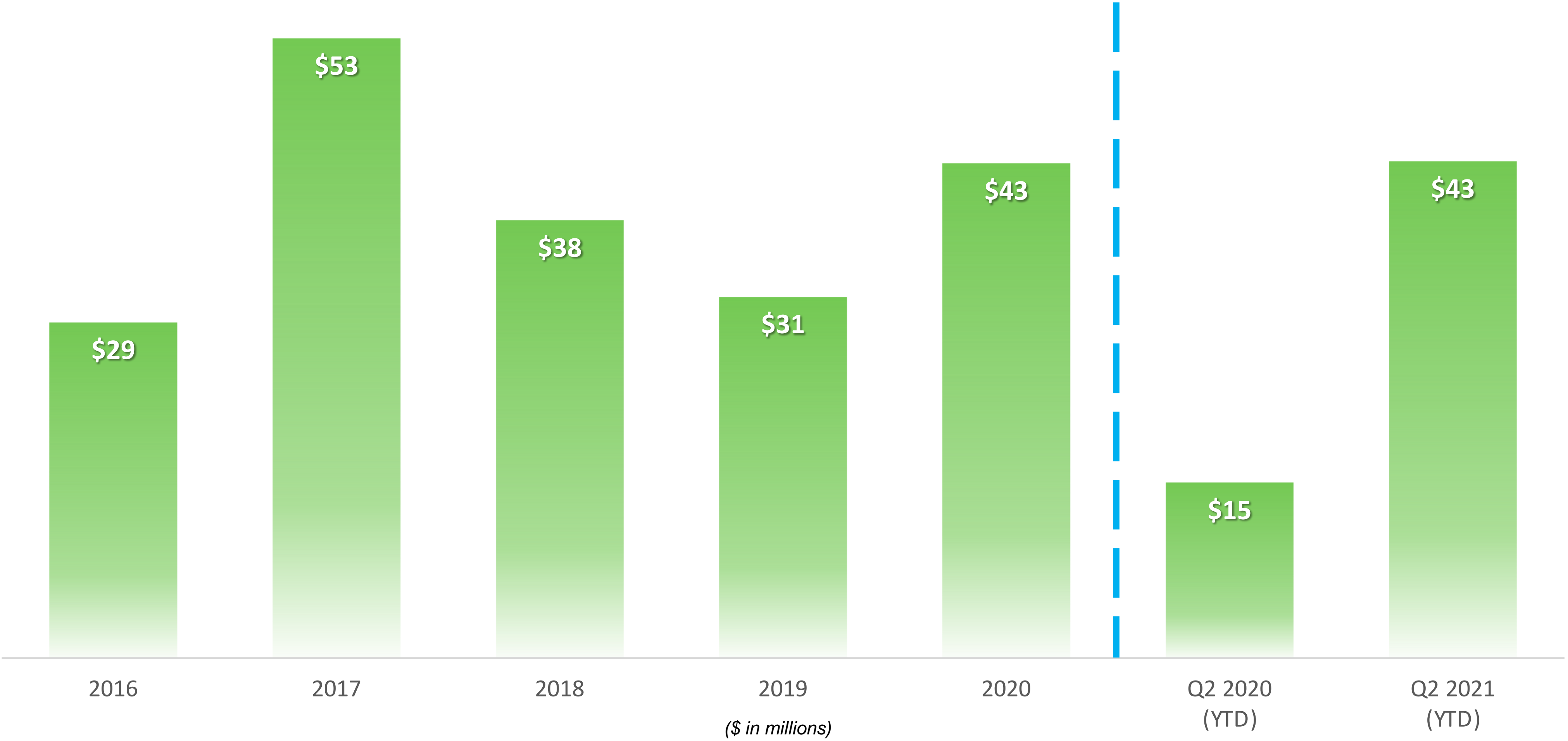
* Figures are as of 2020 YE

Historical Sales Growth



(1) Revenue negatively impacted due to COVID-19

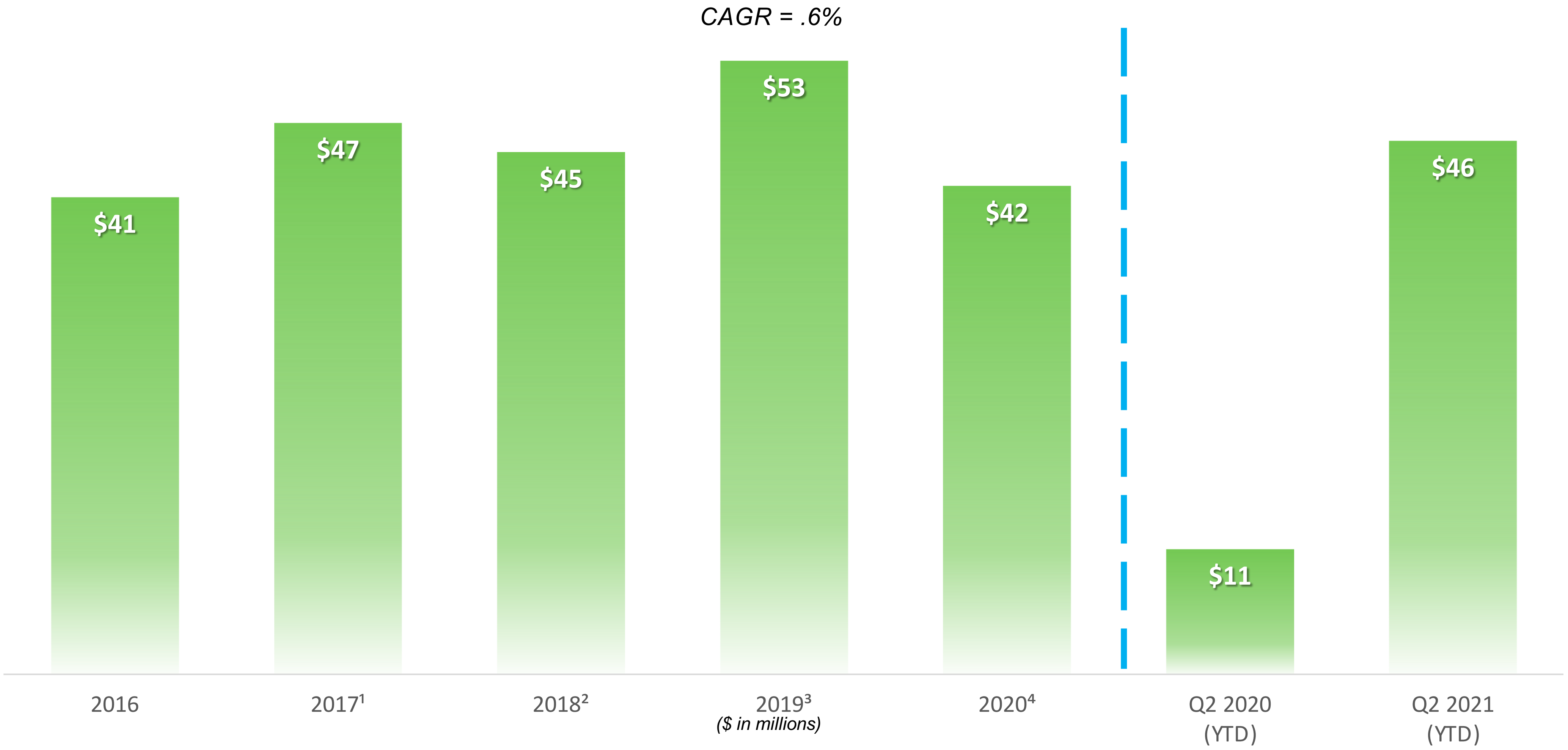
EBITDA Trend



Note – All years exclude non-cash compensation

There is a reconciliation between Net Income and EBITDA and the end of this presentation

Adjusted EBITDA Trend



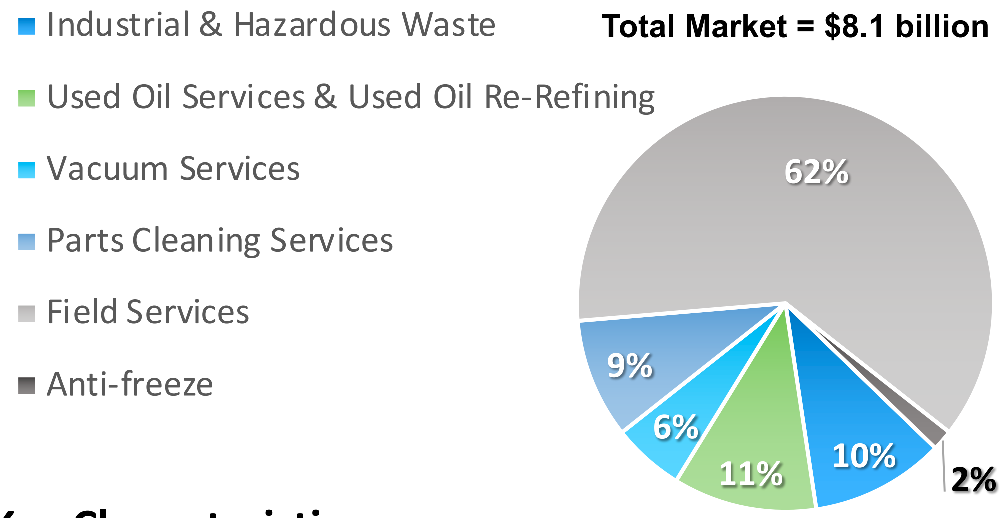
(1)- Includes add-backs for Legal Fees ($0.7MM), severance ($1.2MM) and site closure costs ($0.6MM)
(2)- Includes add-backs for severance ($0.7MM), and site closure costs ($1.0MM)
(3)- Includes add-backs for a lawsuit settlement ($11.0MM), severance ($0.8MM), site closure costs ($2.7MM), lease accounting standard ($2.2MM) and 842 implementation costs ($.04MM)
(4)- Includes reversal of lawsuit settlement loss ($6.5MM), add-backs for impairment charges ($1.4MM) severance ($0.9MM), site closure costs ($0.20),

Note – All years exclude non-cash compensation
There is a reconciliation between Net Income and AEBITDA and the end of this presentation

Industry

Large, Attractive Market

Market Addressed by HCCI[1]

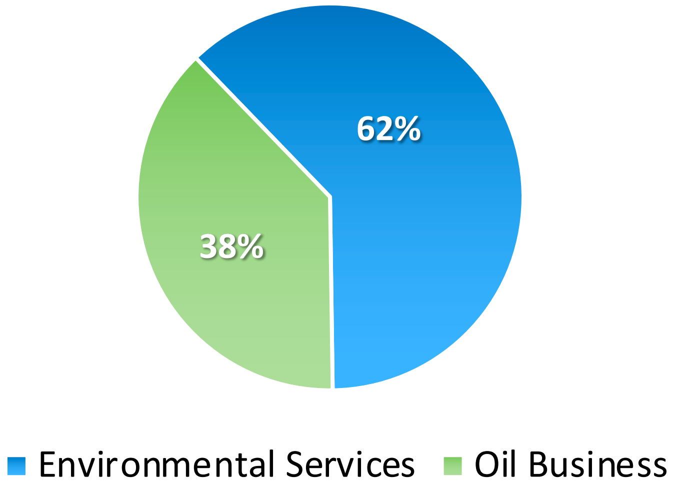


Key Characteristics

- Approximately 810,000 establishments in the U.S. engaged in manufacturing or vehicle maintenance [2]
- Establishments need to remove grease and dirt from parts with industrial cleaning solutions
- Establishments generate used oil, waste paint, etc. which cannot be poured down the drain
- For small- and medium-sized generators, it is far more cost-effective to outsource to HCCI than manage themselves

HCCI Revenue by Segment

Q2 2021 Total Revenue = **$117.3 Million**



(1) Source: Management estimates. (2) Source: U.S. Census Bureau 2017.

Competitive Landscape

Highly fragmented

- Competitors typically include smaller regional firms or companies operating in a single city

Significant barriers to entry

- Route density is needed before profitability can be achieved
- Significant capital is required to provide parts cleaning equipment for customer use
- A used oil re-refining plant of significant scale can cost $100 million or more to build
- Obtaining permits for transportation and operating sites is time consuming and expensive
- Extensive branch service and supporting transportation network is costly and may take a long time to develop

Clean Harbors/ Safety-Kleen is a competitor in parts cleaning, containerized waste management, used oil collection & re-refining, vacuum truck services, antifreeze recycling and field services businesses

- HCCI believes that it competes favorably based on customer service and a broad service offering, and HCCI can depend on the depth of experience of its management team

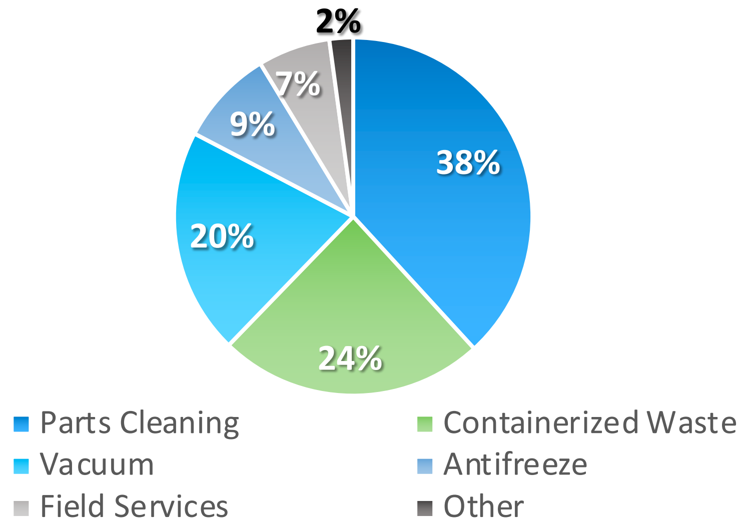
Environmental Services

Environmental Services Offer

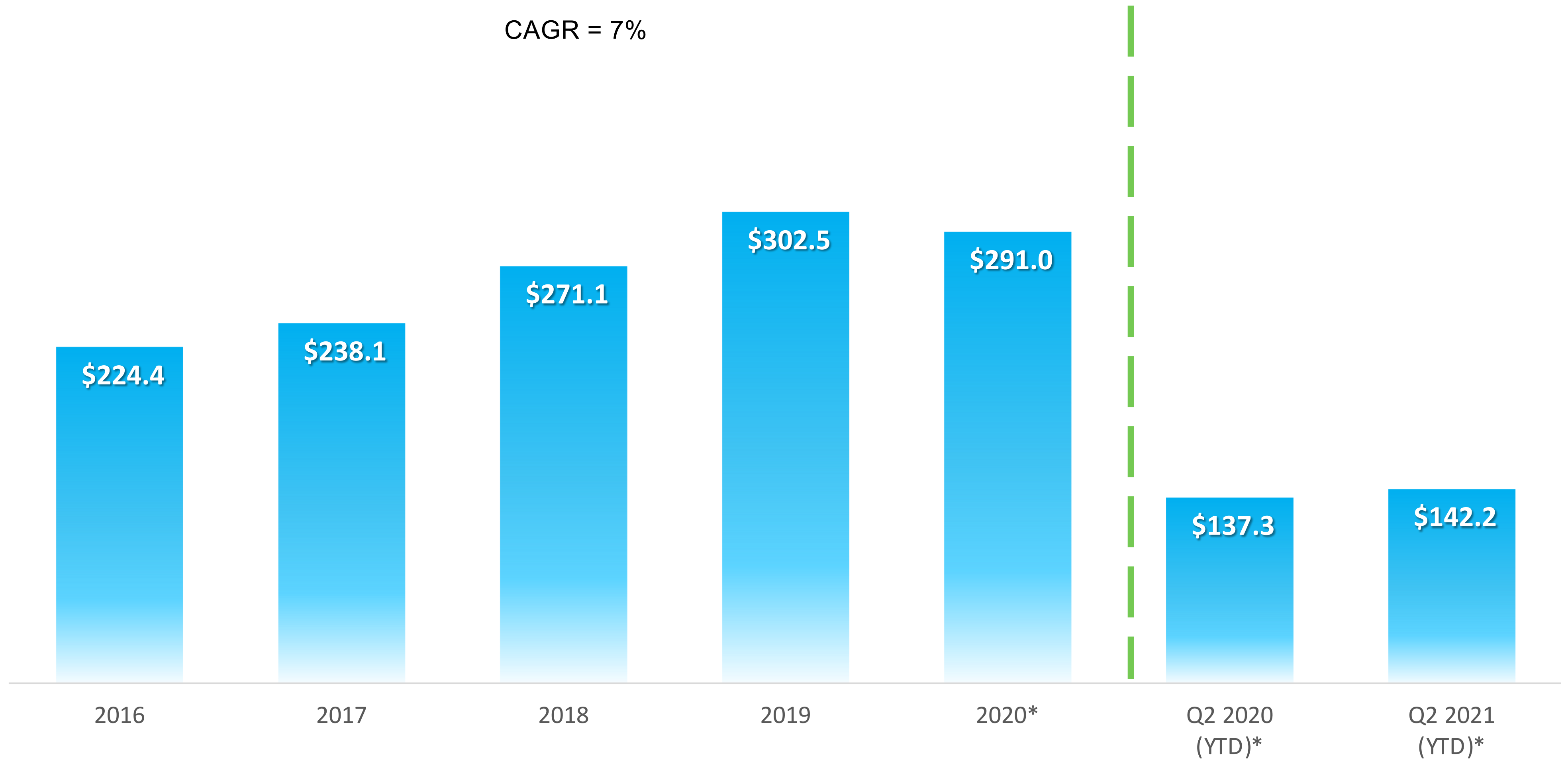
- Majority of Revenue from Three Businesses
  - Parts Cleaning
  - Containerized Waste
  - Vacuum Services
- Expanding Businesses
  - Antifreeze
  - Field Services
- ES Businesses Leverage
  - Common customer set
  - Facilities (i.e. branches)
  - Branch management

HCCI Environmental Services Revenue

Q2 2021
$72.7 million

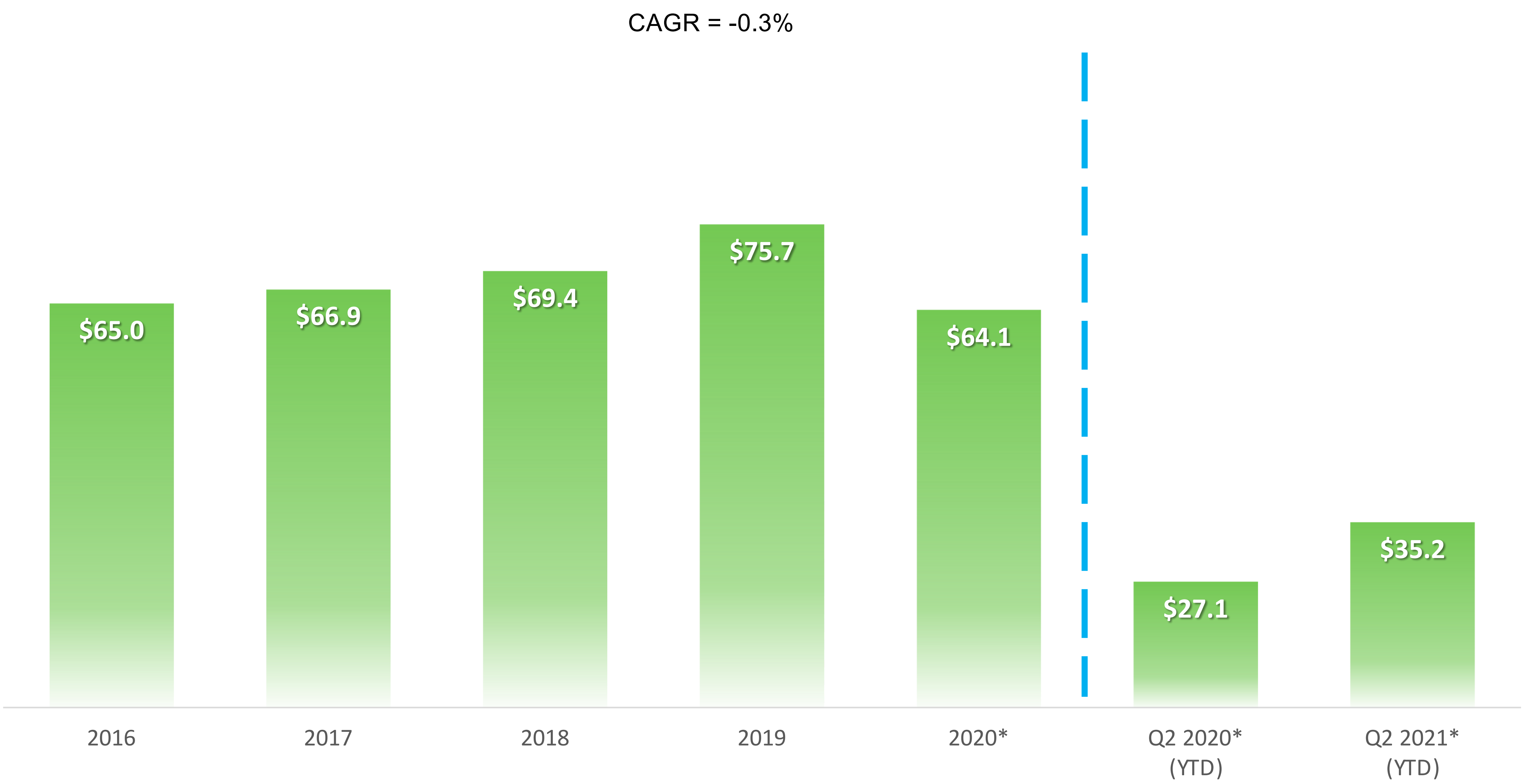


Environmental Services Sales Growth



*** Results negatively impacted by COVID-19**

Environmental Services Operating Margin



*** Results negatively impacted by COVID-19**

Parts Cleaning Service Offer

- Provide customers the ability to remove oil, dirt, grease and other contaminants from parts
- Differentiators
  - Aqueous parts cleaning
    - Patented equipment technology
    - Proprietary chemistry formulations
  - Reuse & non-Hazardous program
- Automatically renewing service agreements
- Strong revenue growth for almost two decades

Containerized Waste & Vacuum Service Offer

- Containerized Waste Service
  - Manage hazardous and industrial waste
  - Full Service
    - Waste profiling, analysis and regulatory support
    - Loading & labeling of containers
    - Provide proper shipping documentation
  - Peace of mind

- Vacuum Service
  - Remove and dispose of non-hazardous waste liquid and solid-liquid mixtures
  - Capabilities to service small & large volume customers
  - Wastewater treatment capabilities in some markets
  - Peace of mind

Expanding Businesses

- **Antifreeze**
  - Complete closed-loop antifreeze service
    - Remove waste antifreeze
    - Recycle waste via distillation process
    - Create re-manufactured product using high quality inhibitors/additives
  - Light Duty
    - Conventional Plus HD Green
    - Global Extended Life LD (OAT)
    - Dex Cool Extended Life (OAT)
  - Heavy Duty
    - Conventional Plus HD Green
    - Global MAX Extended Life HD (OAT)
    - Global POWER Extended Life (NOAT)
  - Heat Transfer Fluids
  - Windshield Wiper Fluid
  - Market approach
    - Dedicated route sales & service reps in some markets
    - Add-on service for existing parts cleaning/waste drum service reps in other markets

CLOSED LOOP

Expanding Businesses (cont.)

ESP

ENVIRONMENTAL SOLUTIONS PARTNERS

- ESP
  - Offered to potential customers on the large-end of our target market
  - Provide sole-source environmental program covering all environmental activities at target companies
  - Leverage several services lines simultaneous which drives:
    - Greater average revenue per customer – AND-
    - Improved margins
  - Currently offered in ~25% of HCC branches

- Field Services
  - Types of services offered
    - Tank cleaning
    - Lab Packs
    - Remediation
  - Asset light – Primarily use subcontractors to perform service work
  - Focused on existing HCC customers

Customers and Operations

Customers & Value Proposition

- Large and highly diversified base
  - Conducted over 275,000 machine service calls in 2020
  - During 2020, top ten Environmental Services customers represented 6% of total revenue
- Focus on small to medium-sized waste generators
  - Model structured for successful cross-selling of additional services
  - Of the size and scale where internal capabilities not effective or cost efficient
  - Generally, less price sensitive than larger customers
  - Services reduce regulatory burden
  - Allow customers to focus on their business

Operations

- Route-based economic model
  - Route density is a significant profit driver
- The same HCCI representative provides both sales and service functions for each customer
  - Entrenched relationships with customers
  - Highly incentivized to provide excellent customer service and cross-sell additional products/services
- Cost efficient branch model
  - Operate a network of 89 branches; 4 hubs located in Indianapolis, Shreveport, Philadelphia, Atlanta
  - Consolidation of administrative and other functions that are not critical to sales/service

Growth Strategies – Environmental Services

Same-Branch Sales Growth

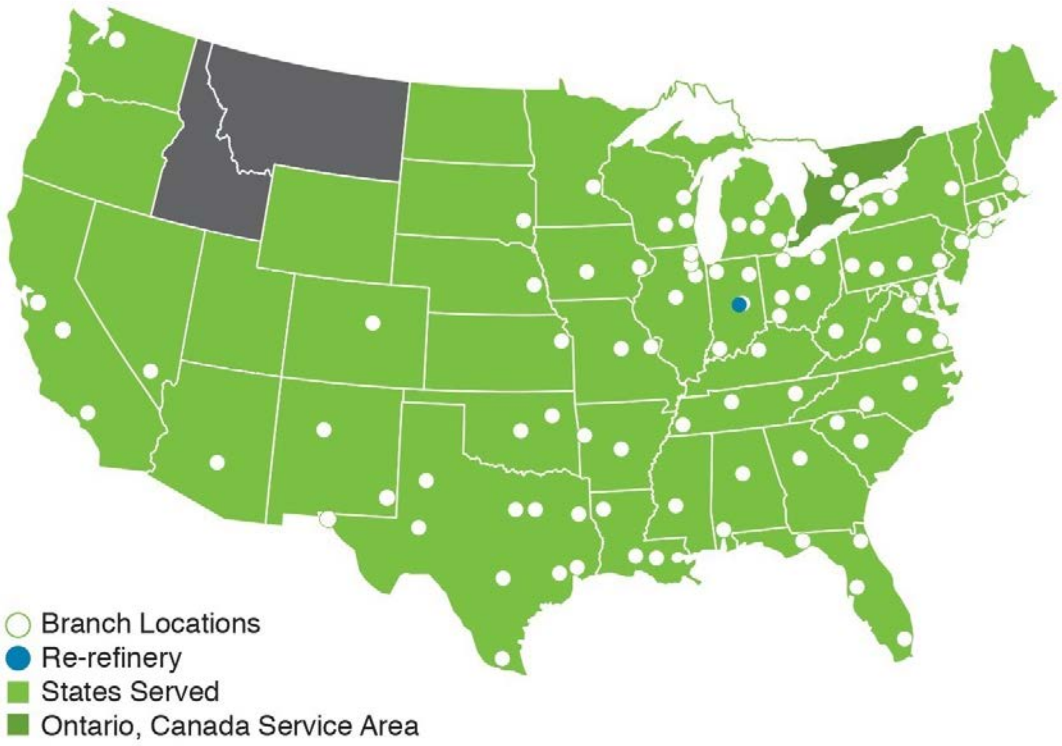
- Adding Branch Sales Managers
- Obtain new customers in existing markets
- Cross-sell multiple services to existing customers
- Increase route density to further expand operating margins
- Continue growth through integrated sales and service approach and cross-selling; utilize incentives, such as commission and awards to drive sales

Expanded Service Offerings

- All branches offer parts cleaning and containerized waste services
- Only about two-thirds of branches offer vacuum truck services, presenting significant opportunity for further market penetration
  - Adding Vacuum Sales and Service Representatives
- Expanding businesses to be offered in additional branches.
  - Antifreeze Sales & Service Representatives
  - ESP Specialist
  - Field Services Representatives

Growth Strategies – Environmental Services (cont'd)

- Operate from 89 branches servicing 46 states and parts of Canada
- Some opportunities for expansion within the Northeastern and Southeastern U.S.
- Larger opportunities exist in Western U.S. and Eastern Canada.
- Additional acquisition opportunities exist
  - Tuck-in and Bolt-ons
  - Leverage our network and relationships
- Growth plans don't depend on acquisitions; more than 90% of historic revenue growth before FCCE acquisition was organic



Environmental Services Segment Update & Outlook

Revenue

Increased 21.6% in Q2 2021 from Q2 2020

Pre-Pandemic Comparison – Increased 3.6% in Q2 2021 compared to Q2 2019. We are now growing compared to pre-pandemic levels.

Margin

Operating margin percentage was 26.4% in Q2 2021 compared to 14.0% in Q2 2020

Operating margin increase was driven by the lessening impacts of the Covid-19 pandemic during Q2 2021 compared to the year earlier quarter. Improved leveraging of fixed cost via our service model with the increase in revenue.

Operating margin percentage was only 60 basis points below our Q2 2019 result of 27%

Outlook

We expect to continue to build momentum during H2 2021 exiting with mid-single digit revenue growth rate compared to H2 2019. For Q3 2021 we expect to experience downward pressure on margin due to inflationary factors. However, we believe a majority of these effects are temporary. We expect to offset higher costs with a price increase during Q4. We expect the net result will be to exit 2021 with operation margins of approximately 27% on a run-rate basis.

Oil Business

Oil Business Components

- Used Oil Collection
  - Volumes affected by seasonality (lower in winter months)
  - Volume loss is expected during periods of reduction of pay-for-oil (PFO)/increase in charge-for-oil program
  - If collections volumes decrease beyond normal seasonality, used oil collection fleet size is adjusted to maintain route efficiency
  - Growth opportunity – results in increased route efficiency

- Re-Refining
  - Nameplate capacity of 75 MM gpy; Base oil capacity of 49 MM gpy; Produces primarily Group II base oil
  - Production of top-quality lubricant base oil requires hydrotreating, a process practiced at major refineries that adds significant complexity and capital cost
  - Focused on reducing operating costs

- Product Sales
  - Our re-refinery has been sold-out since inception
  - Used oil collected far from re-refinery sold as RFO
  - Longer term opportunities to go downstream and sell blended and packaged lubricants

Oil Business – Managing The Spreads Are Key

- The Oil Business is a Spread Business
- Profitability is dependent on managing the difference between the cost to obtain feedstock and the price at which we sell our oil products
- As the price of crude oil moves, so does the price of the oil products we sell (typically)
  - Lubricating Base Oil
  - RFO
  - Etc.
- We are price takers when selling our oil products
- Managing what we charge or pay for used oil feedstock largely determines our spread
  - We have limited control; markets are very competitive
  - Price for feedstock varies regionally and sometimes even locally
  - Moving from pay-for-oil to charging for oil collection is a slow process

Oil Business Segment Update Q2 2021

Revenue	Increased by 126.0% in Q2 2021 compared to Q2 2020 driven by strong base oil pricing market conditions and a favorably comparison in the year ago quarter when we temporarily idled our re-refinery due to limited demand for finished lubricants caused by the effects of the pandemic. Increased by 28% in Q2 2021 compared to Q2 2019 (pre-pandemic)
Re-refinery	Production volume was 11.6 MM gallons; compared with 6.5 MM gallons in Q2 2020 Production was 102.8% of our annualized base oil capacity and during Q2 2021
Base Oil	Base oil netback increased \$1.62/gal compared to Q2 2020 and \$0.81/gal compared to Q1 2021 Base oil supply was still tight relative to demand. Virgin refineries continued to build back inventory levels after severe winter storms which occurred during Q1. Distillate production (e.g. jet fuel) at virgin refineries is still below pre-pandemic levels which continued to limit base oil production.
Used Oil Collection	Moved from Charge-For-Oil (CFO) to Pay-For-Oil (PFO) during Q2 2021. The net change was \$0.47/gal during compared to Q2 2020 and \$0.16 per gallon compared to Q1 2021 Collection efficiency increased by 32% compared to Q2 2020 and 12% compared to Q1 2021.

Oil Business Segment Outlook – H2 2021

- Demand for distillate fuel (e.g. jet fuel, gasoline, etc.) remains below pre-pandemic levels
- We believe base oil pricing will continue to improve in the third quarter and then begin to pull back during Q4 2021.
  - Spot prices for Group II low viscosity products was up ~$0.45/gal as of the end of last week (7/30/21) compared to the Q2 2021 average
- If we continue to operate the re-refinery efficiently and avoid unplanned down time we expect:
  - Record-high segment revenue in Q3 2021
  - Operating margin of 30%+
  - Lower operating margin in Q4 2021 due to planned downtime

Financial

Financial Highlights & Information

Demonstrated strong revenue growth from 2006 to 2020 sales CAGR of 13%

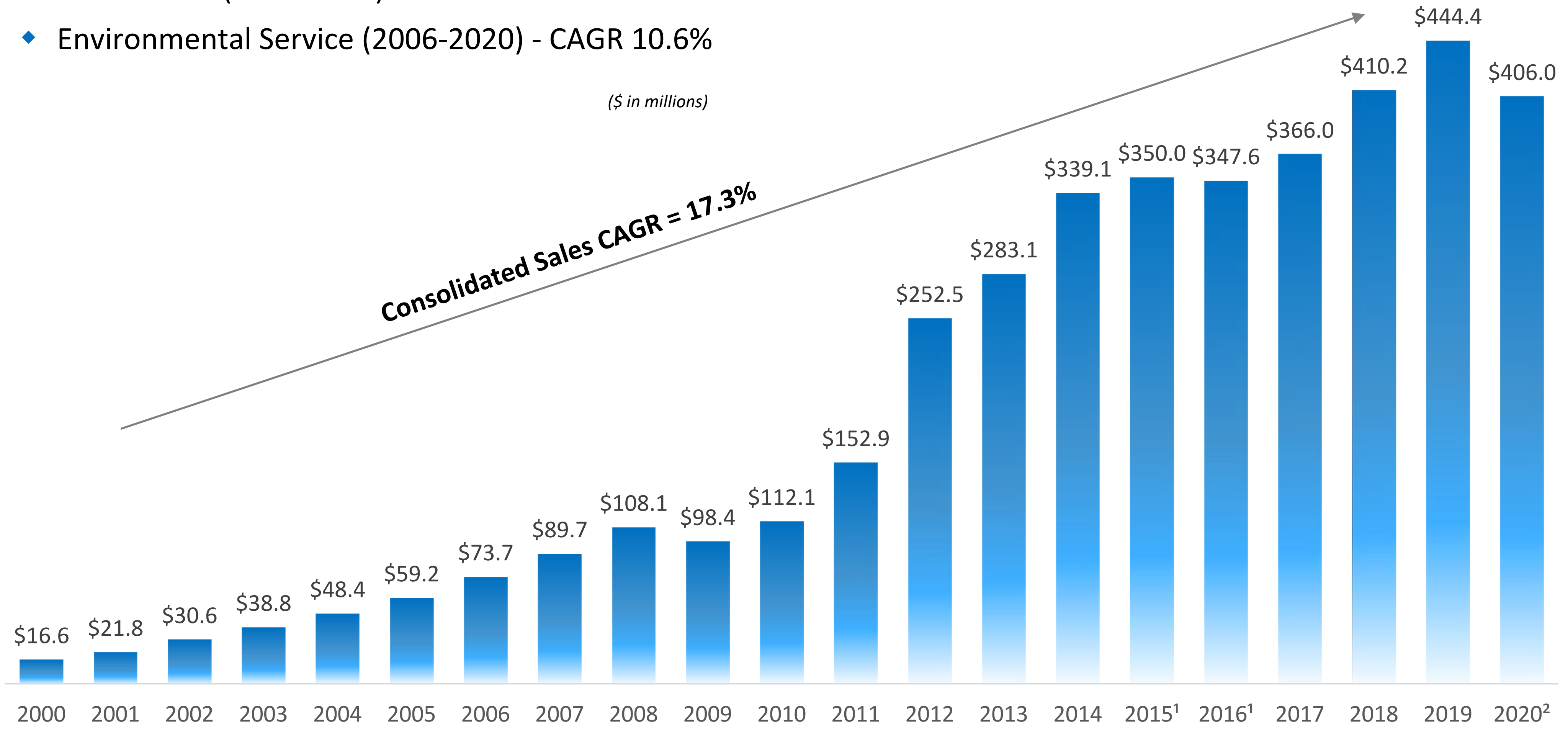
After new branch developed, target breakeven within 36 months and free cash flow after Year 3

Profitability enhancements over time include leveraging SG&A and other fixed costs and implementing price increases

First 3 quarters consist of 12 weeks; fourth quarter consists of 16 or 17 weeks

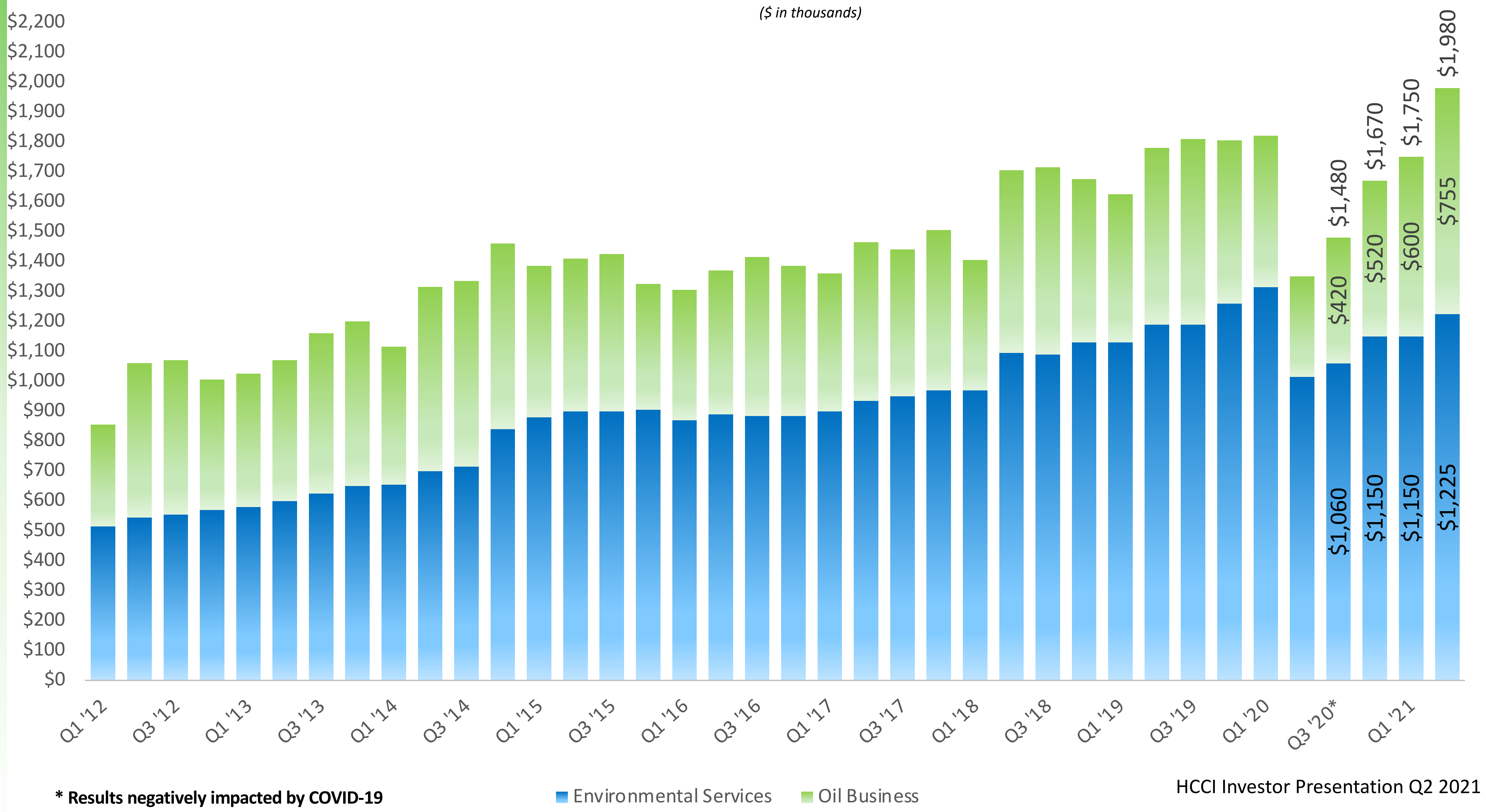
Long History of Strong Revenue Growth

- Oil Business (2006-2020) - CAGR 30.5%
- Environmental Service (2006-2020) - CAGR 10.6%



(1) Revenue negatively impacted by dramatic decline in commodity prices
(2) Revenue negatively impacted by COVID-19

Average Sales Per Working Day



*** Results negatively impacted by COVID-19**

Appendix

EBITDA & Adjusted EBITDA Reconciliation

($ in millions)

	FY 2017	FY 2018	FY 2019	FY 2020
Net Income (loss)	$ 28.4	$ 15.0	$ 8.7	$ 11.9
Interest Expense - net	$ 1.1	$ 1.1	$ 0.9	$ 1.3
Provision for (benefit of) Income Taxes	$ 5.9	$ 5.5	$ 3.2	$ 4.8
Depreciation & Amortization	$ 18.0	$ 16.2	$ 18.2	$ 18.2
EBITDA	$ 53.4	$ 37.7	$ 31.1	$ 42.6
Non-Cash Compensation	$ 3.0	$ 4.4	$ 4.0	$ 3.2
EBITDA + Non-Cash Compensation	$ 56.4	$ 42.1	$ 35.1	$ 45.8
Legal Fees	$ 0.7	$ -	$ 11.3	$ -
Fines & Restitution	$ -	$ -	$ -	$ -
Inventory write down	$ -	$ -	$ -	$ -
Severance	$ 1.2	$ 0.7	$ 0.8	$ 0.9
Gain on Sale of Property	$ (3.1)	$ -	$ -	$ -
Gain from Arbitration award and FCC Settlement	$ (8.7)	$ -	$ -	$ (6.5)
Site Closure Costs	$ 0.6	$ 1.0	$ 2.7	$ 0.2
Impairment of Goodwill	$ -	$ -	$ -	$ 1.4
Adoption of ASC 842 lease accounting s	$ -	$ -	$ 2.2	$ -
Implementation cost of 842	$ -	$ -	$ 0.4	$ -
Adjusted EBITDA	**47.2**	**43.8**	**52.5**	**41.8**

EBITDA & Adjusted EBITDA Reconciliation – Q2 2021

($ in millions)

	Q2 2021
Net Income	$ 15.1
Interest Expense - Net	$ 0.2
Provision for (benefit from) income taxes	$ 5.3
Depreciation & Amortization	$ 5.6
EBITDA	$ 26.2
Non-cash Compensation	$ 1.7
Adjusted EBITDA	$ 27.9

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