

## Officially Wrapping Up 2015

Dear Stericycle Team Members,

Recently we put an official close to 2015 with the report of our fourth quarter earnings. With that, I'd like to review the results as well as review where we are with our 2015 Engagement Survey follow-up.

### Fourth Quarter Highlights

Our revenues for the fourth quarter were \$888.3 million, up 31% compared to Q4-2014 with adjusted gross profits up 33.5% to \$380.4 million. Earnings per share (EPS or the value returned for each share of outstanding stock) decreased 0.9% to \$1.11, taking adjustments into account. For the full-year 2015, we reported revenues of \$2.99 billion (up 16.8% from 2014) with adjusted gross profits of \$1.27, up 15.7%. EPS increased 3% to \$4.40 from the prior year.

We definitely made improvements in the fourth quarter following a tough third quarter. I appreciate all the hard work Stericycle team members made to bounce back from the tough previous quarter, thereby helping to ensure we hit our shareholder expectations for the year-end. However, our overall organic growth and EPS growth remain below the performance expectation that we have for the company and that our investors have come to expect. I am encouraging all business leaders and team members to continue to focus on their goals and develop contingency plans should situations arise that might impact our financial goals. The 2016 year can be a success for Stericycle if we simply achieve our forecasted results. Planning, commitment, and hard work are essential to our success, and I thank you in advance for your focus in the year ahead.

### Engagement Survey Follow-up and Next Steps

By now, most Stericycle team members in the US, Canada and UK should have heard from your managers to review results from last fall's engagement survey and begun to work on action plans. This is a really important step in our process since we want to solicit your opinions as to how we act on the results and changing things for the better. We have asked our people managers to attend a mandatory training to ensure they have the necessary tools to work with their teams on the results. As for the new Shred-it team members, we anticipate including you in the Stericycle engagement survey in the fall of 2016 so that your voices will also be reflected in our understanding of how we are doing with our culture and engagement.



**SteriCulture**

Now is a critical time to remind ourselves of the importance of our culture and our core values. As I've discussed in previous blogs, we had a challenging year in 2015 with regard to our financial results, and some might think that this could put our culture at risk. As a matter of fact – the opposite is true. When we encounter tough times or when we experience rapid change, it is our focus on our core values and our culture that will get us

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through those times. I want you to know that we are as committed as ever to making sure that you feel connected to our vision, feel valued for what you do at Stericycle, and have the opportunity to learn and grow.

For your part, simply live by our core values every day and let them help you guide your decision making. If we all do that, 2016 is going to be a great year.

One Team. One Goal.

*Charlie*