



Powering Today. Protecting Tomorrow.

COVANTA HOLDING CORPORATION REPORTS 2016 FIRST QUARTER RESULTS

MORRISTOWN, NJ, APRIL 26, 2016 - Covanta Holding Corporation (NYSE: CVA) ("Covanta" or the "Company"), a leading global owner and operator of Energy-from-Waste ("EfW") infrastructure, reported financial results today for the three months ended March 31, 2016.

	Three Months Ended March 31,	
	2016	2015
	(Unaudited, \$ in millions, except per share amounts)	
Revenue	\$403	\$383
Net Loss	\$(37)	\$(37)
Adjusted EBITDA	\$76	\$79
Free Cash Flow	\$(5)	\$16
Adjusted EPS	\$(0.19)	\$(0.13)

"We continued to execute successfully on our operating plan and key strategic initiatives in the first quarter," said Stephen J. Jones, Covanta's President and CEO. "In our Environmental Solutions business, we achieved yet another record quarter of EfW profiled waste revenue and closed two additional acquisitions, which we had previously announced. The Dublin project construction is on track and now approximately 60 percent complete. Our EfW operations had a busy maintenance outage calendar in Q1, and we completed approximately one-third of our expected maintenance activity for 2016. In the commodity markets, while energy prices remain depressed in the face of mild weather conditions and record natural gas supply, we have seen recent strength in the ferrous metal market, which is an encouraging sign."

First Quarter Results

For the three months ended March 31, 2016, total revenue increased by \$20 million to \$403 million from \$383 million in Q1 2015. An increase in waste and service revenue was partially offset by decreases in energy and recycled metals revenue.

Same store North America EfW revenue decreased by \$5 million, as follows:

- waste and service revenue increased by \$5 million, primarily driven by price improvement from increased volumes of profiled waste and contractual escalation;
- energy revenue decreased by \$3 million, primarily driven by lower market prices; and
- recycled metals revenue decreased by \$7 million, driven by lower market prices.

Also within North America EfW revenue, contract transitions resulted in an increase of \$3 million.

All other revenue (non-EfW operations) increased by \$22 million on a consolidated basis. Waste and service revenue from non-EfW operations increased by \$31 million, primarily due to contribution from newly acquired environmental services businesses and a full quarter of the New York City MTS contract. Energy revenue from non-EfW operations decreased by \$13 million, primarily driven by an \$11 million decrease in biomass revenue as a result of economically dispatching facilities and lower market pricing.

Excluding impairment charges⁽¹⁾, operating expense increased by \$26 million to \$402 million. The year-over-year increase was primarily due to:

- an \$11 million increase in North America EfW plant operating expense primarily due to the timing and scope of scheduled plant maintenance performed; and
- a \$16 million increase in North America segment non-EfW plant operating expense, primarily related to newly acquired environmental services businesses, the New York City MTS contract, and the start-up of the Fairless Hills, PA metals processing facility, partially offset by economically dispatching biomass facilities.

Excluding impairment charges⁽¹⁾, operating income decreased by \$6 million to \$1 million in Q1 2016 due to the revenue and expense items noted above.

Adjusted EBITDA declined by \$3 million on a year-over-year basis to \$76 million primarily due to lower prices for energy and metals (\$10 million total) and the timing of plant maintenance expenses, partially offset by the contribution of the New York City MTS contract and newly acquired environmental services businesses.

Free Cash Flow decreased by \$21 million to \$(5) million, primarily as a result of higher maintenance capital expenditures, higher cash interest and tax payments, and the factors that impacted Adjusted EBITDA as described above.

Adjusted EPS decreased by \$0.06 to \$(0.19). The decrease was driven primarily by lower operating income.

Shareholder Returns

During the quarter, the Company declared a regular cash dividend of \$0.25 per share, totaling \$33 million.

2016 Guidance

The Company is affirming its guidance for 2016 for the following key metrics:

(In millions)

Metric	2015 Actual	2016 Guidance Range
Adjusted EBITDA	\$ 428	\$390 - \$430
Free Cash Flow	\$ 147	\$140 - \$180

⁽¹⁾ Q1 2016 includes impairment charges of \$15 million. For additional information, see Exhibit 4-Note (a) of this press release.

Conference Call Information

Covanta Holding Corporation (NYSE:CVA) ("Covanta" or the "Company") will host a conference call at 8:30 AM (Eastern) on Wednesday, April 27, 2016 to discuss its first quarter results. The conference call will begin with prepared remarks, which will be followed by a question and answer session. To participate, please dial 1-800-860-2442 approximately 10 minutes prior to the scheduled start of the call. If calling from Canada, please dial 1-866-605-3852. If calling outside of the United States and Canada, please dial 1-412-858-4600. Please request the "Covanta Holding Corporation call" when prompted by the conference call operator. The conference call will also be webcast live from the Investor Relations section of the Company's website. A presentation will be made available during the call and will be found on the Investor Relations section of the Covanta website at www.covanta.com.

A replay will be available one hour after the end of the conference call through 9:00 AM (Eastern) May 10, 2016. To access the replay, please dial 1-877-344-7529, or from outside of the United States 1-412-317-0088 and use the replay conference ID number 10084165. The webcast will also be archived on www.covanta.com.

About Covanta

Covanta is a world leader in providing sustainable waste and energy solutions. Annually, Covanta's modern Energy-from-Waste facilities safely convert approximately 20 million tons of waste from municipalities and businesses into clean, renewable electricity to power one million homes and recycle approximately 500,000 tons of metal. Through a vast network of treatment and recycling facilities, Covanta also provides comprehensive industrial material management services to companies seeking solutions to some of today's most complex environmental challenges. For more information, visit www.covanta.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission ("SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Covanta Holding Corporation and its subsidiaries ("Covanta") or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words "plan," "believe," "expect," "anticipate," "intend," "estimate," "project," "may," "will," "would," "could," "should," "seeks," or "scheduled to," or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. Covanta cautions investors that any forward-looking statements made by Covanta are not guarantees or indicative of future performance. Important factors, risks and uncertainties that could cause actual results to differ materially from those forward-looking statements with respect to Covanta include, but are not limited to: fluctuations in the prices of energy, waste disposal, scrap metal and commodities; adoption of new laws and regulations in the United States and abroad; the fee

structures of our contracts; difficulties in the operation of our facilities, including fuel supply and energy transfer interruptions, failure to obtain regulatory approvals, equipment failures, labor disputes and work stoppages, weather interference and catastrophic events; difficulties in the financing, development and construction of new projects and expansions, including increased construction costs and delays; limits of insurance coverage; our ability to avoid defaults under our long-term service contracts; performance of third parties under our contractual arrangements; concentration of suppliers and customers; increased competitiveness in the energy industry; changes in foreign currency exchange rates; limitations imposed by our existing indebtedness; exposure to counterparty credit risk and instability of financial institutions in connection with financing transactions; our ability to utilize our net operating losses; failures of disclosure controls and procedures; general economic conditions in the United States and abroad, including the availability of credit and debt financing and market conditions at the time our contracts expire; and other risks and uncertainties affecting our businesses described in Item 1A. Risk Factors of our Annual Report on Form 10-K and in other filings by Covanta with the SEC.

Although Covanta believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any of its forward-looking statements. Covanta's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this press release are made only as of the date hereof and Covanta does not have, or undertake, any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

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Covanta Holding Corporation
Condensed Consolidated Statements of Operations

Exhibit 1

	Three Months Ended March 31,	
	2016	2015
(Unaudited)		
(In millions, except per share amounts)		
Operating revenue		
Waste and service revenue	\$ 279	\$ 246
Energy revenue	101	112
Recycled metals revenue	13	16
Other operating revenue	10	9
Total operating revenue	<u>403</u>	<u>383</u>
Operating expense		
Plant operating expense	315	289
Other operating expense	12	11
General and administrative expense	23	28
Depreciation and amortization expense	52	48
Impairment charges ^(a)	15	—
Total operating expense	<u>417</u>	<u>376</u>
Operating (loss) income	<u>(14)</u>	<u>7</u>
Other expense		
Interest expense, net	(34)	(35)
Other expense, net	(2)	(2)
Total other expense	<u>(36)</u>	<u>(37)</u>
Loss before income tax benefit (expense) and equity in net income from unconsolidated investments	(50)	(30)
Income tax benefit (expense)	10	(10)
Equity in net income from unconsolidated investments	<u>3</u>	<u>3</u>
Net Loss Attributable to Covanta Holding Corporation	\$ (37)	\$ (37)
Weighted Average Common Shares Outstanding:		
Basic	<u>129</u>	<u>132</u>
Diluted	<u>129</u>	<u>132</u>
Loss Per Share:		
Basic	<u>\$ (0.29)</u>	<u>\$ (0.28)</u>
Diluted	<u>\$ (0.29)</u>	<u>\$ (0.28)</u>
Cash Dividend Declared Per Share	<u>\$ 0.25</u>	<u>\$ 0.25</u>

(a) For additional information, see Exhibit 4 - Note (a) of this Press Release.

Covanta Holding Corporation
Condensed Consolidated Balance Sheets

Exhibit 2

	As of	
	March 31, 2016	December 31, 2015
	(Unaudited)	
	(In millions, except per share amounts)	
ASSETS		
Current:		
Cash and cash equivalents	\$ 106	\$ 94
Restricted funds held in trust	67	77
Receivables (less allowances of \$7 and \$7, respectively)	285	312
Prepaid expenses and other current assets	176	114
Assets held for sale	—	97
Total Current Assets	634	694
Property, plant and equipment, net	2,741	2,690
Restricted funds held in trust	75	81
Waste, service and energy contract intangibles, net	280	284
Other intangible assets, net	38	38
Goodwill	302	301
Investments in investees and joint ventures	10	10
Other assets	120	113
Total Assets	\$ 4,200	\$ 4,211
LIABILITIES AND EQUITY		
Current:		
Current portion of long-term debt	\$ 9	\$ 8
Current portion of project debt	17	16
Accounts payable	90	90
Accrued expenses and other current liabilities	242	234
Liabilities held for sale	—	23
Total Current Liabilities	358	371
Long-term debt	2,334	2,255
Project debt	190	159
Deferred income taxes	573	595
Waste, service and other contract intangibles, net	11	13
Other liabilities	181	178
Total Liabilities	3,647	3,571
Equity:		
Covanta Holding Corporation stockholders' equity:		
Preferred stock (\$0.10 par value; authorized 10 shares; none issued and outstanding)	—	—
Common stock (\$0.10 par value; authorized 250 shares; issued 136 shares; outstanding 131 shares)	14	14
Additional paid-in capital	795	801
Accumulated other comprehensive loss	(32)	(34)
Accumulated deficit	(223)	(143)
Treasury stock, at par	(1)	—
Total Covanta Holding Corporation stockholders' equity	553	638
Noncontrolling interests in subsidiaries	—	2
Total Equity	553	640
Total Liabilities and Equity	\$ 4,200	\$ 4,211

	Three Months Ended March 31,	
	2016	2015
	(Unaudited, in millions)	
OPERATING ACTIVITIES:		
Net loss	\$ (37)	\$ (37)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	52	48
Impairment charges ^(a)	15	—
Stock-based compensation expense	5	8
Deferred income taxes	(14)	10
Other, net	(7)	(4)
Change in restricted funds held in trust	2	1
Change in working capital, net of effects of acquisitions	15	16
Net cash provided by operating activities	<u>31</u>	<u>42</u>
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(86)	(86)
Acquisition of business, net of cash acquired	(9)	—
Other, net	—	(1)
Net cash used in investing activities	<u>(95)</u>	<u>(87)</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings on revolving credit facility	318	167
Proceeds from equipment financing capital leases	—	9
Proceeds from Dublin financing	37	—
Payments of borrowings on revolving credit facility	(237)	(118)
Payments of equipment financing capital leases	(1)	(1)
Payments on project debt	(8)	(10)
Payments of deferred financing costs	(3)	(3)
Cash dividends paid to stockholders	(33)	(33)
Change in restricted funds held in trust	14	7
Common stock repurchased	(20)	—
Other, net	5	6
Net cash provided by financing activities	<u>72</u>	<u>24</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2</u>	<u>(3)</u>
Net increase (decrease) in cash and cash equivalents	10	(24)
Cash and cash equivalents at beginning of period	96	91
Cash and cash equivalents at end of period	106	67
Less: Cash and cash equivalents of assets held for sale at end of period	—	4
Cash and cash equivalents of continuing operations at end of period	<u>\$ 106</u>	<u>\$ 63</u>

(a) For additional information, see Exhibit 4 - Note (a) of this Press Release.

Consolidated Reconciliation of Net Loss and Net Cash Provided by Operating Activities to Adjusted EBITDA

	Three Months Ended March 31,	
	2016	2015
	(Unaudited, in millions)	
Net Loss Attributable to Covanta Holding Corporation	\$ (37)	\$ (37)
Depreciation and amortization expense	52	48
Interest expense, net	34	35
Income tax (benefit) expense	(10)	10
Impairment charges ^(a)	15	—
Debt service billings in excess of revenue recognized	1	1
Severance and reorganization costs ^(b)	1	2
Non-cash compensation expense ^(c)	5	8
Capital type expenditures at service fee operated facilities ^(d)	11	8
Other ^(e)	4	4
Total adjustments	113	116
Adjusted EBITDA	\$ 76	\$ 79
Cash paid for interest, net of capitalized interest	(22)	(19)
Cash paid for taxes	(4)	(2)
Capital type expenditures at service fee operated facilities ^(d)	(11)	(8)
Adjustment for working capital and other	(8)	(8)
Net cash provided by operating activities	\$ 31	\$ 42

(a) During the three months ended March 31, 2016, we recorded impairment charges totaling \$15 million, of which \$13 million was related to the closure of our Pittsfield EfW facility in March 2017.

(b) For the three months ended March 31, 2015, comprised of \$2 million of costs incurred in connection with separation agreements related to the departure of two executive officers.

(c) The three months ended March 31, 2015 includes \$4 million of costs incurred in connection with separation agreements related to the departure of two executive officers.

(d) Adjustment for impact of adoption of FASB ASC 853 - *Service Concession Arrangements*. These types of expenditures at our service fee operated facilities were historically capitalized prior to adoption of this new accounting standard effective January 1, 2015.

(e) Includes certain other items that are added back under the definition of Adjusted EBITDA in Covanta Energy, LLC's credit agreement.

Reconciliation of Cash Flow Provided by Operating Activities to Free Cash Flow

	Three Months Ended March 31,		Full Year Estimated 2016
	2016	2015	
	(Unaudited, in millions)		
Cash flow provided by operating activities	\$ 31	\$ 42	\$245 - \$295
Less: Maintenance capital expenditures ^(a)	(36)	(26)	(105) - (115)
Free Cash Flow	\$ (5)	\$ 16	\$140 - \$180
<i>Weighted Average Diluted Shares Outstanding</i>	<i>129</i>	<i>132</i>	

Uses of Free Cash Flow

Investments:

Growth investments ^(b)	\$ (59)	\$ (60)
Other investing activities, net	—	(1)
Total investments	\$ (59)	\$ (61)

Return of capital to stockholders:

Cash dividends paid to stockholders	\$ (33)	\$ (33)
Common stock repurchased	(20)	—
Total return of capital to stockholders	\$ (53)	\$ (33)

Capital raising activities:

Proceeds from Dublin financing	\$ 37	\$ —
Proceeds from equipment financing capital leases ^(c)	—	9
Change in restricted funds held in trust	10	4
Other financing activities, net	5	6
Deferred financing costs	(3)	(3)
Net proceeds from capital raising activities	\$ 49	\$ 16

Debt repayments:

Net cash used for scheduled principal payments on project debt ^(d)	\$ (4)	\$ (7)
Payments of equipment financing capital leases ^(c)	(1)	(1)
Total debt repayments	\$ (5)	\$ (8)

Borrowing activities - Revolving credit facility, net

Borrowing activities - Revolving credit facility, net	\$ 81	\$ 49
Effect of exchange rate changes on cash and cash equivalents	\$ 2	\$ (3)
Net change in cash and cash equivalents	\$ 10	\$ (24)

- (a) Purchases of property, plant and equipment are also referred to as capital expenditures. Capital expenditures that primarily maintain existing facilities are classified as maintenance capital expenditures. The following table provides the components of total purchases of property, plant and equipment:

	Three Months Ended March 31,	
	2016	2015
Maintenance capital expenditures	\$ (36)	\$ (26)
Capital expenditures associated with organic growth initiatives	(14)	(8)
Capital expenditures associated with the New York City contract	(1)	(13)
Capital expenditures associated with Essex County EfW emissions control system	(10)	(8)
Capital expenditures associated with construction of Dublin EfW facility	(25)	(31)
Total capital expenditures associated with growth investments	(50)	(60)
Total purchases of property, plant and equipment	<u>\$ (86)</u>	<u>\$ (86)</u>

- (b) Growth investments include investments in growth opportunities, including organic growth initiatives, technology, business development, and other similar expenditures.

Capital expenditures associated with growth investments	\$ (50)	\$ (60)
Acquisition of business, net of cash acquired	(9)	—
Total growth investments	<u>\$ (59)</u>	<u>\$ (60)</u>

- (c) During the three months ended March 31, 2015, we financed \$9 million for equipment related to our New York City contract.

- (d) Calculated as follows:

Total scheduled principal payments on project debt	\$ (8)	\$ (10)
Decrease in related restricted funds held in trust	4	3
Net cash used for principal payments on project debt	<u>\$ (4)</u>	<u>\$ (7)</u>

Covanta Holding Corporation
Reconciliation of Diluted Loss Per Share to Adjusted EPS

Exhibit 6

	Three Months Ended March 31,	
	2016	2015
	(Unaudited)	
Diluted Loss Per Share	\$ (0.29)	\$ (0.28)
Reconciling Items ^(a)	0.10	0.15
Adjusted EPS	<u>\$ (0.19)</u>	<u>\$ (0.13)</u>

(a) For details related to the Reconciling Items, see Exhibit 6A of this Press Release.

Covanta Holding Corporation
Reconciling Items

Exhibit 6A

	Three Months Ended March 31,	
	2016	2015
	(Unaudited)	
	(In millions, except per share amounts)	
<u>Reconciling Items</u>		
Impairment charges ^(a)	\$ 15	\$ —
Severance and reorganization costs ^(b)	1	6
Effect on income of derivative instruments not designated as hedging instruments	4	—
Effect of foreign exchange loss on indebtedness	(1)	2
Total Reconciling Items, pre-tax	19	8
Pro forma income tax impact	(7)	(3)
Legal entity restructuring charge	—	15
Total Reconciling Items, net of tax	<u>\$ 12</u>	<u>\$ 20</u>
Diluted Earnings Per Share Impact	<u>\$ 0.10</u>	<u>\$ 0.15</u>
Weighted Average Diluted Shares Outstanding	<u>129</u>	<u>132</u>

(a) For additional information, see Exhibit 4 - Note (a) of this Press Release.

(b) For the three months ended March 31, 2015, comprised of costs incurred in connection with separation agreements related to the departure of two executive officers, of which \$4 million related to non-cash compensation.

Covanta Holding Corporation
Supplemental Information on Operations ^(a)
(Unaudited, \$ in millions)

Exhibit 7A

	Three Months Ended March 31, 2016				
	North America				
	EfW	Other	Total	Other	Consolidated
Revenue:					
Waste and service:					
Waste processing & handling	\$ 227	\$ 28	\$ 255	\$ 1	\$ 256
Debt service	2	1	3	—	3
Other revenue	2	18	20	—	20
Total waste and service	231	47	278	1	279
Energy:					
Energy sales	83	2	85	6	91
Capacity	10	—	10	—	10
Total energy revenue	93	2	95	6	101
Recycled metals:					
Ferrous	5	3	8	—	8
Non-ferrous	5	—	5	—	5
Total recycled metals	10	3	13	—	13
Other revenue	—	10	10	—	10
Total revenue	\$ 334	\$ 62	\$ 396	\$ 7	\$ 403
Operating expense:					
Plant operating expense:					
Plant maintenance	\$ 88	\$ 1	\$ 89	\$ —	\$ 89
Other plant operating expense	156	64	220	6	226
Total plant operating expense	244	65	309	6	315
Other operating expense	1	11	12	—	12
General and administrative	—	22	22	1	23
Depreciation and amortization	42	10	52	—	52
Impairment charges	13	2	15	—	15
Total operating expense	\$ 300	\$ 110	\$ 410	\$ 7	\$ 417
Operating Income (Loss)	\$ 34	\$ (48)	\$ (14)	\$ —	\$ (14)
Operating Income (Loss) excluding Impairment charges	\$ 47	\$ (46)	\$ 1	\$ —	\$ 1

(a) Supplemental information provided in order to present the financial performance of our North America EfW operations. “Other” within our North America segment includes all non-EfW operations, including transfer stations, landfills, e-waste, biomass facilities, construction and corporate overhead. This information is provided as supplemental detail only and is not intended to replace our North America reporting segment.

Note: Certain amounts may not total due to rounding

Covanta Holding Corporation
Supplemental Information on Operations ^(a)
(Unaudited, \$ in millions)

Exhibit 7B

	Three Months Ended March 31, 2015				
	North America			Other	Consolidated
	EfW	Other	Total		
Revenue:					
Waste and service:					
Waste processing & handling	\$ 223	\$ 14	\$ 237	\$ —	\$ 237
Debt service	4	—	4	—	4
Other revenue	2	3	5	—	5
Total waste and service	229	17	246	—	246
Energy:					
Energy sales	81	11	92	8	100
Capacity	10	2	12	—	12
Total energy revenue	91	13	104	8	112
Recycled metals:					
Ferrous	10	—	10	—	10
Non-ferrous	6	—	6	—	6
Total recycled metals	16	—	16	—	16
Other revenue	—	8	8	1	9
Total revenue	\$ 336	\$ 38	\$ 374	\$ 9	\$ 383
Operating expense:					
Plant operating expense:					
Plant maintenance	\$ 78	\$ 3	\$ 81	\$ —	\$ 81
Other plant operating expense	155	46	201	7	208
Total plant operating expense	233	49	282	7	289
Other operating expense	(1)	11	10	1	11
General and administrative	—	28	28	—	28
Depreciation and amortization	43	4	47	1	48
Total operating expense	\$ 275	\$ 92	\$ 367	\$ 9	\$ 376
Operating Income (Loss)	\$ 61	\$ (54)	\$ 7	\$ —	\$ 7

(a) Supplemental information provided in order to present the financial performance of our North America EfW operations. “Other” within our North America segment includes all non-EfW operations, including transfer stations, landfills, e-waste, biomass facilities, construction and corporate overhead. This information is provided as supplemental detail only and is not intended to replace our North America reporting segment.

Note: Certain amounts may not total due to rounding

Revenue and Operating Income Changes - Q1 2015 to Q1 2016

(Unaudited, \$ in millions)

	Q1 2015	Same Store ^(a)						Contract Transitions ^(b)			Total Changes	Q1 2016
		Price	%	Volume	%	Total	%	Waste	PPA	Transactions ^(c)		
Waste and service:												
Waste processing	\$ 223	\$ 6	2.5%	\$ —	-0.2%	\$ 5	2.3%	\$ (2)	\$ —	\$ 1	\$ 4	\$ 227
Debt service	4					—		(1)	—	—	(2)	2
Other revenue	2					—		—	—	—	—	2
Total waste and service	229					5	2.3%	(3)	—	1	2	231
Energy:												
Energy sales	81	(2)	-2.2%	(1)	-0.7%	(2)	-2.9%	5	—	(1)	2	83
Capacity	10					—	-3.4%	—	—	—	—	10
Total energy revenue	91					(3)	-3.5%	5	—	—	2	93
Recycled metals:												
Ferrous	10	(7)	-68.0%	1	7.2%	(6)	-60.8%	—	—	—	(5)	5
Non-ferrous	6	(1)	-20.8%	—	1.9%	(1)	-18.9%	—	—	—	(1)	5
Total recycled metals	16	(8)	-50.2%	1	5.2%	(7)	-45.0%	—	—	—	(6)	10
Total revenue	\$ 336					\$ (5)	-1.5%	\$ 3	\$ —	\$ —	\$ (2)	\$ 334
Operating expense:												
Plant operating expense:												
Plant maintenance	\$ 78					\$ 10	13.1%	\$ —	\$ —	\$ —	\$ 10	\$ 88
Other plant operating expense	155					(1)	-0.8%	2	—	—	1	156
Total plant operating expense	233					9	3.8%	2	—	—	11	244
Other operating expense	(1)					1		—	—	—	2	1
Depreciation and amortization	43					(1)		—	—	—	(1)	42
Total operating expense	\$ 275					\$ 10		\$ 2	\$ —	\$ —	\$ 12	\$ 287
Operating Income (Loss)	\$ 61					\$ (15)		\$ 1	\$ —	\$ —	\$ (14)	\$ 47

(a) Reflects the performance at each facility on a comparable period-over-period basis, excluding the impacts of transitions and transactions.

(b) Includes the impact of the expiration of: (1) long-term major waste and service contracts, most typically representing the transition to a new contract structure, and (2) long-term energy contracts.

(c) Includes the impacts of acquisitions, divestitures and the addition or loss of operating contracts.

Note: Excludes Impairment charges

Note: Certain amounts may not total due to rounding

North America
Operating Metrics (Unaudited)

Exhibit 9

	Three Months Ended March 31,	
	2016	2015
<u>EfW Waste</u>		
Tons: (in millions)		
Contracted	4.1	3.9
Uncontracted	0.6	0.7
Total Tons	4.6	4.6
Revenue per Ton:		
Contracted	\$ 46.75	\$ 46.65
Uncontracted	\$ 64.61	\$ 56.20
Average Revenue per Ton	\$ 48.97	\$ 48.11
<u>EfW Energy</u>		
Energy Sales: (MWh in millions)		
Contracted	0.7	0.7
Hedged	0.4	0.4
Market	0.2	0.3
Total Energy Sales	1.4	1.4
Market Sales by Geography:		
PJM East	0.1	—
NEPOOL	—	0.1
NYISO	—	—
Other	0.1	0.1
Revenue per MWh (excludes capacity):		
Contracted	\$ 67.65	\$ 67.21
Hedged	\$ 62.64	\$ 53.20
Market	\$ 27.91	\$ 47.12
Average Revenue per MWh	\$ 59.30	\$ 59.54
<u>Metals</u>		
Tons Sold: (in thousands)		
Ferrous	86	76
Non-Ferrous	8	7
Revenue per Ton:		
Ferrous	\$ 91	\$ 139
Non-Ferrous	\$ 624	\$ 799
<u>EfW Plant Operating Expense</u> (\$ in millions)		
Plant Operating Expense - Gross	\$ 257	\$ 246
Less: Client pass-through costs	(10)	(12)
Less: REC sales - contra expense	(3)	(1)
Plant Operating Expense - Reported	\$ 244	\$ 233
Client pass-throughs as % of gross costs	3.8%	4.9%

Note: Waste volume includes solid tons only. Metals and energy volume are presented net of client revenue sharing. Steam sales are converted to MWh equivalent at an assumed average rate of 11 klbs of steam / MWh. Uncontracted energy sales include sales under PPAs that are based on market prices.

Note: Certain amounts may not total due to rounding

Discussion of Non-GAAP Financial Measures

We use a number of different financial measures, both United States generally accepted accounting principles (“GAAP”) and non-GAAP, in assessing the overall performance of our business. To supplement our assessment of results prepared in accordance with GAAP, we use the measures of Adjusted EBITDA, Free Cash Flow, and Adjusted EPS, which are non-GAAP measures as defined by the Securities and Exchange Commission. The non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow, and Adjusted EPS as described below, and used in the tables above, are not intended as a substitute or as an alternative to net income, cash flow provided by operating activities or diluted earnings per share as indicators of our performance or liquidity or any other measures of performance or liquidity derived in accordance with GAAP. In addition, our non-GAAP financial measures may be different from non-GAAP measures used by other companies, limiting their usefulness for comparison purposes.

The presentations of Adjusted EBITDA, Free Cash Flow and Adjusted EPS are intended to enhance the usefulness of our financial information by providing measures which management internally use to assess and evaluate the overall performance of its business and those of possible acquisition candidates, and highlight trends in the overall business.

Adjusted EBITDA

We use Adjusted EBITDA to provide further information that is useful to an understanding of the financial covenants contained in the credit facilities as of March 31, 2016 of our most significant subsidiary, Covanta Energy, LLC, (“Covanta Energy”), through which we conduct our core waste and energy services business, and as additional ways of viewing aspects of its operations that, when viewed with the GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of our core business. The calculation of Adjusted EBITDA is based on the definition in Covanta Energy’s credit facilities as of March 31, 2016, which we have guaranteed. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, as adjusted for additional items subtracted from or added to net income. Because our business is substantially comprised of that of Covanta Energy, our financial performance is substantially similar to that of Covanta Energy. For this reason, and in order to avoid use of multiple financial measures which are not all from the same entity, the calculation of Adjusted EBITDA and other financial measures presented herein are ours, measured on a consolidated basis.

Under the credit facilities as of March 31, 2016, Covanta Energy is required to satisfy certain financial covenants, including certain ratios of which Adjusted EBITDA is an important component. Compliance with such financial covenants is expected to be the principal limiting factor which will affect our ability to engage in a broad range of activities in furtherance of our business, including making certain investments, acquiring businesses and incurring additional debt. Covanta Energy was in compliance with these covenants as of March 31, 2016. Failure to comply with such financial covenants could result in a default under these credit facilities, which default would have a material adverse affect on our financial condition and liquidity.

These financial covenants are measured on a trailing four quarter period basis and the material covenants are as follows:

- maximum Covanta Energy leverage ratio of 4.00 to 1.00, which measures Covanta Energy’s Consolidated Adjusted Debt (which is the principal amount of its consolidated debt less certain restricted funds dedicated to repayment of project debt principal and construction costs) to its Adjusted EBITDA (which for purposes of calculating the leverage ratio and interest coverage ratio, is adjusted on a pro forma basis for acquisitions and dispositions made during the relevant period); and
- minimum Covanta Energy interest coverage ratio of 3.00 to 1.00, which measures Covanta Energy’s Adjusted EBITDA to its consolidated interest expense plus certain interest expense of ours, to the extent paid by Covanta Energy.

In order to provide a meaningful basis for comparison, we are providing information with respect to our Adjusted EBITDA for the three months ended March 31, 2016 and 2015, reconciled for each such period to net income and cash flow provided by operating activities, which are believed to be the most directly comparable measures under GAAP.

Our projected full year 2016 Adjusted EBITDA is not based on GAAP net income/loss and is anticipated to be adjusted to exclude the effects of events or circumstances in 2016 that are not representative or indicative of our results of operations. Projected GAAP net income/loss for the full year would require inclusion of the projected impact of future excluded items, including items that are not currently determinable, but may be significant, such as asset impairments and one-time items, charges, gains or losses from divestitures, or other items. Due to the uncertainty of the likelihood, amount and timing of any such items, we do not have information available to provide a quantitative reconciliation of full year 2016 projected net income/loss to an Adjusted EBITDA projection.

Free Cash Flow

Free Cash Flow is defined as cash flow provided by operating activities, less maintenance capital expenditures, which are capital expenditures primarily to maintain our existing facilities. We use the non-GAAP measure of Free Cash Flow as a criterion of

liquidity and performance-based components of employee compensation. We use Free Cash Flow as a measure of liquidity to determine amounts we can reinvest in our core businesses, such as amounts available to make acquisitions, invest in construction of new projects, make principal payments on debt, or amounts we can return to our stockholders through dividends and/or stock repurchases.

In order to provide a meaningful basis for comparison, we are providing information with respect to our Free Cash Flow for the three months ended March 31, 2016 and 2015, reconciled for each such period to cash flow provided by operating activities, which we believe to be the most directly comparable measure under GAAP.

Adjusted EPS

Adjusted EPS excludes certain income and expense items that are not representative of our ongoing business and operations, which are included in the calculation of Diluted Earnings Per Share in accordance with GAAP. The following items are not all-inclusive, but are examples of reconciling items in prior comparative and future periods. They would include impairment charges, the effect of derivative instruments not designated as hedging instruments, significant gains or losses from the disposition or restructuring of businesses, gains and losses on assets held for sale, transaction-related costs, income and loss on the extinguishment of debt and other significant items that would not be representative of our ongoing business.

We will use the non-GAAP measure of Adjusted EPS to enhance the usefulness of our financial information by providing a measure which management internally uses to assess and evaluate the overall performance and highlight trends in the ongoing business.

In order to provide a meaningful basis for comparison, we are providing information with respect to our Adjusted EPS for the three months ended March 31, 2016 and 2015, reconciled for each such period to diluted income per share, which is believed to be the most directly comparable measure under GAAP.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute “forward-looking” statements as defined in Section 27A of the Securities Act of 1933 (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) or in releases made by the Securities and Exchange Commission (“SEC”), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Covanta Holding Corporation and its subsidiaries (“Covanta”) or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “may,” “will,” “would,” “could,” “should,” “seeks,” or “scheduled to,” or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the “safe harbor” provisions of such laws. Covanta cautions investors that any forward-looking statements made by us are not guarantees or indicative of future performance. Important factors, risks and uncertainties that could cause actual results to differ materially from those forward-looking statements include, but are not limited to:

- seasonal or long-term fluctuations in the prices of energy, waste disposal, scrap metal and commodities, and our ability to renew or replace expiring contracts at comparable pricing;
- adoption of new laws and regulations in the United States and abroad, including energy laws, environmental laws, labor laws and healthcare laws;
- our ability to avoid adverse publicity relating to our business expansion efforts;
- advances in technology;
- difficulties in the operation of our facilities, including fuel supply and energy delivery interruptions, failure to obtain regulatory approvals, equipment failures, labor disputes and work stoppages, and weather interference and catastrophic events;
- failure to maintain historical performance levels at our facilities and our ability to retain the rights to operate facilities we do not own;
- difficulties in the financing, development and construction of new projects and expansions, including increased construction costs and delays;
- our ability to realize the benefits of long-term business development and bear the costs of business development over time;
- our ability to utilize net operating loss carryforwards;
- limits of insurance coverage;
- our ability to avoid defaults under our long-term contracts;

- performance of third parties under our contracts and such third parties' observance of laws and regulations;
- concentration of suppliers and customers;
- geographic concentration of facilities;
- increased competitiveness in the energy and waste industries;
- changes in foreign currency exchange rates;
- limitations imposed by our existing indebtedness and our ability to perform our financial obligations and guarantees and to refinance our existing indebtedness;
- exposure to counterparty credit risk and instability of financial institutions in connection with financing transactions;
- the scalability of our business;
- restrictions in our certificate of incorporation and debt documents regarding strategic alternatives;
- failures of disclosure controls and procedures and internal controls over financial reporting;
- our ability to attract and retain talented people;
- general economic conditions in the United States and abroad, including the availability of credit and debt financing; and
- other risks and uncertainties affecting our businesses described in Item 1A. Risk Factors of Covanta's Annual Report on Form 10-K for the year ended December 31, 2015 and in other filings by Covanta with the SEC.

Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this press release are made only as of the date hereof and we do not have, or undertake, any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.