COVANTA

Powering Today. Protecting Tomorrow.

Investor Presentation

NYSE: CVA   DECEMBER 2017

Cautionary Statements

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All information included in this earnings presentation is based on continuing operations, unless otherwise noted.

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, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) or in releases made by the 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 and its subsidiaries, 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 assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Covanta include, but are not limited to, the risks and uncertainties affecting Covanta’s businesses described in periodic securities filings by Covanta with the SEC. Important factors, risks and uncertainties that could cause actual results of Covanta and the JV 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; Covanta’s ability to renew or replace expiring contracts at comparable prices and with other acceptable terms; adoption of new laws and regulations in the United States and abroad, including energy laws, environmental laws, tax laws, labor laws and healthcare laws; failure to maintain historical performance levels at Covanta’s facilities and its ability to retain the rights to operate facilities it does not own; Covanta’s and the JV’s ability to avoid adverse publicity or reputational damage relating to its business; advances in technology; difficulties in the operation of its 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; difficulties in the financing, development and construction of new projects and expansions, including increased construction costs and delays; limits of insurance coverage; Covanta’s ability to avoid defaults under its long-term contracts; performance of third parties under its 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 Covanta’s existing indebtedness and its ability to perform its financial obligations and guarantees and to refinance its existing indebtedness; exposure to counterparty credit risk and instability of financial institutions in connection with financing transactions; the scalability of its business; restrictions in its certificate of incorporation and debt documents regarding strategic alternatives; failures of disclosure controls and procedures and internal controls over financial reporting; Covanta’s and the JV’s ability to attract and retain talented people; Covanta’s ability to utilize net operating loss carryforwards; general economic conditions in the United States and abroad, including the availability of credit and debt financing; and other risks and uncertainties affecting Covanta’s businesses described in periodic securities filings by Covanta with the SEC. 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Note: All estimates with respect to 2017 and future periods are as of October 27, 2017. 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.

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, and Free Cash Flow, which are non-GAAP measures as defined by the Securities and Exchange Commission. The non-GAAP financial measures of Adjusted EBITDA and Free Cash Flow as described below, and used in this release, 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 and Free Cash Flow 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. Please refer to the appendix of this presentation for reconciliations of non-GAAP financial measures.

Covanta – World Leader in Energy-from-Waste

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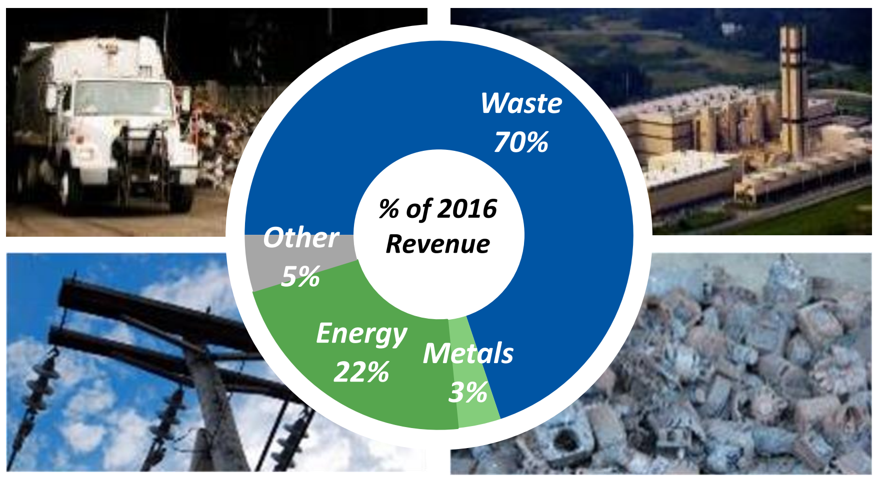
Waste:

Operate **42** Energy-from-Waste (EfW) facilities

~20 million tons processed annually → 1:1 tons of CO_2 equivalent offset

15 material processing facilities



FY 2017 Guidance:

- **Adjusted EBITDA: $400 - $440 million**
- **Free Cash Flow: $100 - $150 million**

Energy:

~10 million MWh generated annually

1,400+ MW base load capacity

Metals:

~550,000 gross tons of ferrous and non-ferrous recovered annually

Note: Guidance affirmed as of October 26, 2017.

EfW: Unique Renewable Energy Business

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Waste

Municipal

Commercial

Industrial

Conversion Process

Technologically advanced mass-burn facilities

Energy / Outputs

1 ton of waste yields:

500-700 kWh power

~50lbs recycled metal

Ash: ~10% of original volume

The <u>only</u> power source that reduces greenhouse gas emissions

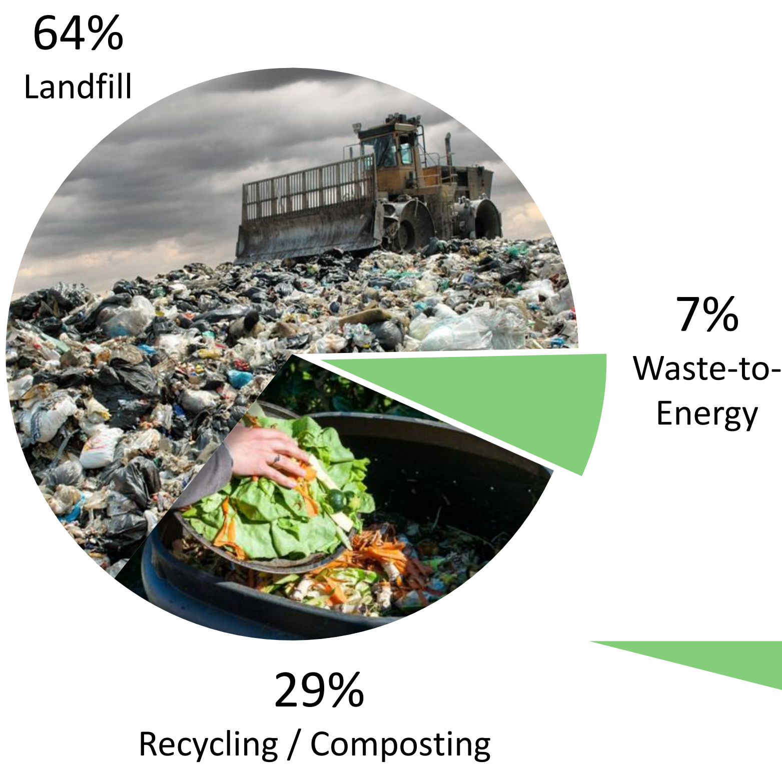
Key Investment Highlights

Leader in Energy-from-Waste	• EfW is a unique renewable energy business • Compelling environmental benefits
Critical Infrastructure Assets	• Essential service to host communities • Concentrated in attractive markets in Northeast U.S. with high barriers to entry
Attractive Business Model	• Highly contracted revenue from multiple sources • Generates substantial and predictable cash flow
Strong Growth Outlook	• Target to double Free Cash Flow by mid next decade • Multiple initiatives for organic growth • Strategic partnership with GIG to execute robust project development pipeline

Robust current dividend with attractive long-term growth profile

Market Leader in the U.S.

~400 Million Tons of Waste Annually



Covanta

~70%

of this market

Benefits of EfW

- Environmentally sustainable waste management
- Renewable energy source
- Combats climate change

Irreplaceable Infrastructure

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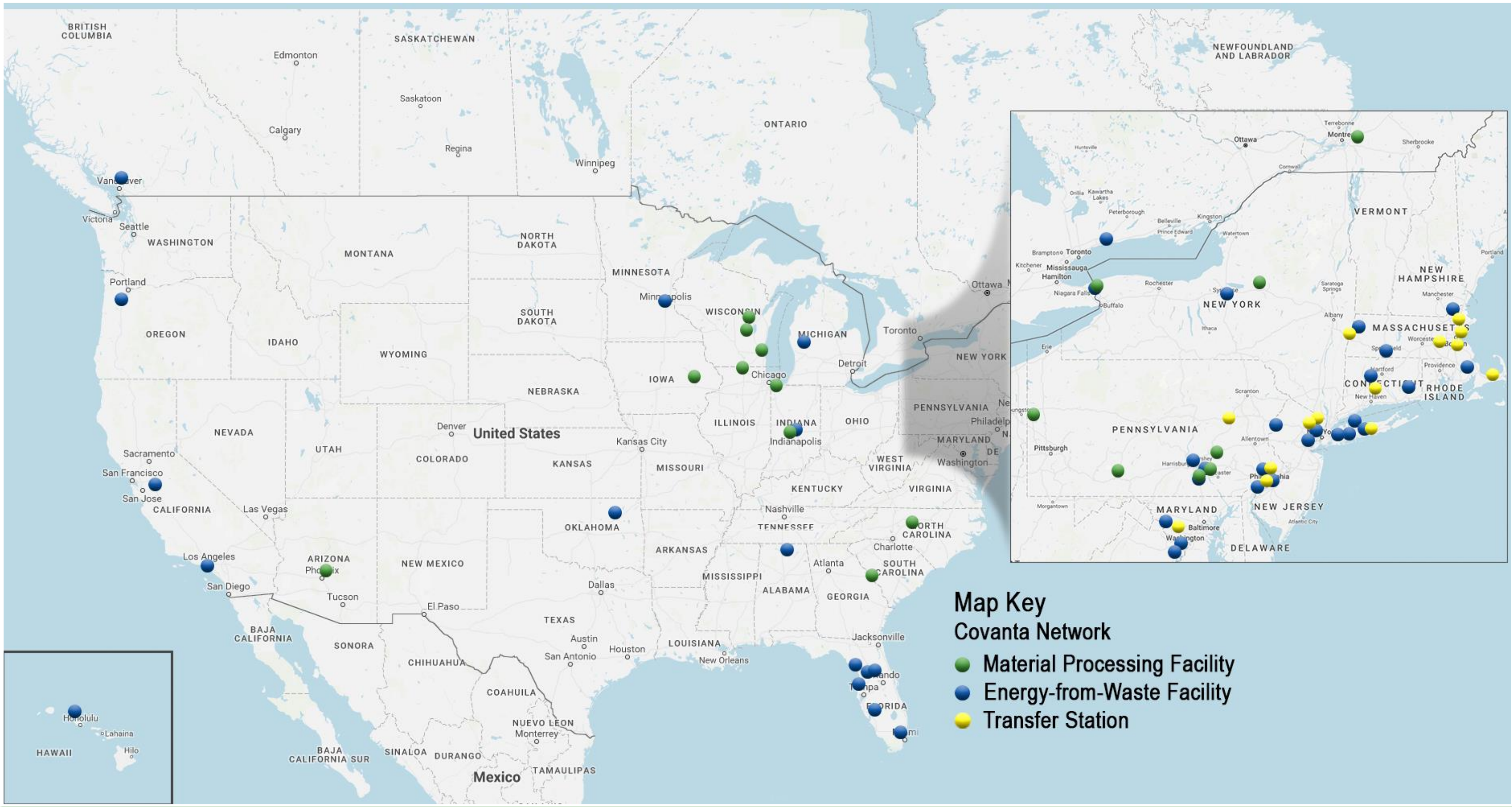

Advantages

- Concentrated in attractive, densely-populated markets
- Limited alternative disposal capacity in metropolitan areas
- Cost advantage vs. long haul transfer to landfills
- Electricity sold at high demand points

Highly Contracted Revenue

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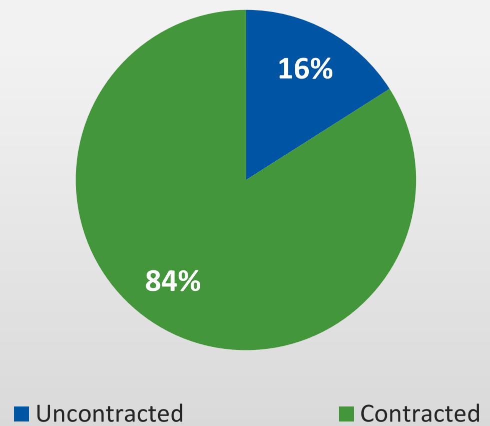
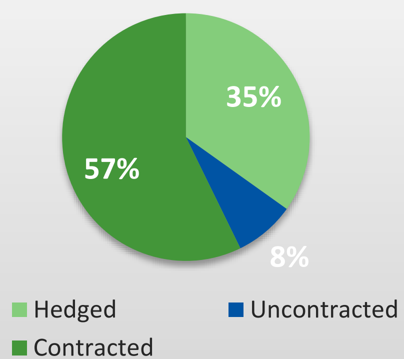
Waste & Service

- Paid either per-ton "tip fee" or fixed service fee
- Excellent track record extending long-term contracts



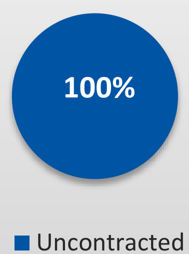
Energy

- Long-term contracts with utilities
- Hedge uncontracted generation to manage volatility



Metal

- Incremental revenue stream sold at prevailing commodity prices



~85% Revenue Contracted or Hedged

Note: Figures presented for EfW operations only. Percentages of revenue calculated on 2016 for waste and service and 2017 guidance midpoint for energy. Contracted energy revenue % includes capacity auction revenue.

Entering a New Growth Era

1980s - 2008	2009 - 2017	2018+

Build	Transition	Growth
• Assembled unmatched EfW portfolio – Construction and acquisitions	• Successfully managed headwinds – Mark-to-market of original long-term contracts – Commodity prices	• Outlook for sustainable long-term growth – Organic growth opportunities – International development

Key Growth Drivers

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Organic

Core Business

- ***3-5% long-term Adjusted EBITDA growth target***
  - Favorable waste market dynamics
  - Environmental Solutions
  - Metals recovery and ash management
  - Continuous Improvement

Commodities

- **Significant leverage to commodity market recovery**
  - Metals
  - Energy

Underpins long-term cash flow growth and capital allocation plans

New Investment

- **EfW project development**
  - Dublin facility commenced operations in Q4 2017
  - Partnership with GIG to develop robust UK project pipeline
    - Targeting 4 new projects over next 24 months
  - Partnership establishes platform for new opportunities in UK and other markets
- **Disciplined, synergistic acquisitions**
  - Environmental Solutions
  - EfW

Opportunities to invest capital at attractive equity returns

Growth Drivers: Environmental Solutions

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EfW Profiled Waste

- Unmatched EfW footprint
- Assured destruction and/or zero landfill disposal for non-hazardous waste
- Drives higher average waste revenue per ton

~$100 million Revenue
~50% Adjusted EBITDA margin

+

Environmental Services

- Synergistic network of material processing facilities
- Wide range of solid and liquid waste processing, recycling and field services capabilities

~$100 million Revenue
~20% Adjusted EBITDA margin

Comprehensive solutions for government, commercial, industrial and medical / pharmaceutical sectors

Growth Drivers: Metal Recovery and Ash Management

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1. EfW Plant Recovery Systems

- Significant growth in recovery: +30% ferrous and +140% non-ferrous since 2012
- Continued focus on optimizing recovery

2. Metals Processing for Enhanced Product

- Centralized processing driving improved pricing
  - Upgrading ~30% of ferrous today, with plans to expand
  - Centralized non-ferrous processing for over 70% of volume

3. Enhanced Metal Recovery and Ash Reuse

- Permitting and designing first "Total Ash Processing System" to handle ~10% of ash
- Returns driven by metal recovery and sale of aggregates which reduces disposal by ~65%
- Target incremental sites once technology proven

Growth Drivers: Strategic Partnership with GIG

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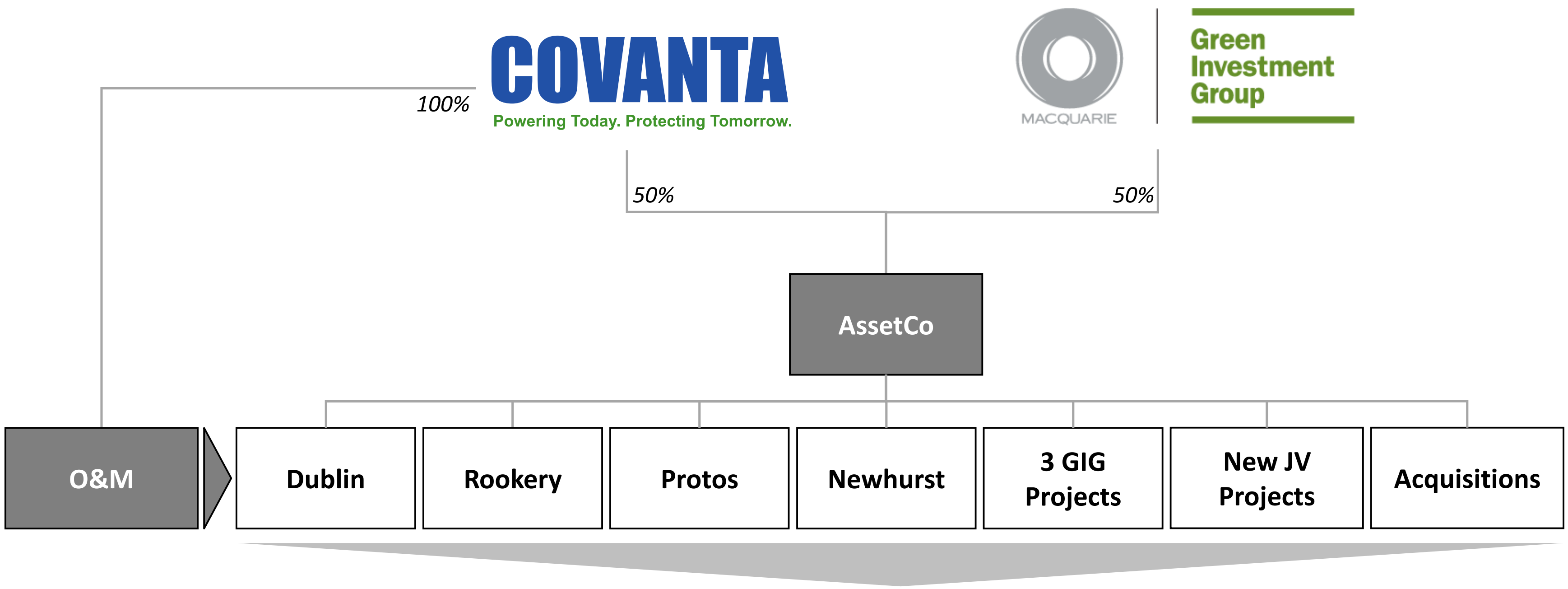

Powerful Growth Platform

- Strategic partnership and investment vehicle to capitalize on UK growth opportunities
- Combined resources to develop projects jointly
- Joint (50:50) investment / ownership / governance upon closing of project financing
- Original developer receives premium at project finance close – Rookery to be the next asset to close
- Targeted project equity returns in the low to mid teens
- Covanta to provide contractual O&M services

Robust Project Development Pipeline

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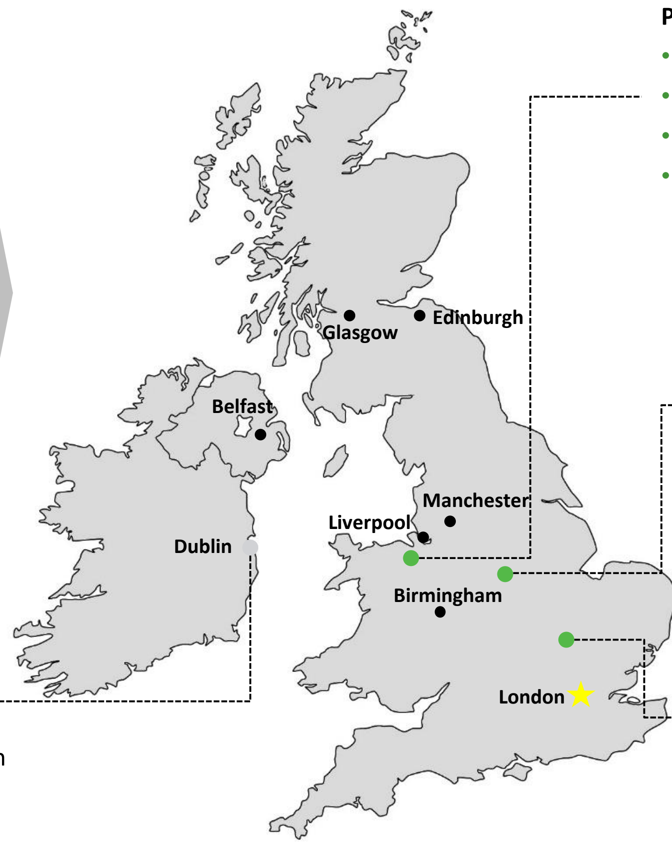
GIG brings a portfolio of 3 EfW development projects in the UK with combined capacity of over 800,000 tonnes per year [(1)]

MACQUARIE | Green Investment Group



Protos
- Location: Cheshire, England
- 350k tonnes / 40 MW
- Total Investment: £250-£300 million
- Non-JV Project Partner: Biffa

Newhurst
- Location: Leicestershire, England
- 350k tonnes / 40 MW
- Total Investment: £250-£300 million
- Non-JV Project Partner: Biffa

Dublin
- Location: Dublin, Ireland
- 600k tonnes / 60 MW
- Total Investment: €550 million

Rookery
- Location: Bedfordshire, England
- 535k tonnes / 60 MW
- Total Investment: £375-£425 million
- Non-JV Project Partner: Veolia

Combined development pipeline of advanced and early stage projects targeting major metro areas and totaling 2 million tonnes of annual processing capacity

1) Name and location of GIG projects withheld due to confidentiality and commercial limitations.

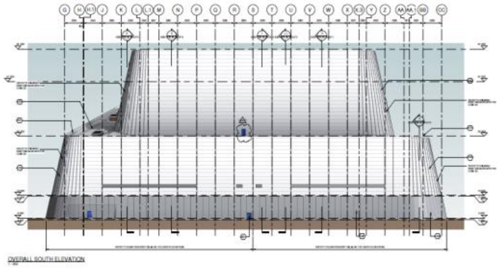
Significant Value Realization From Dublin

Refinancing Overview

- On December 14, completed refinancing of original capital structure to extend debt term and significantly reduce cost
- Retired high cost convertible preferred
- New project debt structure:
  - €396m 3.1% senior debt due 2032
  - €50m 5.2% junior debt due 2032

Attractive Valuation

- GIG to pay Covanta €136 million for 50% stake in Dublin (via partnership)
- Values project at 13x EBITDA
  - Represents market value for a premier world class asset
- Covanta recoups majority of invested equity and maintains 50% ownership
  - Premium highlights value accretion from development activities
- Covanta remains as facility operator



GIG investing in Ireland highlights the value of this critical infrastructure asset

Financial Impact of GIG Partnership

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Balance Sheet Impact

- Anticipate immediate leverage reduction of 1x versus Q3 2017
- Partnership structure reduces capital intensity of UK development pipeline
- Growing cash flow and reduced capital needs leads to accelerated deleveraging over time

Near-term Financial Impact (Dublin)

- Annual proportional contribution from Dublin to Covanta under the partnership:
  - Adjusted EBITDA: $30 to $35 million [1]
  - Free Cash Flow: $10 to $15 million [1]

Advanced UK Pipeline [2] (4 New Projects)

- CVA equity investment of $150 to $200 million
- $40 to $50 million annual cash flow contribution
  - 4x to 5x investment multiple
- Net of Dublin, contributes additional ~$30 million cash flow with ***no new capital required***

Long-term Growth Targets

- Partnership positions Covanta to deliver **>10% CAGR on Free Cash Flow** over long-term
- Target **doubling Free Cash Flow** by mid next decade
- **Significant further upside** from earlier stage developments and future expansion of platform

1) Please see page 31 for related notes on non-GAAP financial measures.
2) "Advanced" pipeline includes projects with planning permission and contractual structure in place (Rookery, Protos, Newhurst and 1 GIG project).

Development Outlook

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Rookery expected to **commence construction** in the **first half of 2018**

3 to 5 additional UK EfW projects to follow **by 2020**

Plan to leverage the partnership's sourcing capabilities and relationships to expand pipeline further **in the UK and globally**

2017	UK Investment Period (2018-2022)		UK Projects Online (2021+)
Dublin commences operations	**Rookery**	**Announce and construct 3 to 5 additional projects (Protos, Newhurst and 3 GIG projects)**	**Highly visible return on investment**

Partnership to execute combined project pipeline in the UK, while establishing a platform for capitalizing on future investment opportunities

Note: Development timeline reflects current pipeline of advanced projects only.

Capital Allocation Policy

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Free Cash Flow

Dividend Stability	• Annualized cash dividend of $1.00 / share
Growth Investments	• Organic growth investments • Project development • Opportunistic M&A
Deleveraging	• Contribution from investments coming online • Opportunistic debt repayment
Dividend Growth	• To be driven by sustainable Free Cash Flow growth
Share Repurchases	• Potential opportunistic use of capital, but not near-term priority

Stable and Flexible Balance Sheet

As of 9/30/17
(Face Value; $ in millions)

Covanta Holding Corporation	
6.375% Senior Notes due 2022:	$400
5.875% Senior Notes due 2024:	400
5.875% Senior Notes due 2025:	400

Covanta Energy, LLC	
Revolving Credit Facility due 2019-2020: (1)	$473
Term Loan due 2020:	193
Equipment Leases due 2024-2027:	66
Tax-Exempt Corporate Bonds due 2024-2045: (2)	464

International Subsidiaries

Project Debt: $324

Domestic Subsidiaries

Project Debt: $173

- GIG partnership and investment in Dublin to reduce international subsidiary debt and add €136 million in cash
- Weighted average debt maturity of ~8.5 years, with no material corporate maturities until 2020
- Substantial liquidity with $336 million availability under revolver at 9/30/17

1) Total facility size of $1.0 billion ($50 million due 2019 and $950 million due 2020), with $191 million letters of credit outstanding and $336 million availability at September 30, 2017.
2) The tax-exempt corporate bonds are obligations of Covanta Holding Corporation and are guaranteed by Covanta Energy, and as such are effectively senior in right of payment to the other indebtedness of Covanta Holding Corporation.

Appendix

Waste Update (Q3)

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- **Q3 2017 revenue drivers vs. Q3 2016:**
  - EfW waste processing revenue down $3 million
    - Pricing up $8 million (3.2% same store)
    - Volumes lower by $13 million due to Fairfax ($9 million), plant downtime and hurricane impacts
    - Internalized profiled waste revenue up 2.4%
    - Contract transitions added $3 million
  - Covanta Environmental Solutions
    - Environmental services revenue up ~25%
    - Profiled waste supporting higher EfW pricing
- **Trends and outlook:**
  - Strong waste price environment
  - Full year 2017 profiled waste expected to grow at mid-single digits, with re-acceleration expected in 2018
  - Reducing full year volume outlook on Fairfax start-up timing (insurance to compensate for downtime)
  - Continued growth in Environmental Services

(Unaudited)

(in millions, except price)	Q3 2016A	Q3 2017A	2017E
Waste & Service Revenue:			
EfW Waste Processing	$241	$238	$970 - $985
Environmental Services [1]	26	32	110 - 120
Municipal Services [2]	48	50	~190
Other [3]	10	12	~40
Intercompany [4]	(26)	(26)	~ (90)
Total	**$299**	**$306**	**$1,220 - $1,245**
EfW Tons: [5]			
Contracted [6]	4.6	4.2	
Uncontracted	0.5	0.5	
Total	**5.1**	**4.7**	**18.9 - 19.0**
EfW Revenue per Ton: [7]			
Contracted	$44.21	$47.63	
Uncontracted	$76.76	$77.62	
Average	**$47.45**	**$50.82**	**$51.25 - $51.75**

1) Includes the operation of material processing facilities and related services.
2) Consists of transfer stations and transportation component of NYC MTS contract.
3) Includes waste brokerage, debt service and other revenue unrelated to EfW waste processing.
4) Elimination of intercompany transactions primarily relating to transfer stations.

5) Excludes liquid waste.
6) Includes contracts at transfer stations from which waste is internalized.
7) Calculated for EfW waste processing revenue presented above.
Note: certain amounts may not total due to rounding.

Energy Update (Q3)

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- **Q3 2017 revenue drivers vs. Q3 2016:**
  - Energy revenue decreased $4 million (4.3%) on a same store basis
    - Energy price down $3 million (3.4%)
    - Energy volume down $4 million (4.7%), driven by downtime at Fairfax ($7 million)
    - Capacity revenue improved by $2 million
  - Contract transitions reduced revenue by $8 million
    - Legacy PPA expirations partially offset by higher contractual revenue share
- **Trends and outlook:**
  - Power prices remain soft
  - Reducing full year volume outlook on Fairfax timing (insurance to compensate for loss of volume)
  - Hedge activity:
    - 2017 market exposure reduced to 0.8 million MWh with only 0.2 million MWh left in Q4
    - 2018 market exposure now only 1.7 million MWh
    - Beginning to layer in 2019 hedges

(Unaudited)

(in millions, except price; MWh sold in millions)	Q3 2016A	Q3 2017A	2017E
Energy Revenue:			
Energy Sales	$81	$68	$270 - $290
Capacity	11	12	~40
Total	**$92**	**$80**	**$310 - $330**
MWh Sold:			
Contracted	0.8	0.6	2.3 - 2.5
Hedged	0.5	0.7	2.7
Market	0.2	0.2	0.8
Total	**1.5**	**1.5**	**5.8 - 6.0**
Revenue per MWh: (1)			
Contracted	$65.82	$66.58	$66 - $67
Hedged	$37.98	$32.25	~ $36
Market	$37.32	$25.79	$23 - $29
Average	**$52.63**	**$45.83**	**$46 - $48**

1) Excludes capacity revenue.
Note: certain amounts may not total due to rounding.

Recycled Metals Update (Q3)

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- **Q3 2017 revenue drivers vs. Q3 2016:**
  - Ferrous:
    - Price up $3 million (38%) due to market pricing and enhanced product quality
    - Sales volume up $1 million (14%)
  - Non-ferrous:
    - Realized pricing up $6 million (+108%) due to improved quality from processing
    - Sales volume down $2 million (35%) due to processing, which is more than offset by price
- **Trends and outlook:**
  - HMS Index averaged $275 per ton in Q3 and set at $258 in October
    - Increasing 2017 HMS outlook to $250 - $260 on strong pricing year-to-date
  - Realized non-ferrous pricing to improve further in Q4 on increased sales mix of high value metals

(Unaudited)

($ in millions, except price; tons in thousands)	Q3 2016A	Q3 2017A	2017E
Metals Revenue:			
Ferrous	$8	$13	$40 - $45
Non-Ferrous	6	10	30 - 35
Total	**$14**	**$23**	**$70 - $80**
Tons Recovered:			
Ferrous	101	98	390 - 395
Non-Ferrous	9	10	35 - 40
Tons Sold:			
Ferrous	72	81	295 - 305
Non-Ferrous	10	8	28 - 33
Revenue per Ton Sold:			
Ferrous	$117	$158	$140 - $150
Non-Ferrous	$581	$1,201	$1,000 - $1,100
Average HMS index price (1)	$212	$275	$250 - $260
Average Old Cast Aluminum (2)	$0.58	$0.60	$0.57 - $0.63

1) Q3 2017 and Q3 2016 average #1 Heavy Melt Steel composite index ($ / gross ton) as published by American Metal Market.
2) Q3 2017 and Q3 2016 average Old Cast Aluminum Scrap ($ / pound) calculated using the high price as published by American Metal Market.
Note: certain amounts may not be totaled due to rounding.

Maintenance and Operating Expenses

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- **Q3 2017 summary:**
  - Total EfW maintenance (expense + capex) higher year-over-year due to Fairfax and increased maintenance scope at certain facilities
  - Other plant operating expense increased year-over-year, but in line with Q2 2017
    - CES growth year-over-year
    - Centralized non-ferrous processing
    - Normal wage and benefit inflation
  - Contra expense in Other Operating Expense: $8 million benefit from a contract dispute and $2 million from insurance recoveries

- **Trends and outlook:**
  - Full year EfW maintenance expected to be near the top end of the 2017 range (well within 3-year outlook of $365 - $415 million)
  - Other EfW plant operating expense expected to trend up in Q4 vs. Q3 with Dublin operations
  - Remaining Fairfax business interruption insurance recoveries expected in Q4 and 2018

(Unaudited)

(in millions)	Q3 2016A	Q3 2017A	2017E
Plant Maintenance Expense:			
EfW	$47	$54	$275 - $285
Other	2	3	
Total	**$48**	**$57**	
Maintenance Capex:			
EfW	$11	$15	$90 - $100
Other	2	5	~20
Total	**$14**	**$20**	**$110 - $120**
Total EfW Maintenance Spend	**$58**	**$69**	**$365 - $385**
Other Plant Operating Expense:			
EfW	$160	$163	
Other	64	80	
Total	**$224**	**$243**	
Other Operating Expense	**$14**	**$7**	

Note: certain amounts may not total due to rounding.

Growth Investment Outlook

(Unaudited, in millions)	FY 2016 Actual	YTD 9-30-17	FY 2017 Outlook
Organic growth investments [(1)]	$46	$27	~ $30
New York City MTS contract	3	—	—
Essex County EfW emissions control system [(2)]	33	3	~5
Acquisitions	9	17	17
Subtotal: Corporate funded	**$91**	**$47**	**~ $50**
Dublin facility construction	162	91	~115
Total growth investments	**$253**	**$138**	**~ $165**

- Remaining Dublin investment to be funded entirely with project financing – no impact on domestic capital allocation
- Acquisitions to be targeted on an opportunistic basis – potential additional activity not reflected in FY 2017 outlook

1) Organic growth programs are focused primarily on growing waste, energy and metal revenue and/or reducing operating costs.
2) Classified as growth investment because cost is reflected in overall economic benefit of contract restructuring completed in 2013.
Note: certain amounts may not total due to rounding.

Capitalization Summary

(Face value; unaudited, in millions)	12/31/2015	12/31/2016	9/30/2017
Cash and Cash Equivalents	$94	$84	$37
Corporate Debt:			
Secured	$621	$608	$732
Unsecured	1,664	1,664	1,664
Total Corporate Debt	$2,285	$2,272	$2,396
Project Debt	197	406	497
Total Debt	$2,482	$2,678	$2,893
Net Debt (1)	$2,326	$2,547	$2,812
Stockholders' Equity	$640	$469	$335
Credit Ratios:			
Net Debt / Adjusted EBITDA	5.4x	6.2x	7.2x
Excluding Non-Recourse Construction Debt (2)	5.3x	5.7x	6.4x
Senior Credit Facility Leverage Ratio (3)	2.9x	3.0x	3.6x

1) Net debt is calculated as total principal amount of debt outstanding less cash and cash equivalents, debt service principal-related restricted funds ($16 million at September 30, 2017) and escrowed construction financing proceeds ($28 million at September 30, 2017).
2) Excludes $309 million of net debt (debt of $324 million less restricted funds of $15 million) outstanding at September 30, 2017 at Dublin project subsidiary.
3) Leverage ratio as calculated for senior credit facility covenant. Effectively represents leverage at Covanta Energy, LLC and subsidiaries.

Long-term Outlook: Energy Detail

Consolidated EfW (Unaudited, in millions, except price)	2015A	2016A	2017E	2018E	2019E	2020E	2021E
MWh Sold – CVA Share:							
Contracted	3.0	3.1	2.4	2.1	2.1	2.1	2.1
Hedged	1.4	1.9	2.7	3.0	0.6	—	—
Market	1.4	1.0	0.8	1.7	4.1	4.7	4.7
Total MWh Sold	**5.8**	**6.1**	**~5.9**	**~6.8**	**~6.8**	**~6.8**	**~6.8**
Market Sales (MWh) by Geography:							
PJM East	0.5	0.3	0.2	0.7	2.5	2.7	2.7
NEPOOL	0.3	0.2	0.2	0.3	0.8	1.2	1.2
NYISO	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Other	0.4	0.4	0.3	0.6	0.6	0.6	0.6
Total Market Sales	**1.4**	**1.0**	**0.8**	**1.7**	**4.1**	**4.7**	**4.7**
Revenue per MWh: (1)							
Contracted	$65.56	$65.98	~$67				
Hedged	$45.64	$42.77	~$36				
Market	$33.18	$31.35	~$26				
Average Revenue per MWh	**$53.17**	**$52.70**	**~$47**				

- **Note: Production estimates for 2018 - 2021 are approximated based on historical operating performance and expected contract structures and include full contribution from Dublin**

Note: Reflects 100% of Dublin. Hedged generation as presented above reflects only existing hedges. Certain amounts may not total due to rounding.
1) Excludes capacity revenue.

EfW Project Structures

	Tip Fee	Service Fee: Owned	Service Fee: Operated
Number of Facilities [1]	20	4	17
% of Tons Processed	~50%	~7%	~43%
Client(s)	Municipal anchor client; Merchant capacity	Municipal anchor client; Limited merchant capacity	Municipal client
Waste or Service Revenue	Per ton "tipping fee"	Fixed O&M fee (Inflation escalators & incentives)	
Energy Revenue	Covanta retains 100%	Share with client (Covanta retains ~20% on average)	
Metals Revenue	Covanta retains 100%	Share with client (Covanta typically retains ~50%)	
Operating Costs	Covanta responsible for all operating costs	Pass through certain costs to municipal client (e.g., ash disposal)	
Project Debt Service	Covanta responsible; Debt on Covanta books	Client pays as part of service fee; Debt on Covanta books	Covanta not responsible; Debt not on Covanta books
After Service Contract Expiration	N/A	Covanta owns the facility; Facility converts to Tip Fee or remains Service Fee with new terms	Client owns the facility; Client extends with Covanta or tenders for new contract

1) Facilities in North America only.

Non-GAAP Reconciliation: Adjusted EBITDA & Free Cash Flow

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(Unaudited, in millions)	Q3 2016	Q3 2017	YTD 2016	YTD 2017	Full Year Estimated 2017
Net Income (Loss)	**$54**	**$15**	**$(12)**	**$(74)**	
Depreciation and amortization expense	52	51	155	155	
Interest expense, net	35	35	103	106	
Income tax benefit	12	(2)	5	(5)	
Impairment charges	—	—	19	1	
Debt service billings in excess of revenue recognized	1	2	3	4	
Severance and reorganization costs	1	—	3	1	
Non-cash compensation expense	4	5	13	16	
Capital type expenditures at service fee operated facilities (1)	6	10	29	36	
(Gain) loss on asset sales	(43)	—	(43)	6	
Loss on extinguishment of debt	—	—	—	13	
Property insurance recoveries	—	1	—	(2)	
Other, including Other non-cash items	2	—	7	4	
Total adjustments	**70**	**102**	**294**	**335**	
Adjusted EBITDA (2)	**$124**	**$117**	**$282**	**$261**	**$400 - $440**
Cash paid for interest, net of capitalized interest	(24)	(33)	(91)	(100)	
Cash paid for taxes, net	(3)	1	(7)	—	
Capital type expenditures at service fee operated facilities (1)	(6)	(10)	(29)	(36)	
Adjustment for working capital and other	(3)	13	(5)	(11)	
Net cash provided by operating activities	**$88**	**$88**	**$150**	**$114**	**$210 - $270**
Maintenance capital expenditures	(14)	(20)	(82)	(84)	(110) - (120)
Free Cash Flow (2)	**$74**	**$68**	**$68**	**$30**	**$100 - $150**
Diluted Weighted Average Shares Outstanding	131	131	129	129	

1) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements*.
2) Guidance reaffirmed as of October 26, 2017.

Non-GAAP Reconciliation: Adjusted EBITDA

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(Unaudited, in millions)	Full Year 2015	Full Year 2016	LTM 9/30/2017
Net Income (Loss)	**$68**	**$(4)**	**$(63)**
Depreciation and amortization expense	198	207	207
Interest expense, net	134	138	141
Income tax (benefit) expense	(84)	22	9
Impairment charges	43	20	2
(Gain) loss on sale of assets, net	—	(44)	5
Property insurance recoveries	—	—	(2)
Loss on extinguishment of debt	2	—	13
Net income attributable to noncontrolling interests in subsidiaries	1	—	—
Debt service billings in excess of revenue recognized	1	4	5
Severance and reorganization costs	4	3	1
Non-cash compensation expense	18	16	19
Capital type expenditures at service fee operated facilities [1]	31	39	46
Other (includes other non-cash items)	12	9	6
Total adjustments	**360**	**414**	**452**
Adjusted EBITDA	**$428**	**$410**	**$389**

Note: Adjusted EBITDA results provided to reconcile the denominator of the Net Debt / Adjusted EBITDA ratios on slide 23.
1) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements*.

Non-GAAP Financial Measures

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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 and nine months ended September 30, 2017 and 2016, 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 EBITDA

We use Adjusted EBITDA to provide additional ways of viewing aspects of 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. As we define it, Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, as adjusted for additional items subtracted from or added to net income including the effects of impairment losses, gains or losses on sales, dispositions or retirements of assets, adjustments to reflect the Adjusted EBITDA from our unconsolidated investments, adjustments to exclude significant unusual or non-recurring items that are not directly related to our operating performance plus adjustments to capital type expenses for our service fee facilities in line with our credit agreements. We adjust for these items in our Adjusted EBITDA as our management believes that these items would distort their ability to efficiently view and assess our core operating trends. Going forward, as larger parts of our business will be conducted through unconsolidated entities that we do not control, we will begin to adjust for our proportionate share of the entities depreciation and amortization, interest expense and taxes in order to improve comparability to the Adjusted EBITDA of our wholly owned entities.

In order to provide a meaningful basis for comparison, we are providing information with respect to our Adjusted EBITDA for the three and nine months ended September 30, 2017 and 2016, 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 2017 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 2017 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.

Our projections of the proportional contribution of our interests in the JV to our Adjusted EBITDA and Free Cash Flow are not based on GAAP net income/loss or Cash flow provided by operating activities, respectively, and are anticipated to be adjusted to exclude the effects of events or circumstances in 2018 that are not representative or indicative of our results of operations and that are not currently determinable. Due to the uncertainty of the likelihood, amount and timing of any such adjusting items, we do not have information available to provide a quantitative reconciliation of projected net income/loss to an Adjusted EBITDA projection or projected Cash flow provided by operating activities to Free Cash Flow projection.