COVANTA

Powering Today. Protecting Tomorrow.

Investor Presentation

NYSE: CVA DECEMBER 2016

Cautionary Statements

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

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 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 risk that Covanta may not successfully grow its business as expected or close its announced or planned acquisitions or projects in development, and those factors, risks and uncertainties that are described in periodic securities 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.

Note: All estimates with respect to 2016 and future periods are as of October 25, 2016. 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. The non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow and Adjusted EPS, as described and used in this earnings presentation, 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. Please refer to the appendix of this presentation for reconciliations of non-GAAP financial measures.

Covanta – World Leader in EfW: at a Glance

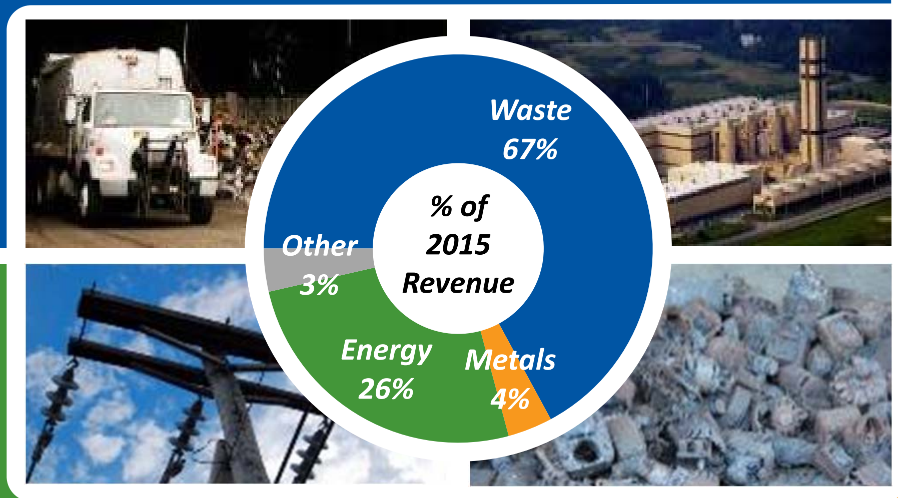
Waste:

42 Energy-from-Waste (EfW) facilities

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

15 material processing facilities (9 waste, 6 liquid)

30+ year operating history



FY 2016 Guidance:

- **Adjusted EBITDA: $390 - $430 million**
- **Free Cash Flow: $140 - $180 million**

Energy:

~10 million MWh generated annually

1,400+ MW base load capacity (majority of generation in PJM, NEPOOL and NYISO markets)

Metals:

~500,000 gross tons of ferrous and non-ferrous recovered annually

New metals processing facility in Fairless Hills, PA expands metals marketing capabilities

Note: Reaffirmed guidance as of 10/25/16.

Key Investment Highlights

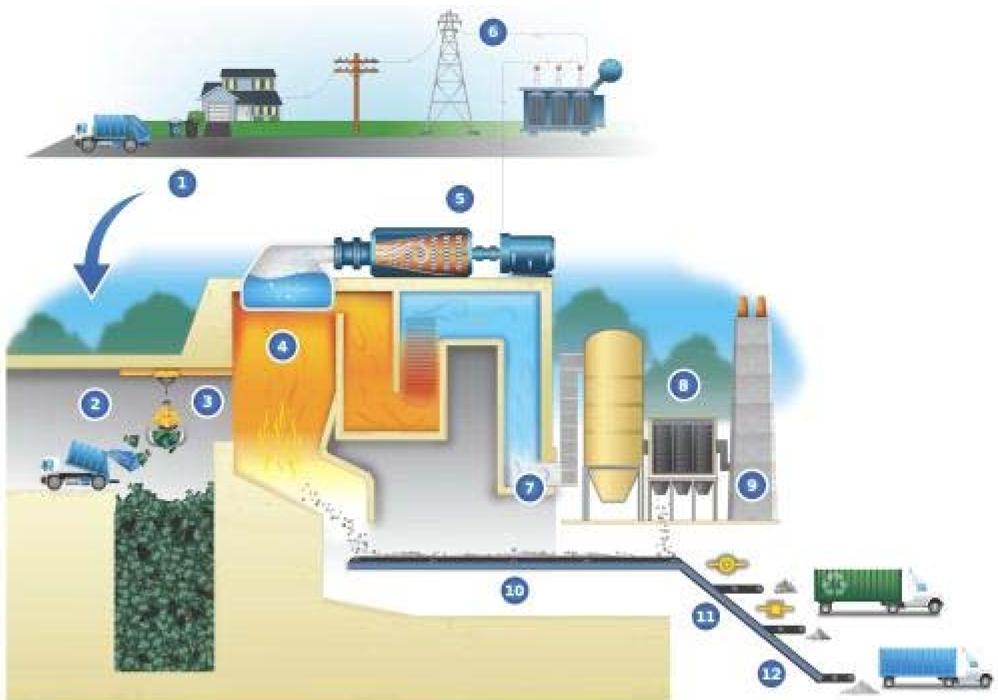
- **Critical infrastructure assets**
  - Essential service to host communities
  - Concentrated in attractive markets in Northeast U.S. with high barriers to entry – irreplaceable asset portfolio
- **World leader in Energy-from-Waste**
  - 42 EfW facilities with ~20 million tons disposal capacity – one of the largest operators in the world
  - Strong track record of operating performance – consistently achieve boiler availability in excess of 90%
- **Very attractive underlying economics**
  - Earn revenue from both input (waste disposal) and output (energy and recycled metal)
  - High Adjusted EBITDA margins (~25%) and Free Cash Flow conversion (~40%)
- **Highly contracted revenues with credit-worthy counterparties**
  - ~85% of revenue contracted or hedged
  - Customers are primarily municipalities and utilities
- **Substantial and consistent cash flow generation**
  - Cash flow underpins healthy shareholder capital returns and value-accretive reinvestment for growth
  - Business model and balance sheet built to support capital allocation strategy through the commodity and economic cycles

Attractive Dividend Yield with Compelling Long-term Growth Profile

Energy-from-Waste Process

- **Municipalities and others pay us to dispose of waste**
  - Unlike other energy producers, we are *paid* for our fuel
- **Technologically advanced facilities combust waste at high temperatures**
  - Primarily mass-burn facilities that combust MSW as received (no pre-processing)
- **Resulting steam used to produce electricity for sale or sold directly**
- **Metals are recovered from the process and sold to recyclers**

One Ton of Municipal Solid Waste (MSW)



500 - 650 kWh of Power

~50 lbs. of Recycled Metal

Ash: ~10% of Original Volume

Note: See Appendix slide 30 for Key to chart.

COVANTA
Powering Today. Protecting Tomorrow.

Benefits of Energy-from-Waste

- **Environmentally sustainable waste management**
  - Best solution after recycling – waste volume reduced by 90%
  - Attractive to businesses and governments seeking "zero landfill" disposal option
- **Generates renewable energy**
  - Reliable baseload power 24 / 7; located near demand centers
- **Combats climate change**
  - 1:1 CO_2 offset for each ton of waste processed
    - Fewer fossil fuels burned: 1 ton of waste ≈ ¼ ton of coal
  - Methane from landfills: 80+ times more potent than CO_2 as a greenhouse gas over a 20 year period

Landfill

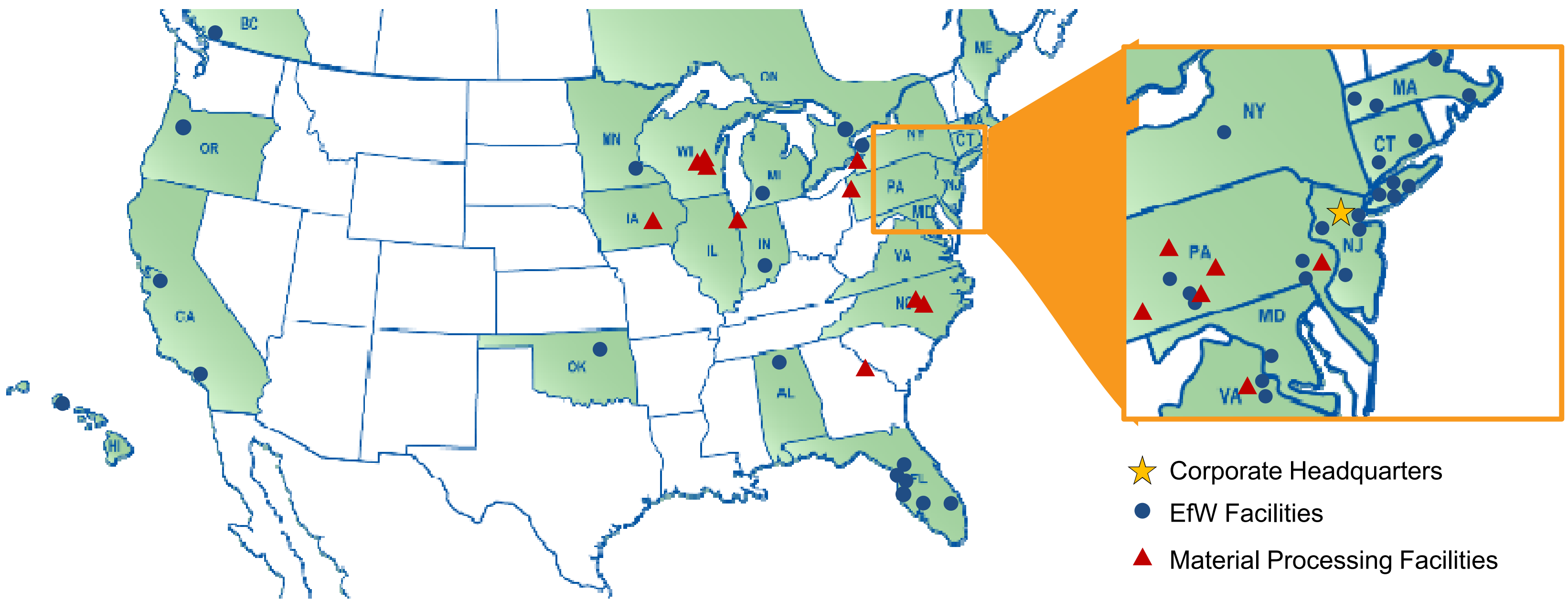
EfW Facility (Onondaga County, NY)

COVANTA
Powering Today. Protecting Tomorrow.

North American Asset Footprint

- **41 EfW facilities**
  - Over two-thirds of U.S. EfW capacity
  - Process ~7% of overall U.S. post-recycled municipal solid waste generation
- **Complementary environmental services and waste transportation infrastructure**

- **Operations primarily concentrated in the Northeast**
  - Attractive, densely-populated markets
  - Limited new capacity in metropolitan areas
  - Cost advantage vs. long haul transfer to landfills
  - Electricity sold at high demand points



COVANTA
Powering Today. Protecting Tomorrow.

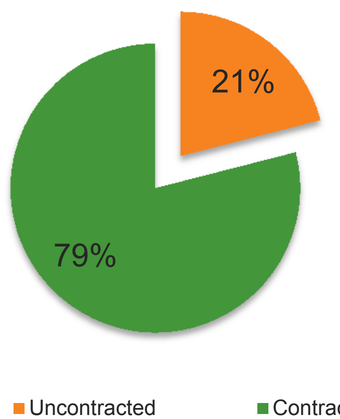
Highly Contracted Revenue

- **Covanta primarily generates revenue from 3 sources – *paid every step of the way***

Waste & Service
71% of revenue

- ~85% contracted, typically with inflation escalators
- Paid either per-ton "tip fee" or fixed service fee
- Excellent track record extending long-term contracts

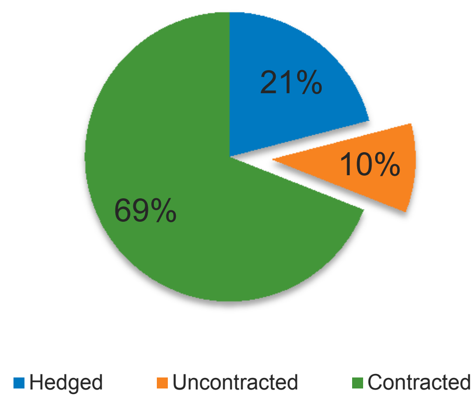
LTM: $1,173 million



Energy
22% of revenue

- ~6.1 million MWh generation in 2016 (net of client sharing)
- ~85% contracted or hedged
- Increasing output at market prices over time
- Concentrated in attractive markets

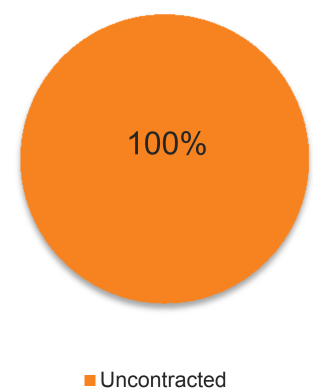
LTM: $366 million



Metal
3% of revenue

- Generate revenue on ~335k tons of ferrous metal and ~36k tons of non-ferrous metal (net of client sharing)
- Metals are sold at spot market prices

LTM: $56 million



Notes: Figures presented for North America operations. Revenue figures are twelve months ended September 30, 2016. Contracted energy revenue % includes capacity auction revenue.

COVANTA
Powering Today. Protecting Tomorrow.

Evolution of Covanta

1980's - 2008

- Construction and acquisition of EfW portfolio
- Original service agreements
- Steady repayment of project debt

2009 - 2014

- Established shareholder-focused capital allocation policy
  - $1.00 per share dividend
  - +$1 billion returned to shareholders to date
- Growth in metal recovery and profiled waste
- Mark-to-market of waste contract portfolio

2015 - 2017

- Continuous improvement program established
- Building Environmental Solutions growth platform
- Dublin EfW facility construction
- Mark-to-market of energy contract portfolio

2018+

- Contract portfolio at market
- Dublin facility in operation
- Compelling long-term growth drivers
  - Sustainable organic growth
  - New investment opportunities
- Favorable market outlook

Meaningful Growth Drivers

Organic

Continuous Improvement

- **Maximize EfW facility production and cost efficiency**
  - o Unmatched operating track record
  - o Employing Lean Six Sigma tools
- **Environmental Solutions growth**
- **Metals recovery and ash management**

Markets

- Favorable long-term waste market dynamics
- Significant upside to commodity price recovery

Underpins long-term cash flow growth and dividend coverage

New Investment

- **Execute on projects underway**
  - o Dublin, NYC MTS contract
- **EfW project development pipeline**
  - o North America, UK, China
- **Synergistic acquisitions**
  - o Environmental Solutions
  - o EfW

Opportunities to invest capital at attractive equity returns

Growth Drivers: Environmental Solutions

EfW Profiled Waste

- EfW footprint is unmatched in North America
- Provides a network for customers requiring thermal destruction and/or zero landfill services for non-hazardous waste
- Internalization of profiled waste displaces spot MSW

~$100 million Revenue
~50% Adjusted EBITDA margin

+

Environmental Services

- Leverage EfW portfolio for new service revenue opportunities
- Recycling, shredding, liquids processing / treatment, transportation and logistics, on-site services

~$100 million Revenue
~20% Adjusted EBITDA margin

Targeting >$100 million revenue growth over next 3 years via organic growth and M&A

COVANTA
Powering Today. Protecting Tomorrow.

Growth Drivers: Metals Recovery and Ash Management

1. EfW Plant Recovery Systems

- "Traditional" approach
- Optimize recovery from existing systems – continuous improvement opportunity
- 5-6 new installation opportunities at municipally-owned facilities

2. Metals Processing for Enhanced Product

- Adding non-ferrous processing at Fairless Hills, PA facility
- Plan to build out ferrous processing capability in New England, Virginia, Florida

3. Enhanced Metal Recovery and Ash Reuse

- "Total Ash Processing System" technology
- Recover stainless steel and other high value metal in fractional sizes
- Long-term goal of recovering 65-70% of ash for material sale and/or reuse

COVANTA
Powering Today. Protecting Tomorrow.

Growth Drivers: Executing on New Projects

Dublin EfW Facility

- 600,000 annual tonnes, 58 MW
- €500 million total capital investment at less than 9x Adjusted EBITDA multiple
- Construction >75% complete, with commercial operations targeted late 2017

New York City MTS Contract

- Multimodal transportation and disposal for ~800,000 tons of NYC waste via two marine transfer stations
- Investing ~$150 million at attractive IRR
- Operations at first MTS (Queens) began in Q1 2015; second MTS (Manhattan) expected to begin in 2019

COVANTA
Powering Today. Protecting Tomorrow.

Stable and Flexible Balance Sheet

As of 9/30/16
(Face Value; $ in millions)

Covanta Holding Corporation

7.250% Senior Notes due 2020:	$400
6.375% Senior Notes due 2022:	400
5.875% Senior Notes due 2024:	400

Covanta Energy, LLC

Revolving Credit Facility due 2019-2020: (1)	$384
Term Loan due 2020:	198
Equipment Leases due 2024-2027:	69
Tax-Exempt Corporate Bonds due 2024-2045: (2)	464

International Subsidiaries

Project Debt: $203

Domestic Subsidiaries

Project Debt: $225

- Weighted average debt maturity of ~9 years, with no material corporate maturities until 2020
- Ample liquidity with $468 million availability under revolver at 9/30/16

1) Total facility size of $1.0 billion ($50 million due 2019 and $950 million due 2020), with $148 million letters of credit outstanding and $468 million availability at September 30, 2016.
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.

COVANTA
Powering Today. Protecting Tomorrow.

Capital Allocation Policy

Dividend

- Annualized cash dividend of $1.00 / share

Growth Investments

- *Disciplined approach*
- Organic growth investments
- Project development
- Opportunistic M&A

Deleveraging

- Contribution from investments coming online
- Opportunistic debt repayment

Share Repurchases

- Repurchased 20% of shares to date
- Potential opportunistic use of capital, but not near-term priority

Key Investment Highlights

- **Critical infrastructure assets**
  - Essential service to host communities
  - Concentrated in attractive markets in Northeast U.S. with high barriers to entry – irreplaceable asset portfolio
- **World leader in Energy-from-Waste**
  - 42 EfW facilities with ~20 million tons disposal capacity – one of the largest operators in the world
  - Strong track record of operating performance – consistently achieve boiler availability in excess of 90%
- **Very attractive underlying economics**
  - Earn revenue from both input (waste disposal) and output (energy and recycled metal)
  - High Adjusted EBITDA margins (~25%) and Free Cash Flow conversion (~40%)
- **Highly contracted revenues with credit-worthy counterparties**
  - ~85% of revenue contracted or hedged
  - Customers are primarily municipalities and utilities
- **Substantial and consistent cash flow generation**
  - Cash flow underpins healthy shareholder capital returns and value-accretive reinvestment for growth
  - Business model and balance sheet built to support capital allocation strategy through the commodity and economic cycles

Attractive Dividend Yield with Compelling Long-term Growth Profile

Appendix

Q3 2016: Waste Update

- **Client and new business activity:**
  - Extended waste contracts with clients at Indianapolis (to 2025) and Huntsville (to 2020)
- **Q3 2016 EfW waste processing revenue vs. Q3 2015:**
  - Same store price up $6 million (2.5%); volume up $2 million (0.9%)
  - EfW profiled waste up 13% year-over-year
- **Trends and outlook:**
  - Uncontracted price improvement driven by strong Northeast price environment and continued mix shift away from low-priced spot MSW
  - Contractual price escalations running at ~1%

(Unaudited)

North America EfW (1) (in millions, except price)	Q3 2015A	Q3 2016A	2016E
Waste & Service Revenue:			
Waste Processing	$230	$241	$935 - $965
Debt Service	4	2	9
Other (2)	2	3	5 - 10
Total	**$236**	**$246**	**$950 - $980**
Tons: (3)			
Contracted (4)	4.4	4.6	
Uncontracted	0.5	0.5	
Total	**4.9**	**5.1**	**19.5 - 19.7**
Revenue per Ton: (5)			
Contracted	$44.57	$44.21	
Uncontracted	$69.21	$76.76	
Average	**$47.01**	**$47.45**	**$48.00 - $49.00**

1) North America EfW results include only Energy-from-Waste assets.
2) Other includes service revenue not directly related to waste processing.
3) Excludes liquid waste.
4) Includes contracts at transfer stations from which waste is internalized.
5) Calculated for waste and service revenue, excluding debt service and other revenue.

COVANTA
Powering Today. Protecting Tomorrow.

Q3 2016: Energy Update

- **Q3 2016 EfW energy revenue drivers vs. Q3 2015:**
  - Same store revenue up 0.6%
    - Price up $4 million
    - Volume down $4 million as a result of downtime at a few merchant facilities
- **Trends and outlook:**
  - Average contracted price benefited by strong prices under LIPA collar contract
  - Hot summer weather extending into September supported market prices
  - End of season gas storage and winter weather forecasts will drive forward markets
  - Remaining uncontracted exposure in 2016 approximately 500k MWh
  - Hedging activity:
    - Market exposure in 2017 and 2018 hedged down to 1.7 and 4.1 million MWh, respectively
    - Average hedge price for 2017 is approximately $35 per MWh

(Unaudited)

North America EfW (in millions, except price)	Q3 2015A	Q3 2016A	2016E
Energy Revenue:			
Energy Sales	$76	$81	$305 - $315
Capacity	10	11	~40
Total	**$86**	**$92**	**$345 - $360**
MWh Sold:			
Contracted	0.8	0.8	3.0 - 3.1
Hedged	0.3	0.5	~1.9
Market	0.4	0.2	~1.1
Total	**1.5**	**1.5**	**6.0 - 6.2**
Revenue per MWh: (1)			
Contracted	$63.69	$65.82	~$65
Hedged	$44.05	$37.98	~$42
Market	$30.86	$37.32	~$30
Average	**$50.78**	**$52.63**	**~$52**

1) Excludes capacity revenue.

Q3 2016: Recycled Metals Update

- **Q3 2016 revenue drivers vs. Q3 2015:**
  - Volume:
    - Ferrous down 21% – sales volume impacted by centralized processing and timing of shipments
    - Non-ferrous up 13%
  - Price:
    - Ferrous up 3.1%, with lower market price more than offset by higher realized revenue as % of index
    - Non-ferrous down 19%
- **Market trends and outlook:**
  - Market pricing held steady in Q3, but starting to show seasonal shift downward as expected

(Unaudited)

North America ($ in millions, except price; tons in thousands)	Q3 2015A	Q3 2016A	2016E
Metals Revenue:			
Ferrous	$10	$8	$30 - $37
Non-Ferrous	6	6	20 – 25
Total	**$16**	**$14**	**$50 - $60**
Tons Sold:			
Ferrous	90	72	330 – 340
Non-Ferrous	9	10	34 – 38
Revenue per Ton:			
Ferrous	$113	$117	$100 - $110
Non-Ferrous	$716	$581	$600 - $650
Average HMS index price [1]	$219	$212	$180 - $200

1) Q3 2016 and Q3 2015 average #1 Heavy Melt Steel composite index ($ / gross ton) as published by American Metal Market.

COVANTA
Powering Today. Protecting Tomorrow.

Q3 2016: Plant Operating Expense and Maintenance Capex Update

- **Q3 2016 summary:**
  - North America EfW plant maintenance expense up 8.5% vs. Q3 2015 on same store basis, driven primarily by scheduled capital projects at certain public facilities (expensed)
  - North America EfW other plant operating expenses:
    - Same store up 2.7% ($4 million) vs. Q3 2015 primarily due to wage and benefit inflation
    - Total North America EfW other plant operating expense up additional $3 million, primarily due to the Durham-York facility coming online
- **Trends and outlook:**
  - 2016 full-year maintenance spend now anticipated around the high end of our initial range, primarily as a result of increased maintenance activity and capital improvements at Fairfax facility

Total Company (in millions)	Q3 2015A	Q3 2016A	(Unaudited) 2016E
Plant Maintenance Expense:			
North America EfW	$43	$46	$265 - $275
Other	3	2	
Total	**$46**	**$48**	
Maintenance Capex:			
North America EfW	$7	$12	$85 - $95
Other	9	2	~20
Total	**$16**	**$14**	**$105 - $115**
Total EfW Maintenance Spend	**$50**	**$58**	**$350 - $370**
Other Plant Operating Expense:			
North America EfW	$151	$159	
Other	63	65	
Total	**$214**	**$224**	

COVANTA
Powering Today. Protecting Tomorrow.

Growth Investment Outlook

Growth Investments (Unaudited, in millions)	FY 2015 Actual	YTD 9/30/16	FY 2016 Outlook
Organic growth investments [1]	$34	$38	~ $50
New York City contract	30	3	~5
Essex County EfW emissions control system [2]	26	27	~35
Acquisitions	72	9	9
Subtotal: Corporate funded	**$162**	**$77**	**~ $100**
Dublin facility construction	184	132	175 - 200
Total growth investments	**$346**	**$209**	**~ $275 - $300**

- 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 2016 outlook

1) Organic growth programs are focused primarily on growing waste and metal revenue.
2) Classified as growth investment because cost is reflected in overall economic benefit of contract restructuring completed in 2013.

COVANTA
Powering Today. Protecting Tomorrow.

Capitalization Summary

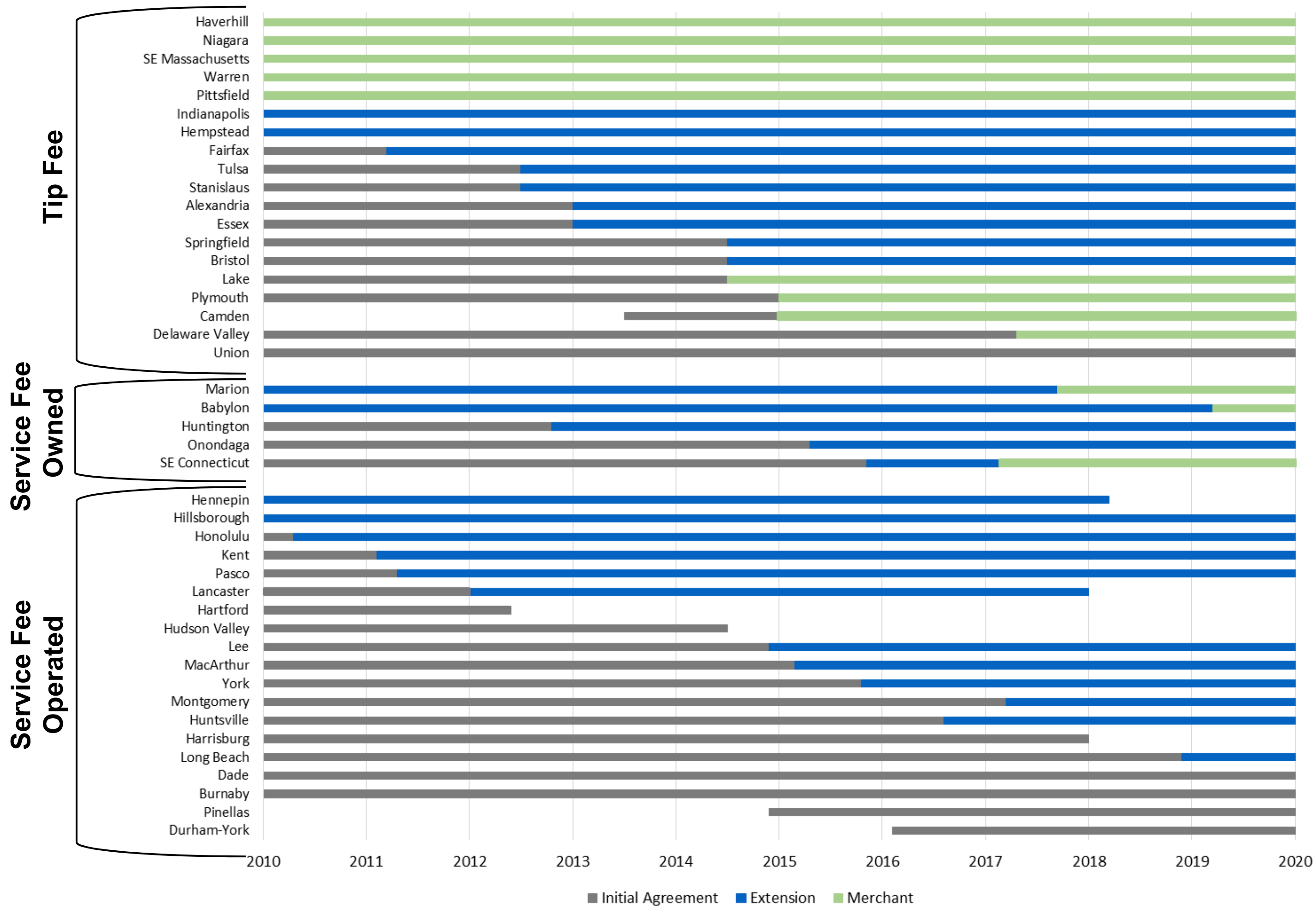
(Face value; unaudited, in millions)	12/31/2014	12/31/2015	9/30/2016
Cash and Cash Equivalents	$84	$94	$113
Corporate Debt:			
Secured	$405	$621	$651
Unsecured	1,569	1,664	1,664
Total Corporate Debt	$1,974	$2,285	$2,315
Project Debt	225	197	428
Total Debt	$2,199	$2,482	$2,743
Net Debt (1)	$2,029	$2,326	$2,572
Stockholders' Equity	$784	$640	$500
Credit Ratios:			
Net Debt / Adjusted EBITDA Ratio	4.3x	5.4x	6.3x
Excluding Non-Recourse Construction Debt (2)	4.3x	5.3x	5.8x
Senior Credit Facility Leverage Ratio (3)	2.1x	2.9x	3.2x

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, 2016), and escrowed construction financing proceeds ($42 million at September 30, 2016).
2) Excludes $191 million of net debt (debt of $203 million less restricted funds of $12 million) outstanding at September 30, 2016 at Dublin project subsidiary.
3) Leverage ratio as calculated for senior credit facility covenant. Effectively represents leverage at Covanta Energy, LLC and subsidiaries.

COVANTA
Powering Today. Protecting Tomorrow.

Major Municipal Waste Contract Transitions

Renewed 34 out of 38 anchor municipal client contracts for average extension of ~10 years



COVANTA
Powering Today. Protecting Tomorrow.

Long-term Outlook: Energy Detail

North America EfW Facilities (Unaudited, in millions, except price)	2014A	2015A	2016E	2017E	2018E	2019E	2020E
MWh Sold – CVA Share:							
Contracted	3.2	3.0	3.1	2.4	2.1	2.1	2.1
Hedged	1.4	1.4	1.9	2.4	0.3	—	—
Market	1.1	1.4	1.1	1.7	4.1	4.5	4.5
Total MWh Sold	**5.6**	**5.8**	**~6.1**	**~6.5**	**~6.5**	**~6.6**	**~6.6**
Market Sales (MWh) by Geography:							
PJM East	0.4	0.5	0.5	0.8	2.4	2.7	2.7
NEPOOL	0.3	0.3	0.1	0.4	1.0	1.1	1.1
NYISO	—	0.1	0.1	0.1	0.2	0.2	0.2
Other	0.3	0.4	0.4	0.4	0.5	0.5	0.5
Total Market Sales	**1.1**	**1.4**	**1.1**	**1.7**	**4.1**	**4.5**	**4.5**
Revenue per MWh: (1)							
Contracted	$67.56	$65.56	~$65	Average ~$57 / MWh on contracts expiring through 2020			
Hedged	$42.87	$45.64	~$42				
Market	$49.12	$33.18	~$30				
Average Revenue per MWh	**$58.06**	**$53.17**	**~$52**				

- **Note: Production estimates for 2017 - 2020 are approximated based on historical operating performance and expected contract structures**

Note: hedged generation as presented above reflects only existing hedges.
1) Excludes capacity revenue.

COVANTA
Powering Today. Protecting Tomorrow.

Non-GAAP Reconciliation: Adjusted EBITDA & Free Cash Flow

(Unaudited, in millions)	Q3 2016	Q3 2015	YTD 2016	YTD 2015	Full Year Estimated 2016 [1]
Net Income (Loss) Attributable to Covanta Holding Corporation	**$54**	**$34**	**$(12)**	**$(9)**	
Depreciation and amortization expense	52	50	155	148	
Interest expense, net	35	34	103	102	
Income tax expense (benefit)	12	11	5	(19)	
Impairment charges	—	—	19	24	
Gain on sale of business	(43)	—	(43)	—	
Loss on extinguishment of debt	—	—	—	2	
Debt service billings in excess of revenue recognized	1	—	3	1	
Severance and reorganization costs	1	1	3	3	
Non-cash compensation expense	4	4	13	15	
Capital type expenditures at service fee operated facilities [2]	6	3	29	25	
Other	2	2	7	9	
Total adjustments	**70**	**105**	**294**	**310**	
Adjusted EBITDA	**$124**	**$139**	**$282**	**$301**	**$390 - $430**
Cash paid for interest, net of capitalized interest	(24)	(22)	(91)	(83)	
Cash paid for taxes	(3)	(2)	(7)	(6)	
Capital type expenditures at service fee operated facilities [2]	(6)	(3)	(29)	(25)	
Adjustment for working capital and other	(3)	11	(9)	(33)	
Cash flow provided by operating activities from continuing operations	**$88**	**$123**	**$146**	**$154**	**$245 - $295**
Maintenance capital expenditures	(14)	(16)	(82)	(71)	**(105) – (115)**
Free Cash Flow	**$74**	**$107**	**$64**	**$83**	**$140 - $180**
Weighted Average Diluted Shares Outstanding	131	134	129	132	

1) Guidance reaffirmed as of October 25, 2016.
2) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements*.

COVANTA
Powering Today. Protecting Tomorrow.

Non-GAAP Reconciliation: Adjusted EBITDA

(Unaudited, in millions)	Full Year 2014	Full Year 2015	LTM 9/30/2016
Net (Loss) Income Attributable to Covanta Holding Corporation	**$(2)**	**$68**	**$65**
Operating loss related to insurance subsidiaries	2	—	—
Depreciation and amortization expense	211	198	205
Debt service expense	147	134	135
Income tax expense (benefit)	15	(84)	(60)
Impairment charges	64	43	38
Gain on sale of business	—	—	(43)
Loss on extinguishment of debt	2	2	—
Net income attributable to noncontrolling interests in subsidiaries	1	1	1
Debt service billings in excess of revenue recognized	2	1	3
Severance and reorganization costs	9	4	4
Non-cash compensation expense	17	18	16
Capital type expenditures at service fee operated facilities (1)	—	31	35
Other	6	12	10
Total adjustments	**476**	**360**	**344**
Adjusted EBITDA	**$474**	**$428**	**$409**

1) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements.*

Note: Adjusted EBITDA results provided to reconcile the denominator of the Net Debt / Adjusted EBITDA ratios on slide 23.

COVANTA

Powering Today. Protecting Tomorrow.

Non-GAAP Reconciliation: Adjusted EPS

(Unaudited, in millions, except per share amounts)	Q3		YTD	
	2016	2015	2016	2015
Diluted Earnings (Loss) Per Share	$0.42	$0.25	$(0.09)	$(0.07)
Reconciling Items	(0.24)	(0.03)	(0.14)	0.11
Adjusted EPS	**$0.18**	**$0.22**	**$(0.23)**	**$0.04**
Reconciling Items				
Impairment charges	$—	$—	$19	$24
Severance and reorganization costs	—	1	2	7
Gain on sale of business	(43)	—	(43)	—
Loss on extinguishment of debt	—	—	—	2
Effect on income of derivative instruments not designated as hedging instruments	1	(3)	2	(3)
Effect of foreign exchange (gain) loss on indebtedness	—	1	(1)	2
Total Reconciling Items, pre-tax	(42)	(1)	(21)	32
Pro forma income tax impact	10	(4)	2	(18)
Grantor trust activity	1	1	1	1
Total Reconciling Items, net of tax	**$(31)**	**$(4)**	**$(18)**	**$15**
Diluted Earnings Per Share Impact	**$(0.24)**	**$(0.03)**	**$(0.14)**	**$0.11**

COVANTA
Powering Today. Protecting Tomorrow.

LTM Revenue Calculation

North America (Unaudited, in millions)	Full Year 2015	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2016	LTM 9/30/2016
Waste and service revenue	$1,102	$803	$874	$1,173
Energy revenue	385	292	273	366
Metals revenue	61	49	44	56
Other operating revenue	59	40	44	63
Total Operating Revenue	**$1,607**	**$1,184**	**$1,235**	**$1,658**

Note: LTM 9/30/16 revenue calculated as FY 2015, less nine months ended 9/30/15, plus nine months ended 9/30/16.

Keys and Information

Refers to slide 5

COVANTA Energy-from-Waste process

1. Post-recycled municipal solid waste is picked up at your home or business.
2. Waste is delivered and temporarily stored in a bunker. We maintain the building around the tipping and bunker area under negative pressure and use this air in the combustion process to control odor.
3. The waste is fed into a combustion chamber and burned at extremely high temperatures in a self-sustaining process.
4. Heat from combustion boils water to create steam.
5. The steam turns a turbine-driven generator to produce electricity, or may sometimes be used directly for heating or industrial processes.
6. Electricity is distributed to the grid and used to power homes and businesses.
7. State-of-the-art air pollution control equipment is used to cool, collect, and clean combustion gases. This equipment operates under stringent state and federal standards.
8. We control emissions of particulate matter primarily through a baghouse (fabric filter).
9. Emissions and other operating criteria are continuously monitored to ensure compliance with state and federal standards.
10. Residual material from the combustion process is collected for processing and metals extraction.
11. Ferrous and non-ferrous metals are extracted for recycling.
12. Remaining residual materials are beneficially reused or disposed of in a landfill.

EfW Project Structures

	Tip Fee	Service Fee: Owned	Service Fee: Operated
Number of Facilities [1]	19	5	17
% of Tons Processed	~55%	~5%	~40%
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.

COVANTA
Powering Today. Protecting Tomorrow.

North American EfW Facility Detail

Tip Fee	Service Fee (Owned)	Service Fee (Operated)
Alexandria / Arlington (VA)	Babylon (NY)	Burnaby (BC, Canada)
Bristol (CT)	Huntington (NY)	Dade (FL)
Camden (NJ)	Marion County (OR)	Durham / York (Ontario, Canada)
Delaware Valley (PA)	Onondaga County (NY)	Harrisburg (PA)
Essex County (NJ)	Southeast Connecticut (CT)	Hennepin County (MN)
Fairfax County (VA)		Hillsborough County (FL)
Haverhill (MA)		Honolulu (HI)
Hempstead (NY)		Huntsville (AL)
Indianapolis (IN)		Kent County (MI)
Lake County (FL)		Lancaster County (PA)
Niagara (NY)		Lee County (FL)
Pittsfield (MA)		Long Beach (CA)
Plymouth (PA)		MacArthur (NY)
Southeast Massachusetts (MA)		Montgomery County (MD)
Stanislaus County (CA)		Pasco County (FL)
Springfield (MA)		Pinellas County (FL)
Tulsa (OK)		York (PA)
Union County (NJ)		
Warren County (NJ)		

COVANTA
Powering Today. Protecting Tomorrow.

Non-GAAP Financial Measures

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 September 30, 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 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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.

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 September 30, 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.