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Investor Presentation

NYSE: CVA JUNE 2018

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 (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 assumptions and other 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: the risks and uncertainties affecting Covanta's business 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, and 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, tax laws, environmental laws, labor laws and healthcare laws; 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 Covanta's facilities and Covanta's ability to retain the rights to operate facilities Covanta does not own; Covanta's and the joint ventures ability to avoid adverse publicity or reputational damage relating to its business; difficulties in the financing, development and construction of new projects and expansions, including increased construction costs and delays; Covanta's ability to realize the benefits of long-term business development and bear the costs of business development over time; Covanta's ability to utilize net operating loss carryforwards; 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 joint ventures 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 Covanta's businesses described periodic securities filings by Covanta with the SEC.

Although Covanta believes that its plans, cost estimates, returns on investments, 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 forward-looking statements. Covanta's and the joint ventures future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to 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.

Note: All estimates with respect to 2018 and future periods are as of April 26, 2018. 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.

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, Free Cash Flow Before Working Capital, 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, Free Cash Flow Before Working Capital, and Adjusted EPS 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, Free Cash Flow, Free Cash Flow Before Working Capital, 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 or divestiture candidates, and highlight trends in the overall business.

Covanta – World Leader in Energy-from-Waste

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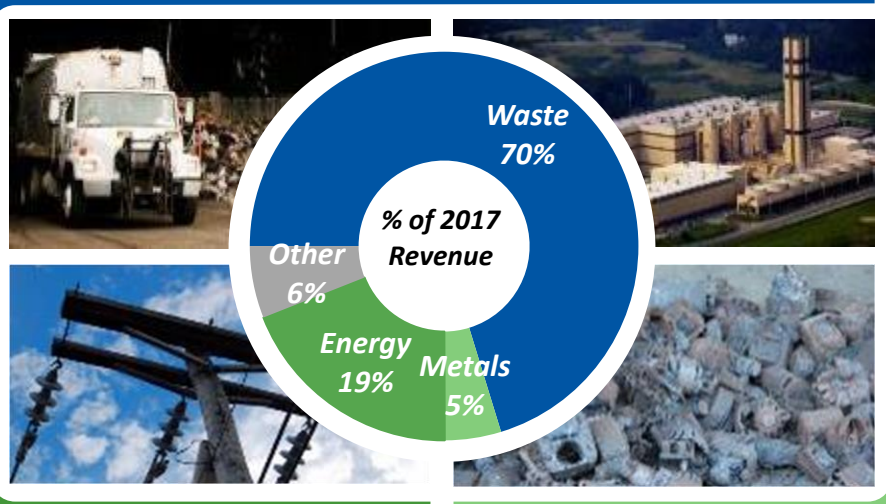
Waste:

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

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

19 material processing facilities



FY 2018 Guidance:

- **Adjusted EBITDA: $425 - $455 million**
- **Free Cash Flow: $70 - $100 million**
- **FCF Before W/C: $100 - $130 million**

$1.00 Dividend

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 as of April 26, 2018.

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

Market Leader in the U.S.

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~400 Million Tons of Waste Annually

64%
Landfill

7%
Waste-to-Energy

Covanta
~70%
of this market

29%
Recycling / Composting

Benefits of EfW

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

Irreplaceable Infrastructure

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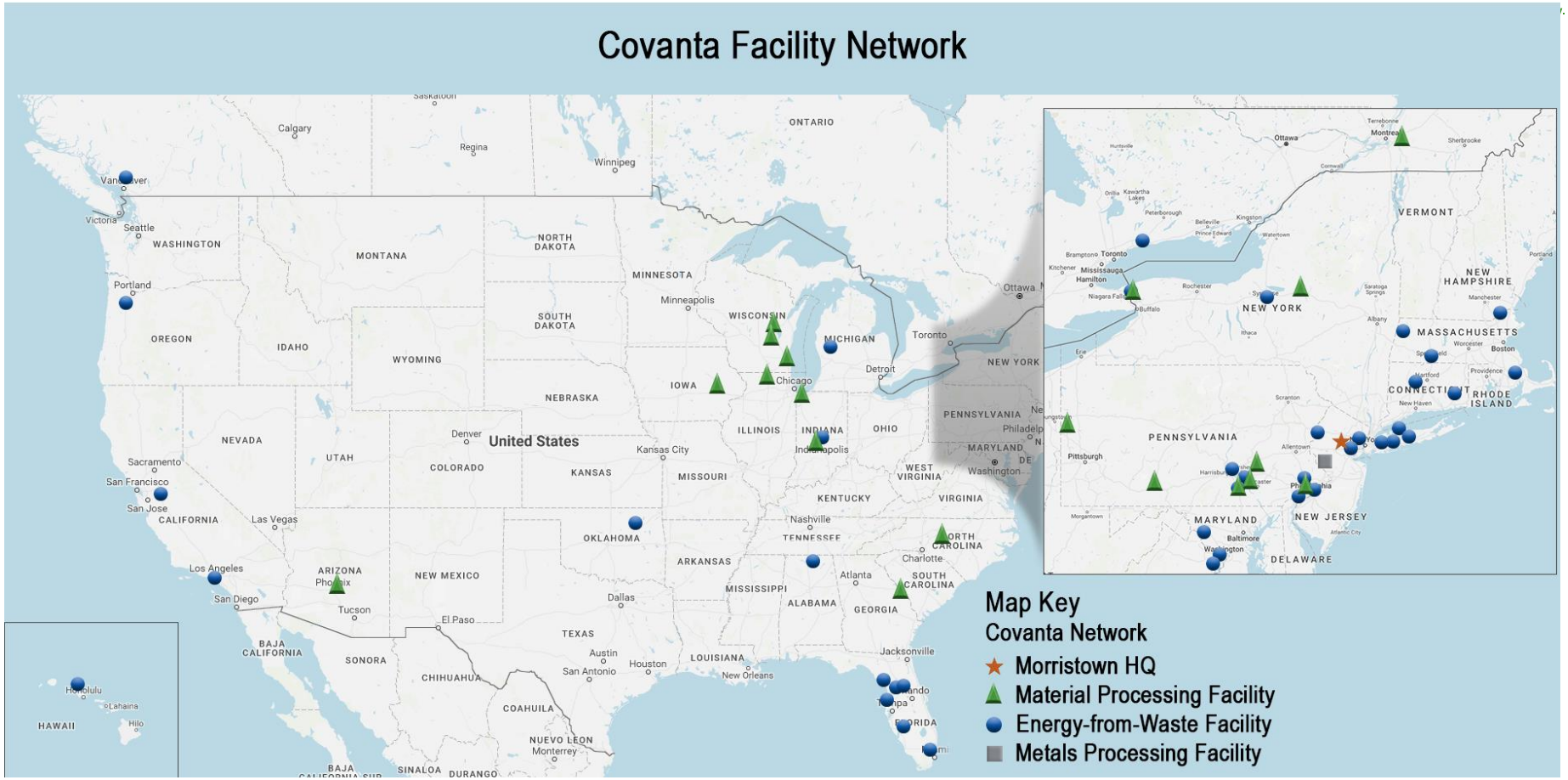

Advantages

- 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

Entering a New Growth Era

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1980s - 2008	2009 - 2017	2018+

Build

- Assembled unmatched EfW portfolio
  - Construction and acquisitions

Transition

- Successfully managed headwinds
  - Mark-to-market of original long-term contracts
  - Commodity prices

Growth

- Outlook for sustainable long-term growth
  - Organic growth opportunities
  - International development

Key Growth Drivers

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Organic

Core Business

- **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 pipeline**
  - Dublin facility commenced operations in Q4 2017
  - GIG partnership provides robust UK opportunity
  - Long-term opportunities in other international markets
- **Disciplined, synergistic acquisitions**
  - Environmental Solutions
  - EfW

Opportunities to invest capital at attractive equity returns

Targeting $250 million Free Cash Flow by mid next decade

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

~$140 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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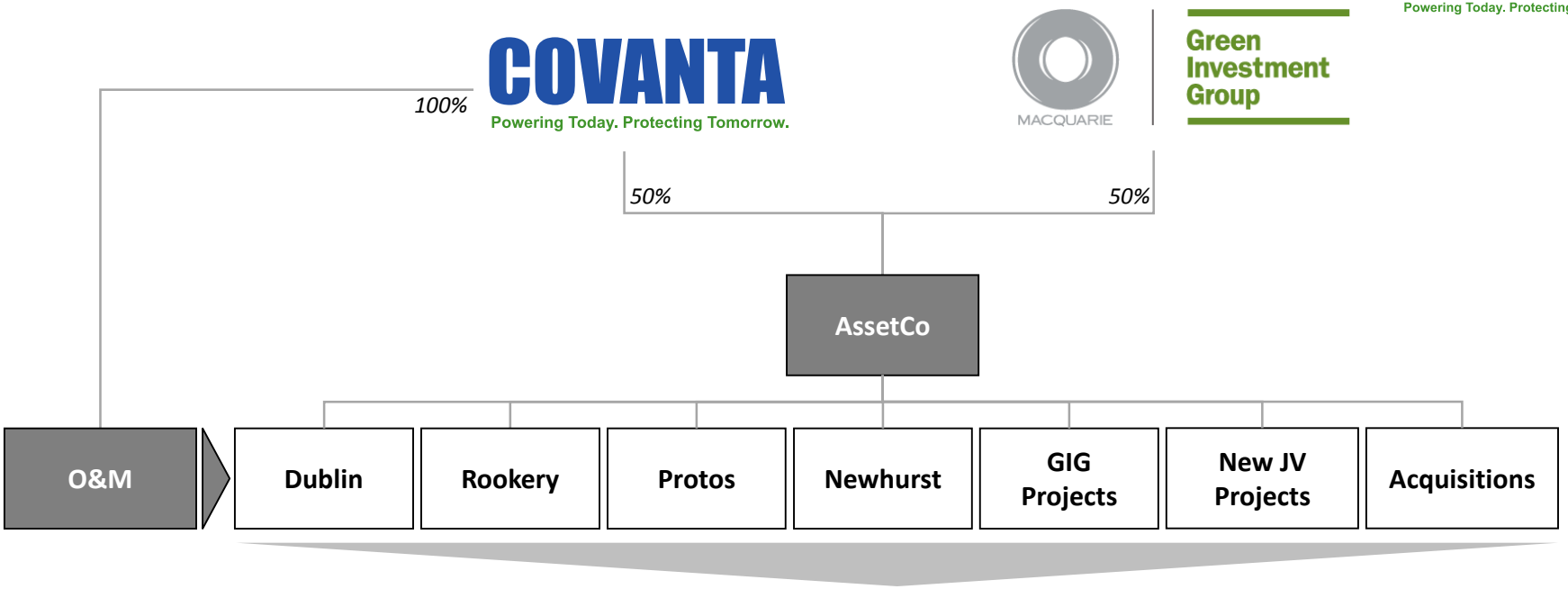
1. EfW Plant Recovery Systems	2. Metals Processing for Enhanced Product	3. Enhanced Metal Recovery and Ash Reuse

• Significant growth in recovery: +30% ferrous and +170% non-ferrous since 2012
• Continued focus on optimizing recovery
	• Centralized processing of ferrous and non-ferrous driving improved pricing
	  ○ 60% of ferrous
	  ○ 90% of non-ferrous
		• 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



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 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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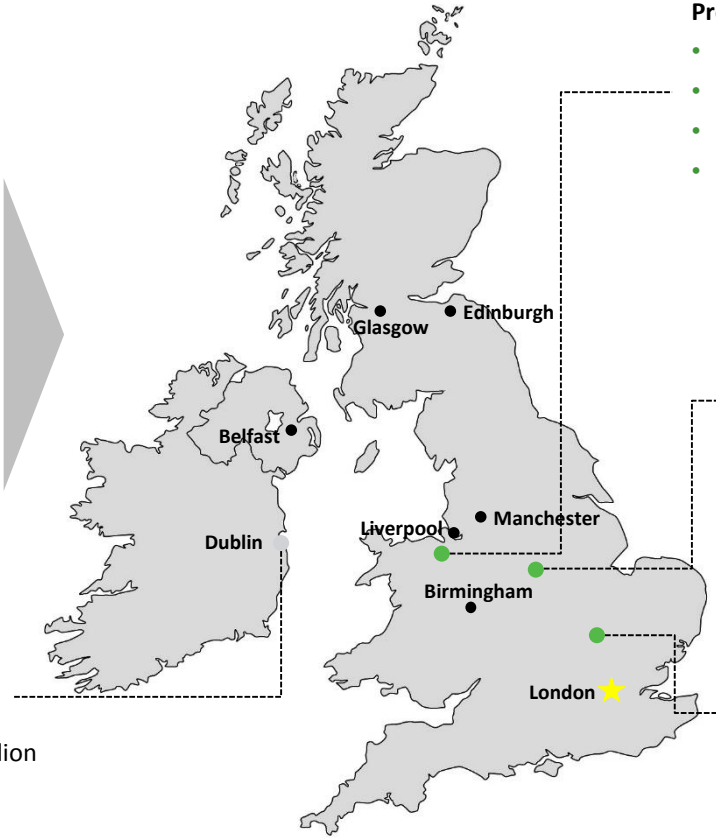
GIG brings portfolio of UK EfW development projects [1]

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

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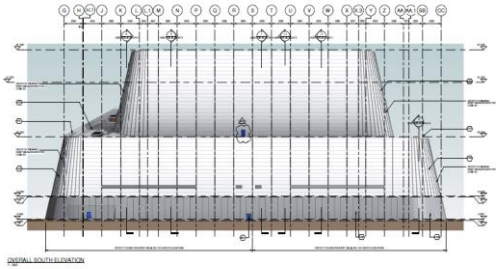
Project Overview

- 600,000 tons of annual capacity generating 58 MW of power
- Attractive contract structure
  - 90% of waste under long-term contract
  - 50% of power contracted at premium renewable tariff
- Commenced operations in Q4 2017

Attractive Valuation

- GIG invested €136 million for 50% stake in Dublin (via partnership)
- Project valued at >13x EBITDA
  - Represents market value for a premier world class asset
- Covanta recouped majority of invested equity and maintains 50% ownership
  - Premium highlights value accretion from development activities
- Covanta operates facility



Capitalization Summary

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(Face value; unaudited, in millions)	12/31/2016	12/31/2017	3/31/2018
Cash and Cash Equivalents	$84	$46	$51
Corporate Debt:			
Secured	$608	$705	$645
Unsecured	1,664	1,664	1,664
Total Corporate Debt	$2,272	$2,369	$2,309
Project Debt	406	171	162
Total Debt	$2,678	$2,540	$2,471
Net Debt (1)	$2,547	$2,469	$2,400
Stockholders' Equity	$469	$427	$645
Credit Ratios:			
Consolidated Leverage Ratio (1)	6.2x	6.4x	5.6x
Senior Credit Facility Leverage Ratio (2)	3.0x	3.6x	3.0x

Consolidated Leverage Ratio at lowest level since Q4 2015

1) Consolidated Leverage Ratio is equal to Net debt, calculated as total principal amount of debt outstanding less cash and cash equivalents, debt service principal-related restricted funds ($13 million at March 31, 2018) and escrowed construction financing proceeds ($7 million at March 31, 2018) divided by Adjusted EBITDA excluding the impact of Dublin Adjusted EBITDA.
2) Leverage ratio as calculated for senior credit facility covenant. Effectively represents leverage at Covanta Energy, LLC and subsidiaries.

Key Investment Highlights

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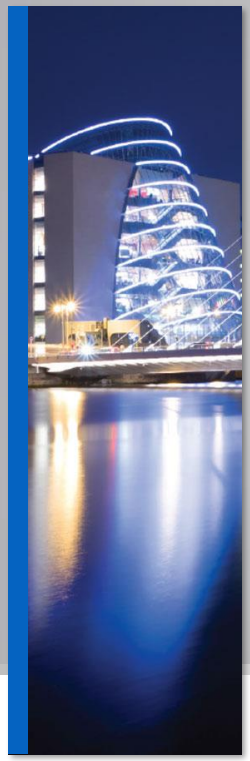
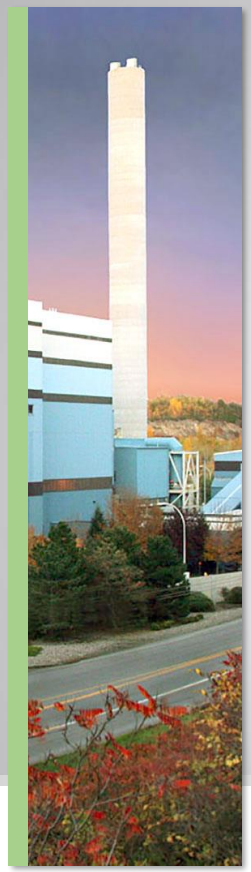
Leader in Energy-from-Waste	• EfW is a unique renewable energy business • Compelling environmental benefits
Critical Infrastructure Assets	• Essential service to host communities • Concentrated in attractive markets in Northeast U.S. with high barriers to entry
Attractive Business Model	• Highly contracted revenue from multiple sources • Generates substantial and predictable cash flow
Strong Growth Outlook	• Multiple initiatives for organic growth • Strategic partnership with GIG to execute robust project development pipeline • Target $250 million Free Cash Flow by mid next decade

Healthy current dividend with attractive long-term growth profile





Appendix

Waste Update

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- **New business activity:**
  - Completed construction of Indianapolis MPF
  - Increased regulated medical waste processing capacity
- **Q1 2018 revenue drivers vs. Q1 2017:**
  - Same store EfW tip fee revenue:
    - Pricing up $3 million (2%)
    - Volume up by $8 million (6%); primarily Fairfax
  - Dublin added $13 million in waste and service revenue
  - Internalized profiled waste revenue grew 1%
  - Environmental services revenue increased 10%, with 3% organic growth
- **Trends and outlook:**
  - Further increases in waste processing volumes
  - Same store pricing to accelerate from Q1
  - Continued growth at Covanta Environmental Services
    - Increased utilization of MPFs
    - Faster growth of internalized profiled waste

(Unaudited)

(in millions, except price)	Q1 2017	Q1 2018	2018E
Waste & Service Revenue:			
EfW Tip Fees	$131	$153	$600 - $620
EfW Service Fees	98	99	410 - 420
Environmental Services	29	32	135 - 145
Municipal Services	44	45	200
Other	8	8	40
Intercompany	(23)	(26)	(100)
Total	**$286**	**$312**	**$1,285 - $1,325**
EfW Tons: (1)			
Tip Fee Contracted	1.9	2.1	8.6 - 8.7
Tip Fee Uncontracted	0.6	0.7	2.2
Service Fee	2.1	2.1	9.1 - 9.2
Total	**4.6**	**4.8**	**19.9 - 20.1**
EfW Tip Fee Revenue/Ton:			
Contracted	$48.68	$53.33	
Uncontracted	$68.45	$65.38	
Average Tip Fee	**$54.11**	**$56.20**	**$56 - $57**

1) Excludes liquid waste.
Note: certain amounts may not total due to rounding.

Major Waste Contracts

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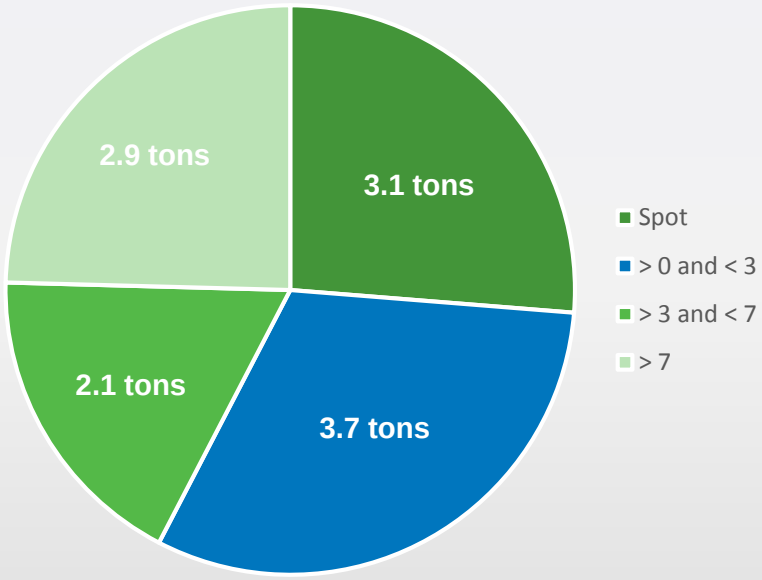
2018 Tip Fee Volume by Contract Length

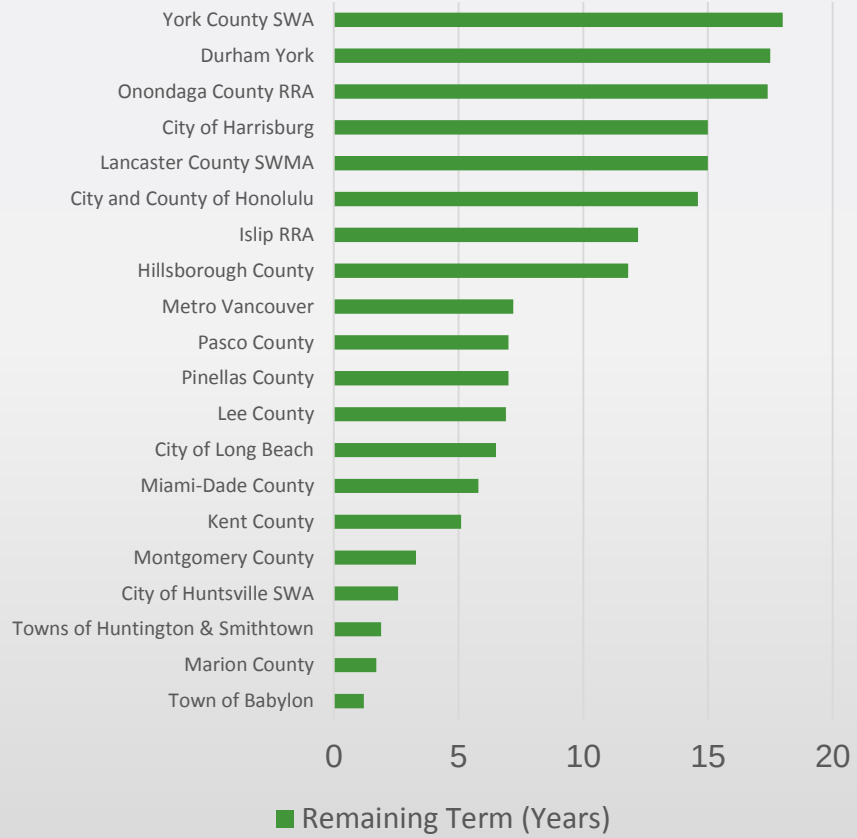
Weighted average contract length: 6 years



Volumes stated in millions.

Service Fee Facilities by Contract Length

Weighted average contract length: 9 years



Note: Data as of year-end 2017.

Energy Update

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- **Q1 2018 revenue drivers vs. Q1 2017:**
  - Energy revenue, including capacity, increased $8 million (10%) on a same store basis
    - Energy price up 3%
    - Energy volume up $5 million; primarily Fairfax
    - Capacity revenue improved by $1 million
  - PPA expirations, including higher revenue share and greater capacity increased revenue by $2 million
  - Dublin contributed $5 million

- **Trends and outlook:**
  - Higher generation expected in 2018
  - Pricing improved in Q1 on weather; full year outlook unchanged
  - Hedge activity:
    - Highly hedged in 2018 with only 1.4 - 1.5 million MWh exposed to market prices
    - Actively reducing 2019 and 2020 market exposure

(Unaudited)

(in millions, except price)	Q1 2017	Q1 2018	2018E
Energy Revenue:			
Energy Sales	$76	$87	$265 - $285
Capacity	9	13	50
Total	**86**	**100**	**$315 - $335**
MWh Sold:			
Contracted	0.6	0.5	1.9 - 2.0
Hedged	0.6	0.8	3.0
Market	0.2	0.3	1.4 - 1.5
Total	**1.4**	**1.6**	**6.3 - 6.5**
Revenue per MWh: (1)			
Contracted	$70.85	$67.86	$65 - $66
Hedged	$47.76	$50.07	$33
Market	$24.44	$44.08	$25 - $37
Average	**$53.76**	**$54.56**	**$40 - $44**

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

Recycled Metals Update

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- **Q1 2018 revenue drivers vs. Q1 2017:**
  - Ferrous:
    - Price up $1 million (12%)
    - Sales volume up by $3 million (34%) on greater plant throughput and shipment timing
  - Non-ferrous:
    - Realized pricing up $5 million, a doubling from 2017, due to improved quality from processing
    - Sales volume down by $2 million (39%) as increased processing offset greater recovery

- **Trends and outlook:**
  - Increases in ferrous/non-ferrous recovery
  - HMS priced at $353 per ton in April
    - Full year outlook increased to $250 - $300
  - Initial tariff impacts on ferrous/non-ferrous are positive but longer term implications are less clear

(Unaudited)

($ in millions, except price; tons in thousands)	Q1 2017	Q1 2018	2018E
Metals Revenue:			
Ferrous	$10	$15	$45 - $55
Non-Ferrous	6	9	45 - 55
Total	**$16**	**$24**	**$90 - $110**
Tons Recovered:			
Ferrous	95	102	420 - 430
Non-Ferrous	9	11	40 - 45
Tons Sold:			
Ferrous	60	77	335 - 345
Non-Ferrous	9	7	28 - 33
Revenue per Ton Sold:			
Ferrous	$169	$193	$135 - $165
Non-Ferrous	$615	$1,192	$1,450 - $1,600
Average HMS index price [1]	$272	$321	$250 - $300
Average Old Cast Aluminum [2]	$0.60	$0.61	~$0.61

1) 2018 and 2017 average #1 Heavy Melt Steel composite index ($ / gross ton) as published by American Metal Market.
2) 2018 and 2017 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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- **Q1 2018 drivers vs. Q1 2017:**
  - Total EfW maintenance (expense + capex) higher year over year
    - Timing of planned maintenance expense
    - Increased capex in line with forecast
  - Other plant operating expense increased due to:
    - Dublin operations added $6 million
    - CES growth
    - Non-ferrous processing facility operations
  - $7 million in business interruption proceeds received in Q1 2018

- **Trends and outlook:**
  - 33% of 2018 scheduled maintenance spend completed in Q1 and full year outlook is unchanged
  - Other plant operating expense to increase year over year due to the full year impact of Dublin
  - Additional $5 million of business interruption insurance recoveries expected in 2H18

(Unaudited)

(in millions)	Q1 2017	Q1 2018	2018E
Plant Maintenance Expense:			
EfW	$97	$89	$285 - $295
Other	1	1	
Total	**$98**	**$90**	
Maintenance Capex:			
EfW	$25	$44	$105 - $115
Other	1	1	25
Total	**$27**	**$45**	**$130 - $140**
Total EfW Maintenance Spend	**$122**	**$133**	**$390 - $410**
Other Plant Operating Expense:			
EfW	$165	$177	
Other	70	78	
Total	**$234**	**$255**	
Other Operating Expense	**$15**	**$8**	

Note: certain amounts may not total due to rounding.

Growth Investment Outlook

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(Unaudited, in millions)	FY 2017 Actual	Q1 2018	FY 2018 Outlook
Organic growth investments [1]	$37	$8	~$20
New York City MTS contract	-	-	~15
Acquisitions	17	4	4
Subtotal: Corporate funded	**$54**	**$12**	**~$40**
Dublin facility construction	117	17	~25
Total growth investments	**$171**	**$29**	**~$65**

- Expect to spend a total of $35 million on 91st Street MTS with ~$20 million of spend in 2019
- 2018 spend on Dublin relates to final payments for plant completion that were funded at year end 2017
- The following items are not reflected in the 2018 outlook above:
  - Rookery – Covanta equity commitment and timing of spend to be disclosed when project reaches financial close
  - Ash processing – expect to spend ~$25 million on first unit once permit is received
  - Acquisitions to be targeted on an opportunistic basis – potential additional activity not reflected in FY 2018 outlook

1) Organic growth programs are focused primarily on growing waste, energy and metal revenue generated by our existing assets.
Note: certain amounts may not total due to rounding.

Stable and Flexible Balance Sheet

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As of 03/31/18

(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)	$387
Term Loan due 2020:	190
Equipment Leases due 2024-2027:	68
Tax-Exempt Corporate Bonds due 2024-2045: (2)	464

Domestic Subsidiaries

Project Debt: $165

1) Total facility size of $1.0 billion ($50 million due 2019 and $950 million due 2020), with $212 million letters of credit outstanding and $401 million availability at March 31, 2018.
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.

Long-term Outlook: Energy Detail

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Consolidated EfW (Unaudited, in millions, except price)	2016A	2017A	2018E	2019E	2020E	2021E	2022E
MWh Sold – CVA Share:							
Contracted	3.1	2.5	2.0	2.0	2.0	1.9	1.9
Hedged	1.9	2.7	3.0	1.6	0.1	—	—
Market	1.0	0.8	1.5	2.9	4.4	4.7	4.7
Total MWh Sold	**6.1**	**6.0**	**~6.4**	**~6.5**	**~6.5**	**~6.6**	**~6.6**
Market Sales (MWh) by Geography:							
PJM East	0.3	0.2	0.8	1.7	2.6	2.7	2.7
NEPOOL	0.2	0.2	0.2	0.7	1.2	1.2	1.2
NYISO	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Other	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Total Market Sales	**1.0**	**0.8**	**1.5**	**2.9**	**4.4**	**4.7**	**4.7**
Revenue per MWh: (1)							
Contracted	$65.98	$69.36	~$66				
Hedged	$42.77	$34.92	~$33				
Market	$31.35	$28.84	~$31				
Average Revenue per MWh	**$52.70**	**$48.26**	**~$42**				

- **Note: Production estimates for 2019 - 2022 are approximated based on historical operating performance and expected contract structures**

1) Excludes capacity revenue.
Note: hedged generation as presented above reflects only existing hedges. Certain amounts may not total due to rounding.

Non-GAAP Reconciliation: Adjusted EBITDA

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	Q1		Full Year		LTM
(Unaudited, in millions)	2017	2018	2016	2017	March 31, 2018
Net (Loss) Income	**$(52)**	**$201**	**$(4)**	**$57**	**$310**
Depreciation and amortization expense	52	54	207	215	217
Interest expense, net	36	38	138	147	149
Income tax (benefit) expense	(11)	(9)	22	(191)	(189)
Impairment charges	—	—	20	2	2
Debt service billings in excess of revenue recognized	1	1	4	5	5
Severance and reorganization costs	—	2	3	1	3
Stock-based compensation expense	5	9	16	18	22
Capital type expenditures at client owned facilities [1]	14	12	39	55	53
Loss (gain) on asset sales	4	(210)	(44)	6	(208)
Loss on extinguishment of debt	—	—	—	84	84
Business development costs	—	2	2	5	6
Property insurance recoveries	—	(7)	—	(2)	(9)
Adjustments to reflect Adjusted EBITDA from unconsolidated investments [2]	—	4	—	—	4
Other	2	3	7	6	8
Total adjustments	**103**	**(101)**	**414**	**351**	**147**
Adjusted EBITDA	**$51**	**$100**	**$410**	**$408**	**$457**

1) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements*.
2) Adjustment beginning in 2018 to reconcile the Equity in Income from unconsolidated investments to Proportional Adjusted EBITDA by adjusting for the proportional impact of depreciation & amortization, interest expense, and taxes at the unconsolidated subsidiary.

Non-GAAP Reconciliation: Free Cash Flow and Free Cash Flow Before Working Capital

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(Unaudited, in millions)	Q1 2017	Q1 2018	Full Year Estimated 2018 [1]
Adjusted EBITDA	**$51**	**$100**	**$425 - $455**
Cash paid for interest, net of capitalized interest	(26)	(33)	(140)
Cash paid for taxes, net	1	—	(5)
Capital type expenditures at client owned facilities [2]	(14)	(12)	(40)
Equity in net income from unconsolidated investments	—	—	(5-10)
Adjustments to reflect Adjusted EBITDA from unconsolidated investments [3]	—	(4)	(20)
Dividends from unconsolidated investments	—	—	10
Adjustment for working capital and other	(3)	(48)	(20 - 40)
Net cash provided by operating activities	**$9**	**$3**	**$195 - $225**
Changes in restricted funds - operating [4]	1	(10)	10
Maintenance capital expenditures	(27)	(45)	(140 - 130)
Free Cash Flow	**$(17)**	**$(52)**	**$70 - $100**
Less: Changes in Working Capital	(5)	44	20 - 40
Free Cash Flow Before Working Capital	**$(22)**	**$(8)**	**$100 - $130**

1) Guidance as of February 22, 2018.
2) Adjustment for impact of adoption of FASB ASC 853 – *Service Concession Arrangements*.
3) Adjustment beginning in 2018 to reconcile the Equity in Income from unconsolidated investments to Proportional Adjusted EBITDA by adjusting for the proportional impact of depreciation & amortization, interest expense, and taxes at the unconsolidated subsidiary.
4) Adjustment for the impact of the adoption of ASU 2016-18 effective January 1, 2018. As a result of adoption, the statement of cash flows explains the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, changes in restricted funds are eliminated in arriving at net cash, cash equivalents and restricted funds provided by operating activities

Non-GAAP Financial Measures

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Free Cash Flow and Free Cash Flow Before Working Capital

Free Cash Flow is defined as cash flow provided by operating activities, plus changes in restricted funds - operating, less maintenance capital expenditures, which are capital expenditures primarily to maintain our existing facilities. Free Cash Flow Before Working Capital is defined as Free Cash Flow excluding changes in working capital. We use the non-GAAP measures of Free Cash Flow and Free Cash Flow Before Working Capital as criteria of liquidity and performance-based components of employee compensation. We use Free Cash Flow and Free Cash Flow Before Working Capital as measures 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 three months ended March 31, 2018 and 2017 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 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. As larger parts of our business is being conducted through unconsolidated entities that we do not control, we are adjusting 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 three months ended March 31, 2018 and 2017, 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 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.

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 and three months ended March 31, 2018 and 2017, reconciled for each such period to diluted income per share, which is believed to be the most directly comparable measure under GAAP.