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(Address of principal executive offices, including zip code)

(847) 367-5910

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "accelerated filer", "large accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer
Smaller reporting company	Emerging Growth Company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

On April 27, 2018, there were 85,576,526 shares of the Registrant's Common Stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

STERICYCLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

In millions, except per share data

	Three Months Ended March 31,	
	2018	2017
Revenues	\$895.0	\$892.4
Cost of revenues	536.5	523.7
Gross profit	358.5	368.7
Selling, general and administrative expenses	304.4	254.2
Income from operations	54.1	114.5
Other income (expense):		
Interest expense, net	(25.0)	(23.3)
Other expense, net	—	(1.5)
Income before income taxes	29.1	89.7
Income tax expense	(6.6)	(31.1)
Net income	22.5	58.6
Net income attributable to noncontrolling interests	—	(0.4)
Net income attributable to Stericycle, Inc.	22.5	58.2
Mandatory convertible preferred stock dividend	(8.8)	(9.4)
Gain on repurchase of preferred stock	7.3	4.6
Net income attributable to Stericycle, Inc. common shareholders	\$21.0	\$53.4
Earnings per common share attributable to Stericycle, Inc. common shareholders:		
Basic	\$0.25	\$0.63
Diluted	\$0.25	\$0.62
Weighted average number of common shares outstanding:		
Basic	85.5	85.2
Diluted	85.8	85.6

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

In millions

	Three Months Ended March 31,	
	2018	2017
Net income	\$22.5	\$58.6
Other comprehensive income:		
Foreign currency translation adjustments	16.3	26.5
Amortization of cash flow hedge into income, net of tax expense (\$0.1 and \$0.2 for the three months ended March 31, 2018 and 2017, respectively)	0.1	0.3
Total other comprehensive income	16.4	26.8
Comprehensive income	38.9	85.4
Less: comprehensive income attributable to noncontrolling interests	0.1	0.7
Comprehensive income attributable to Stericycle, Inc. common shareholders	\$38.8	\$84.7

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In millions, except per share data

	March 31, 2018	December 31, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$49.4	\$42.2
Accounts receivable, less allowance for doubtful accounts of \$67.9 in 2018 and \$65.2 in 2017	633.5	624.1
Prepaid expenses	61.8	80.0
Other current assets	48.2	46.3
Assets held for sale	17.7	20.8
Total Current Assets	810.6	813.4
Property, plant and equipment, less accumulated depreciation of \$635.2 in 2018 and \$603.2 in 2017	748.9	741.0
Goodwill	3,625.2	3,604.0
Intangible assets, less accumulated amortization of \$424.7 in 2018 and \$392.5 in 2017	1,771.2	1,791.5
Other assets	59.8	38.4
Total Assets	\$7,015.7	\$6,988.3
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$121.9	\$119.5
Bank overdrafts	12.6	7.0
Accounts payable	177.0	195.2
Accrued liabilities	624.6	588.1
Other current liabilities	58.7	54.5
Liabilities held for sale	5.1	5.1
Total Current Liabilities	999.9	969.4
Long-term debt, net	2,586.2	2,615.3
Deferred income taxes	357.4	371.1
Long-term taxes payable	59.5	55.8
Other liabilities	60.6	68.1
Total Liabilities	4,063.6	4,079.7
Commitments and contingencies		
Equity:		
Preferred stock (par value \$0.01 per share, 1.0 shares authorized), mandatory convertible preferred stock, Series A, 0.7 issued and outstanding in 2018 and 2017	—	—
Common stock (par value \$0.01 per share, 120.0 shares authorized, 85.6 issued and outstanding in 2018 and 85.5 issued and outstanding in 2017)	0.9	0.9
Additional paid-in capital	1,146.3	1,153.2
Retained earnings	2,063.5	2,029.5
Accumulated other comprehensive loss	(270.7)	(287.0)
Total Stericycle, Inc.'s Equity	2,940.0	2,896.6

Noncontrolling interests	12.1	12.0
Total Equity	2,952.1	2,908.6
Total Liabilities and Equity	\$7,015.7	\$6,988.3

See accompanying Notes to Condensed Consolidated Financial Statements.

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STERICYCLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

In millions

	Three Months Ended March 31,	
	2018	2017
OPERATING ACTIVITIES:		
Net income	\$22.5	\$58.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	30.8	29.1
Intangible amortization	31.9	29.1
Stock-based compensation expense	7.1	6.0
Deferred income taxes	(18.3)	8.7
Asset impairment charges and loss on disposal of assets held for sale	9.8	0.4
Other, net	(0.3)	2.6
Changes in operating assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable	(6.8)	25.5
Prepaid expenses	13.6	(12.6)
Accounts payable	(19.4)	(10.0)
Accrued liabilities	31.9	21.9
Other assets and liabilities	7.6	9.0
Net cash provided by operating activities	110.4	168.3
INVESTING ACTIVITIES:		
Capital expenditures	(28.5)	(33.1)
Payments for acquisitions, net of cash acquired	(15.9)	(16.9)
Other, net	0.3	0.2
Net cash used in investing activities	(44.1)	(49.8)
FINANCING ACTIVITIES:		
Repayments of long-term debt and other obligations	(12.2)	(12.8)
Proceeds from foreign bank debt	1.9	0.3
Repayment of foreign bank debt	(2.8)	(2.9)
Repayment of term loan	(11.9)	(30.0)
Proceeds from senior credit facility	303.1	383.9
Repayment of senior credit facility	(332.1)	(446.2)
Proceeds from bank overdrafts, net	5.5	7.0
Payments of capital lease obligations	(1.6)	(0.9)
Proceeds from issuance of common stock, net of shares withheld for taxes	3.7	3.5
Payments for repurchase of mandatory convertible preferred stock	(7.4)	(9.6)
Dividends paid on mandatory convertible preferred stock	(8.8)	(9.4)
Net cash used in financing activities	(62.6)	(117.1)
Effect of exchange rate changes on cash and cash equivalents	3.5	1.4
Net change in cash and cash equivalents	7.2	2.8
Cash and cash equivalents at beginning of period	42.2	44.2

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Cash and cash equivalents at end of period	\$49.4	\$47.0
SUPPLEMENTAL CASH FLOW INFORMATION:		
Net issuances of obligations for acquisitions	\$11.2	\$13.9
Capital expenditures in accounts payable	\$5.0	\$—
Interest paid during the period	\$17.0	\$21.2
Income taxes paid during the period, net of refunds	\$2.6	\$20.5

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF

CHANGES IN EQUITY

(Unaudited)

In millions

	Stericycle, Inc. Equity								
	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance as of January 1, 2017	0.7	\$ -	85.2	\$ 0.8	\$ 1,166.5	\$ 2,006.1	\$ (367.6)	\$ 10.6	\$ 2,816.4
Net income						42.4		0.6	43.0
Currency translation adjustment							79.3	1.2	80.5
Change in qualifying cash flow hedge, net of tax							1.3		1.3
Issuance of common stock for exercise of options and employee stock purchases, net of shares withheld for tax			0.3	0.1	17.2				17.3
Purchase and cancellation of convertible preferred stock	-	-			(51.5)	17.3			(34.2)
Preferred stock dividend						(36.3)			(36.3)
Stock compensation expense					21.3				21.3
Reduction to noncontrolling interests due to additional ownership					(0.3)			(0.4)	(0.7)
Balance as of December 31, 2017	0.7	-	85.5	0.9	1,153.2	2,029.5	(287.0)	12.0	2,908.6
Net income						22.5		-	22.5
Currency translation adjustment							16.2	0.1	16.3
Change in qualifying cash flow hedge, net of tax							0.1		0.1
Issuance of common stock for exercise of options and employee stock purchases, net of shares withheld for tax			0.1	-	0.7				0.7
Purchase and cancellation of convertible preferred stock	-	-			(14.7)	7.3			(7.4)
Preferred stock dividend						(8.8)			(8.8)
Stock compensation expense					7.1				7.1

Cumulative effect of new
accounting standard (see Note
2)

					13.0			13.0	
Balance as of March 31, 2018	0.7	\$ -	85.6	\$ 0.9	\$ 1,146.3	\$ 2,063.5	\$ (270.7) \$ 12.1	\$ 2,952.1

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(In millions, except per share data and unless otherwise indicated)

Unless the context requires otherwise, "Company", "Stericycle", "we," "us" or "our" refers to Stericycle, Inc. on a consolidated basis.

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

We are a business-to-business services provider with a focus on regulated and compliance solutions for healthcare, retail, and commercial businesses. This includes the collection and processing of regulated and specialized waste for disposal and the collection of personal and confidential information for secure destruction, plus a variety of training, consulting, recall/return, communication, and compliance services.

We were incorporated in 1989 and presently serve a diverse customer base of more than one million customers throughout the United States, Argentina, Austria, Australia, Belgium, Brazil, Canada, Chile, France, Germany, Ireland, Japan, Luxembourg, Mexico, the Netherlands, Portugal, Republic of Korea, Romania, Singapore, Spain, and the United Kingdom.

Summary of Significant Accounting Policies

Basis of Presentation: The accompanying Condensed Consolidated Financial Statements include the accounts of Stericycle, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's Condensed Consolidated Financial Statements were prepared in accordance with United States' Generally Accepted Accounting Principles ("U.S. GAAP") and include the assets, liabilities, revenue and expenses of all wholly-owned subsidiaries and majority-owned subsidiaries over which the Company exercises control. Outside shareholders' interests in subsidiaries are shown on the Consolidated Financial Statements as "Noncontrolling interests."

The accompanying unaudited Condensed Consolidated Financial Statements as of March 31, 2018 and for the three months ended March 31, 2018 and 2017 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting and, therefore, do not include all information and footnote disclosures normally included in audited financial statements prepared in conformity with U.S. GAAP. However, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations, financial position and cash flows have been made. These Condensed Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the 2017 Form 10-K. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Some areas where we make estimates include our allowance for doubtful accounts,

credit memo reserve, accrued employee health and welfare benefits, environmental liabilities, stock-based compensation expense, income tax liabilities, accrued auto and workers' compensation insurance claims, intangible asset valuations, and goodwill impairment. Such estimates are based on historical trends and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from our estimates.

The following information updates the description of significant accounting policies contained in Note 1 – Basis of Presentation and Summary of Significant Accounting Policies in our Consolidated Financial Statements included in the Company's 2017 Form 10-K.

Adoption of New Accounting Standards:

Revenue Recognition

Effective January 1, 2018, the Company adopted ASU No. 2014-19, "Revenue from Contracts with Customers" ("ASC 606") using the modified retrospective method to all contracts that were not completed as of the date of adoption. The results of operations for reported periods after January 1, 2018 are presented under this amended guidance, while prior period amounts are reported in accordance with ASC 605 Revenue Recognition, which is also referred to herein as "legacy U.S. GAAP" or historical guidance.

The impact of adopting ASC 606 relates to (i) the deferral of certain costs associated with obtaining contracts with customers, which were previously expensed as incurred, but under the new guidance are capitalized as Other current assets and Other assets and amortized to Selling, general and administrative expenses ("SG&A") over the expected period of benefit to be received, (ii) the write off of deferred installation costs, which were capitalized, as Prepaid expenses under legacy U.S. GAAP but will be expensed as incurred under ASC 606 and (iii) an increase in Deferred income tax liabilities with respect to the tax impact associated with these items. We recognized a net increase to Retained earnings of \$13.0 million as of January 1, 2018 for the cumulative effect of adopting ASC 606. This was comprised of \$23.3 million associated with the capitalization of contract acquisition costs offset by \$4.9 million write off of deferred installation costs and \$5.4 million to recognize Deferred income tax liabilities.

The impact to Income from operations from the adoption of ASC 606 was a decrease in SG&A of \$3.6 million for the three months ended March 31, 2018.

Definition of a Business

Effective January 1, 2018, the Company adopted ASU No. 2017-01, "Clarifying the Definition of a Business" ("ASU 2017-01"), which provides guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in ASU 2017-01 provide a screen to determine when an integrated set of assets and activities (collectively referred to as a "set") is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated. If the screen is not met, the amendments require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and remove the evaluation of whether a market participant could replace the missing elements. The guidance in ASU 2017-01 was applied in evaluating the transactions discussed in Note 3 – Acquisitions, but did not otherwise impact the accompanying Condensed Consolidated Financial Statements. Due to the number of acquisitions the Company completes in any year, there may be

instances where the acquisition will be determined to be an acquisition of assets instead of a business. The Company believes this will be a minority of the acquisitions completed in any year and that there will not be a material impact to our financial statements.

Intra-Entity Transfers of Assets Other Than Inventory

On January 1, 2018, the Company adopted the guidance in ASU No. 2016-16, “Intra-Entity Transfers of Assets Other Than Inventory” (“ASU 2016-16”). ASU 2016-16 requires the income tax consequences of an intra-entity transfer of an asset other than inventory to be recognized when the transfer occurs, instead of when the asset is sold to an outside party. The Company’s adoption of ASU 2016-16 did not have an impact on the accompanying Condensed Consolidated Financial Statements.

Compensation – Stock Compensation

On January 1, 2018, the Company adopted ASU No. 2017-09, “Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting” (“ASU 2017-09”). ASU 2017-09 clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The Company’s adoption of ASU 2017-09 did not have an impact on the accompanying Condensed Consolidated Financial Statements.

Accounting Standards Issued But Not Yet Adopted

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-02, “Leases” (Topic 842) (“ASU 2016-02”). This guidance will require lessees to record a right-of-use asset and lease liability on the balance sheet for all leases with terms of more than 12 months. ASU 2016-02 also requires certain quantitative and qualitative disclosures. Accounting guidance for lessors is largely unchanged. The guidance should be applied on a modified retrospective basis. This ASU is effective for the Company beginning January 1, 2019. During the second quarter of 2017, the Company engaged a third party service provider to assist us in our implementation of the new leases standard. The Company is currently gathering, documenting and analyzing lease agreements related to this ASU and anticipates recognizing material right-of-use assets and related liabilities upon adoption. We are also in the process of selecting and implementing a software package to manage and account for leases under the new guidance. Additionally, the Company is continuing to monitor industry activities and any additional guidance provided by or changed by regulators, standards setters, or the accounting profession to adjust the Company’s assessment and implementation plans accordingly.

Derivatives and Hedging

In August 2017, the FASB issued ASU No. 2017-12, “Derivatives and Hedging” (Topic 815): Targeted Improvements to Accounting for Hedging Activities (“ASU 2017-12”). ASU 2017-12 amends the hedge accounting recognition and presentation requirements with the objective of improving the financial reporting of hedging relationships to better portray the economic results of an entity’s risk management activities in its financial statements and enhance the transparency and understandability of hedge transactions. In addition, ASU 2017-12 makes improvements to simplify the application of the hedge accounting guidance. ASU 2017-12 is effective for us on January 1, 2019, with early adoption permitted.

The Company does not expect the adoption to materially impact our Condensed Consolidated Financial Statements.

Financial Instrument Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments – Credit Losses” (“ASU 2016-13”) associated with the measurement of credit losses on financial instruments. ASU 2016-13 replaces the current incurred loss impairment methodology of recognizing credit losses when a loss is probable, with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to assess credit loss estimates. The amended guidance is effective for us on January 1, 2020, with early adoption permitted beginning January 1, 2019. We are evaluating the impact on our Condensed Consolidated Financial Statements.

NOTE 2 – REVENUES FROM CONTRACTS WITH CUSTOMERS

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these good or services. Revenue is recognized net of revenue-based taxes assessed by governmental authorities.

The Company provides regulated and compliance services, which include the collection and processing of regulated and specialized waste for disposal, the collection of personal and confidential information for secure destruction, and recall and returns (“Expert Solutions”), and communication services. The associated activities for each of these are a series of distinct services that are substantially the same and have the same pattern of transfer over time; therefore, the respective services are treated as a single performance obligation.

The Company recognizes revenue by applying the right to invoice practical expedient as our right to consideration corresponds directly to the value provided to the customer for performance to date, Revenues for our Medical Waste Solutions and Secure Information Destruction Services are recognized upon waste collection. Our Compliance Solution revenues are recognized over the contractual service period. Revenues from Hazardous Waste Solutions and Manufacturing and Industrial Services are recognized at the time the waste is received by a facility with an appropriate permit, either our processing facility or a third party. Revenues from Communication Services and Expert Solutions are recorded as the services are performed.

Our customers typically enter into a contract for the provision of services on a regular and scheduled basis, e.g. weekly, monthly or on an as needed basis over the contract term. Under the contract terms, the Company receives fees based on a monthly, quarterly or annual rate or fees based on contractual rates depending upon measures including the volume, weight and type of waste, number and size of bins collected, weight and type of shredded paper and number of call minutes.

Amounts are invoiced based on the terms of the underlying contract either on a regular basis, e.g. monthly or quarterly, or as services are performed and are generally due within a short period of time after invoicing based upon normal terms and conditions for our business type and the geography of the services performed.

Disaggregation of Revenues

The following table presents our revenues disaggregated by service and primary geographical regions, and includes a reconciliation of disaggregated revenue to revenue reported by our reportable segments, Domestic and Canada Regulated Waste and Compliance Services (“RCS”) and International RCS:

In millions

Reportable Segment	Three Months Ended March 31, 2018					
	Domestic and Canada United	RCS	International RCS	Other	United States	Total
Revenues by Service:						
Medical Waste and Compliance Solutions	\$292.8	\$ 9.8	\$65.3	\$52.0	\$-	\$419.9
Hazardous Waste Solutions	77.5	-	-	-	-	77.5
Manufacturing and Industrial Services	58.8	5.5	8.7	12.8	-	85.8
Secure Information Destruction Services	170.3	16.2	30.4	3.0	-	219.9
Communication Services	-	4.5	5.3	-	39.7	49.5
Expert Solutions	-	3.1	2.8	-	36.5	42.4
Total	\$599.4	\$ 39.1	\$112.5	\$67.8	\$76.2	\$895.0

Accounts Receivable

Accounts receivable are recorded when billed or when goods or services are provided. The carrying value of our receivables is presented net of an allowance for doubtful accounts. We estimate our allowance for doubtful accounts based on past collection history and specific risks identified among uncollected amounts. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when our internal collection efforts have been exhausted.

Contract Liabilities

We record a contract liability when cash payments are received or due in advance of our services being performed and classify them as current in Other current liabilities on the Condensed Consolidated Balance Sheets since they are earned within a year. Substantially all our contract liabilities outstanding as of December 31, 2017 were recognized as revenues during the first quarter of 2018. The contract liability at March 31, 2018 was \$18.1 million and is expected to be substantially recognized as revenue during the second quarter of 2018.

Contract Acquisition Costs

Our incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are deferred and amortized to SG&A over the estimated period of benefit to be received from the cost, over a weighted average period of 6.2 years.

We had \$6.5 million and \$21.4 million of contract acquisition costs, related to deferred sales incentives included in Other current assets and Other assets on the Condensed Consolidated Balance Sheets as of March 31, 2018. During the three months ended March 31, 2018, we amortized \$1.6 million of sales incentives to SG&A.

NOTE 3 – ACQUISITIONS

Acquisitions

During the three months ended March 31, 2018, the Company completed 9 acquisitions of businesses under the current guidance.

The following table summarizes the locations, services, and type of acquisitions for the three months ended March 31, 2018:

Acquisition Locations	Total Number of Acquisitions	Service	
		Regulation Waste	Secure Information Destruction
United States	9	1	8
Total	9	1	8

The following table summarizes the acquisition date fair value of consideration transferred for the current period acquisitions and the adjustment to the consideration transferred for the prior year acquisitions during the three months ended March 31, 2018:

In millions

	Three Months Ended March 31, 2018		Total
	Current Year Acquisitions	Adjustments to Prior Year Acquisitions	
Cash	\$15.9	\$ -	\$15.9
Promissory notes	11.6	-	11.6
Contingent consideration	-	(0.4)	(0.4)
Total purchase price	\$27.5	\$ (0.4)	\$27.1

For financial reporting purposes, our acquisitions were accounted for using the acquisition method of accounting. These acquisitions resulted in the recognition of goodwill in our financial statements, reflecting the excess of the purchase price paid over the fair value of the net assets acquired from these businesses that we believe are complementary to our existing operations and fit our growth strategy. During the three months ended March 31, 2018, we recognized an increase in goodwill of \$17.9 million related to current year acquisitions, excluding the effect of foreign currency translation, which will be deductible for income taxes.

During the three months ended March 31, 2018, we recognized an increase in estimated fair value of acquired customer relationships from current year acquisitions of \$9.0 million, excluding the effect of foreign currency translation, with amortizable lives of 10 to 30 years.

The fair value of consideration transferred in a business combination is allocated to the tangible and intangible assets assumed at the acquisition date, with the remaining unallocated amount recorded as goodwill. The allocations of the acquisition price for recent acquisitions have been prepared on a preliminary basis, pending completion of certain intangible asset valuations and finalization of the opening balance sheet.

The following table summarizes the preliminary purchase price allocation for current period acquisitions and other adjustments to purchase price allocations for the three months ended March 31, 2018:

In millions

	Three Months Ended March 31, 2018		
	Current Adjustments Year to Prior Year		
	Acquisitions	Acquisitions	Total
Fixed assets	\$0.2	\$ 5.1	\$5.3
Intangibles	9.0	0.6	9.6
Goodwill	17.9	(6.4)	11.5
Net other assets and liabilities	0.4	0.3	0.7
Total purchase price allocation	\$27.5	\$ (0.4)	\$27.1

The results of operations of these acquired businesses have been included in the Condensed Consolidated Statements of Income from the date of the acquisition. Pro forma results of operations for these acquisitions are not presented because the pro forma effects, individually or in the aggregate, were not material to the Company's consolidated results of operations.

NOTE 4 – RESTRUCTURING, DIVESTITURES AND ASSETS HELD FOR SALE

Restructuring - Business Transformation

Stericycle is focused on driving long-term growth, profitability and delivering enhanced shareholder value.

As part of our business strategy, in the third quarter of 2017, we initiated a comprehensive multi-year Business Transformation with the objective to improve long-term operational and financial performance which we expect to complete by 2022, see Note 3 - Restructuring, Divestitures, and Assets Held For Sale to our Consolidated Financial Statements included in the 2017 Form 10-K. We anticipate we will incur approximately \$20.0 million of employee termination charges in connection with this restructuring of which \$8.0 million and \$1.0 million is expected to impact our Domestic and Canada RCS and International reportable segments, respectively, with the remaining \$11.0 million impacting All Other, see Note 13 – Segment Reporting.

For the year ended December 31, 2017, we incurred restructuring charges of \$13.9 million related to employee termination benefits of \$11.5 million and non-cash long-lived assets impairment charges of \$2.4 million. Our Domestic and Canada RCS and International RCS reportable segments incurred \$5.5 million and \$3.3 million, respectively, with the remaining \$5.1 million impacting All Other. The remaining liability of \$2.2 million at December 31, 2017 was paid in the first quarter of 2018.

There could be additional initiatives in the future to further streamline our operations. As such, the Company expects further charges related to workforce reductions and other facility rationalization costs when those restructuring plans are finalized and related charges are estimable.

Divestitures and Assets Held for Sale

There were no divestitures during the three months ended March 31, 2018 and 2017.

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As of March 31, 2018, certain of our international operations met the criteria to be classified as held for sale. For the three months ended March 31, 2018, we recorded a \$4.1 million non-cash impairment charge in SG&A in the Condensed Consolidated Statements of Income related to changes in the fair value

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of assets held for sale in the U.K. The assets and liabilities of the disposal groups are presented in assets held for sale and liabilities held for sale on the Condensed Consolidated Balance Sheets.

The following table presents information related to the major classes of assets and liabilities that were classified as held for sale on the Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017:

In millions

	March 31, 2018	December 31, 2017
Total current assets	\$ 8.1	\$ 7.7
Fixed assets	8.8	8.5
Goodwill	-	