



WASTE CONNECTIONS, INC.
Connect with the Future®

Raymond James Institutional Investor Conference
March 6, 2017

SAFE HARBORS STATEMENT



Statements made during the course of this presentation that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995 and applicable securities laws in Canada, including statements related to our financial outlook, return of capital to shareholders and acquisition opportunities. It is important to note that the Company's actual results could differ materially from those projected in such forward looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in filings that have been made by the Company and Waste Connections US, Inc. with the Securities and Exchange Commission or similar regulatory authorities in Canada. Copies of these documents may be obtained by contacting the Company or the SEC. Shareholders, potential investors and others are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this presentation, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

WCN: INVESTMENT HIGHLIGHTS



- Third largest solid waste company in North America
 - ▶ ~\$18 billion enterprise value; ~\$11 billion assets; 15,000 employees

- Differentiated strategy...Differentiated results
 - ▶ Only company focused on secondary and exclusive markets
 - ▶ Sector-leading EBITDA and free cash flow margins
 - ▶ Sector-leading conversion of EBITDA to free cash flow

- Completed acquisition of Progressive Waste Solutions in June 2016
 - ▶ Multiple levers to drive further value creation across similar sized business

- Well positioned for additional strategic growth opportunities
 - ▶ Investment grade-rated => tremendous access to low cost growth capital

- Proven management team creating substantial stockholder value
 - ▶ Over 2x the shareholder return of WM and RSG and over 3x the return of the S&P 500 over the past decade
 - ▶ 2016 was our 13th consecutive year of positive shareholder returns



OUR DIFFERENTIATED STRATEGY

- Success in solid waste industry is driven by:
 - ▶ Market selection
 - ▶ Asset and contractual positioning
 - ▶ Execution at the local level

Our Focus:

- Exclusive markets
 - ▶ Vertically integrated or non-integrated
- Competitive markets
 - ▶ Secondary markets with high collection market share
 - ▶ Vertically integrated or disposal neutral

Strategic Implications:

- Lower customer churn rates => comparably better price + volume growth
 - Not dependent on behavior or execution of other national players
 - Resilient in a weak economy; levered to improving economy
 - Collection => more profitable and with higher barriers to entry
-



TARGETING ATTRACTIVE MARKETS

Integrated Operations

Non-Integrated Operations

Exclusive Markets:

#1 EBITDA margin
 #1 EBIT margin
 #1 FCF margin
 #1 ROA

#3 EBITDA margin
 #2(tie) EBIT margin
 #2 FCF margin
 #2 ROA

Competitive Markets:

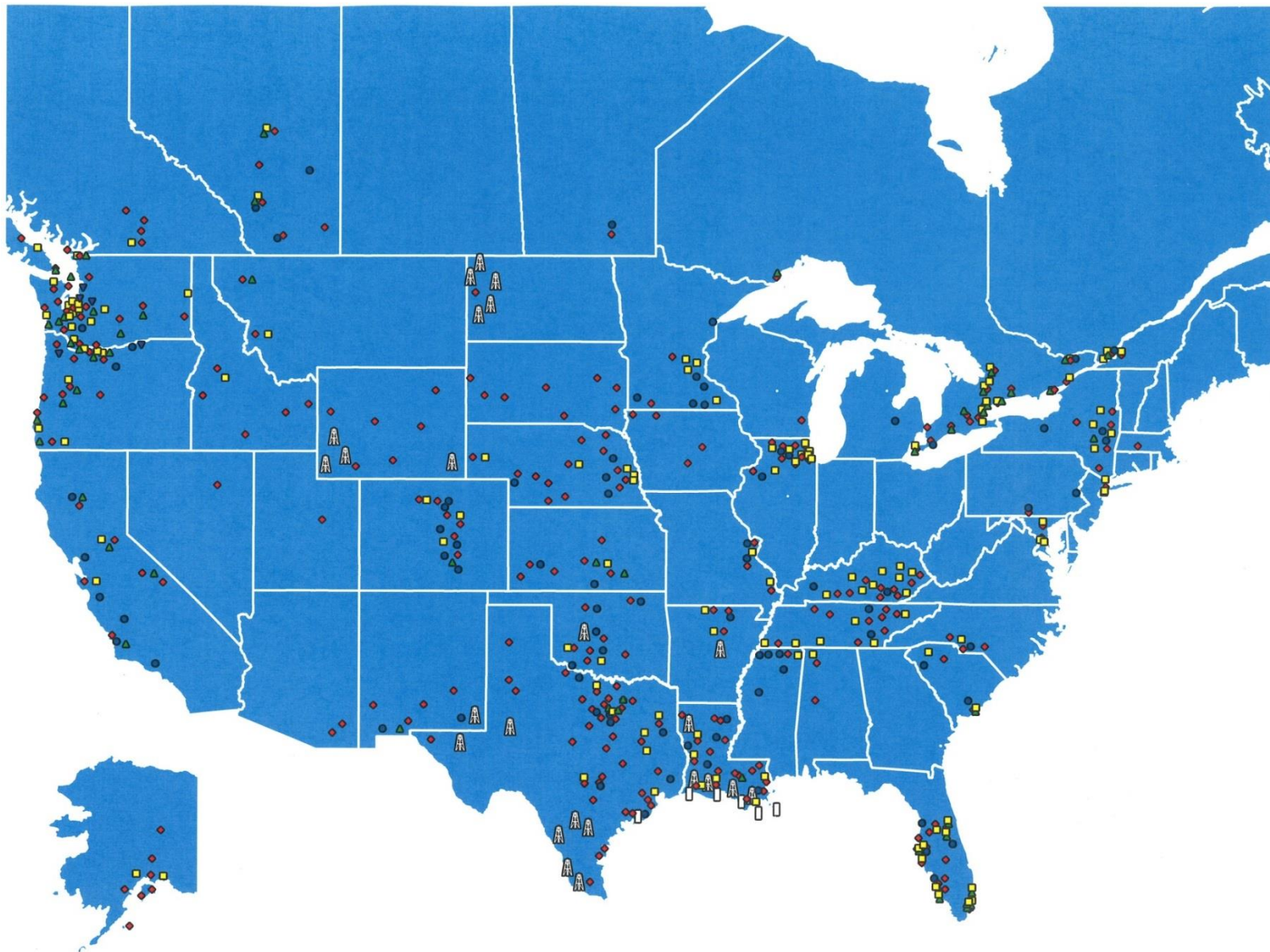
#2 EBITDA margin
 #2(tie) EBIT margin
 #3 FCF margin
 #3 ROA

#4 EBITDA margin
 #4 EBIT margin
 #4 FCF margin
 #4 ROA

**Attractive if
 High Mkt Share
 & Disposal Neutral**

Note: Rankings reflect relative attractiveness to WCN

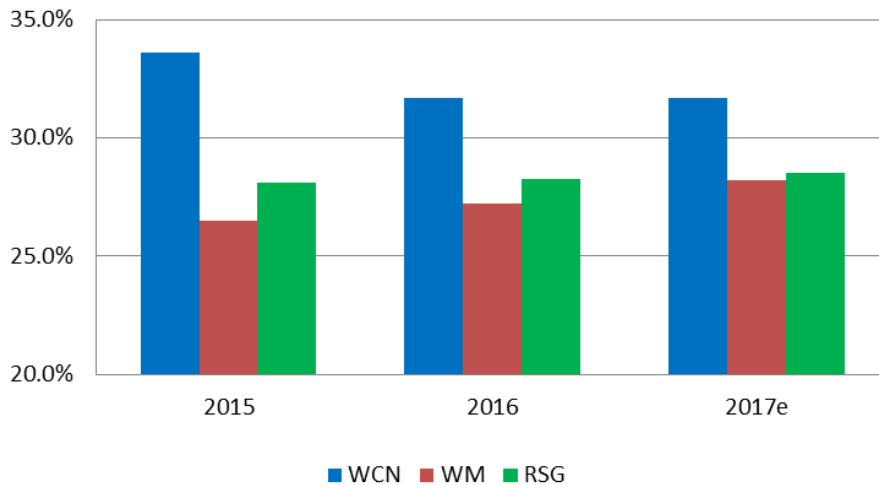
CURRENT FOOTPRINT: 85% US & 15% CANADA



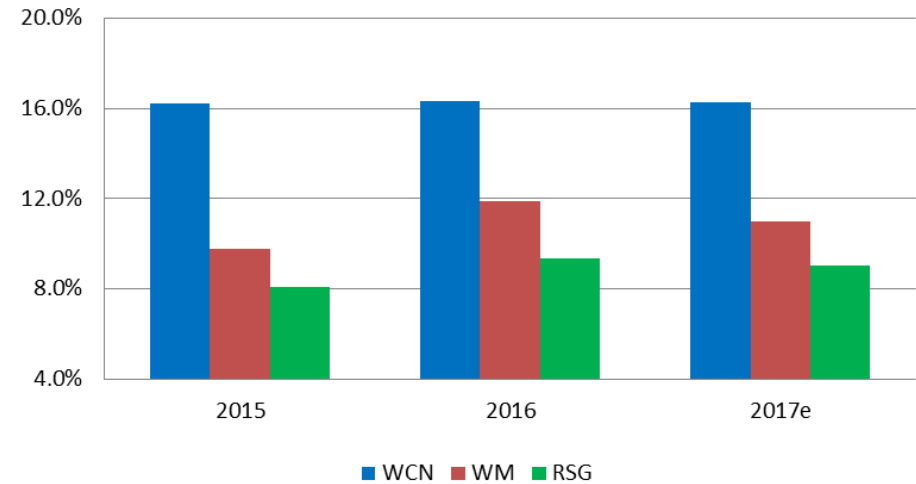


WCN: COMPARATIVE METRICS

Adjusted EBITDA* as % of Revenues



Adjusted FCF* as % of Revenues



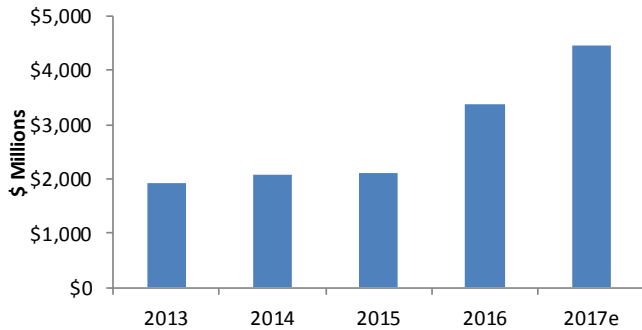
■ **EBITDA to FCF Conversion:**

	<u>2015</u>	<u>2016</u>	<u>2017e</u>
Waste Connections =>	48%	51%	51%
Waste Management =>	37%	44%	39%
Republic Services =>	29%	33%	32%

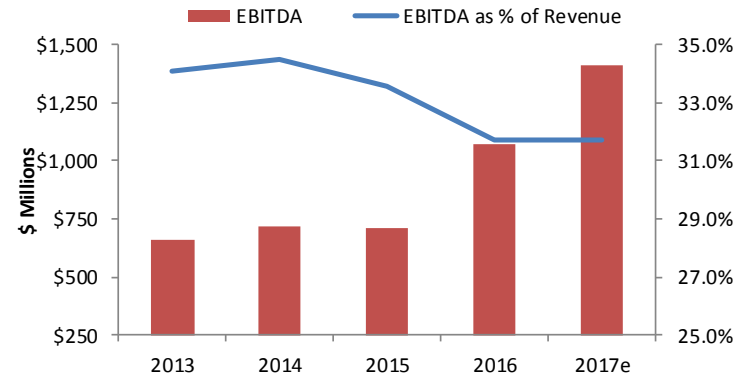
WCN: FINANCIAL HIGHLIGHTS



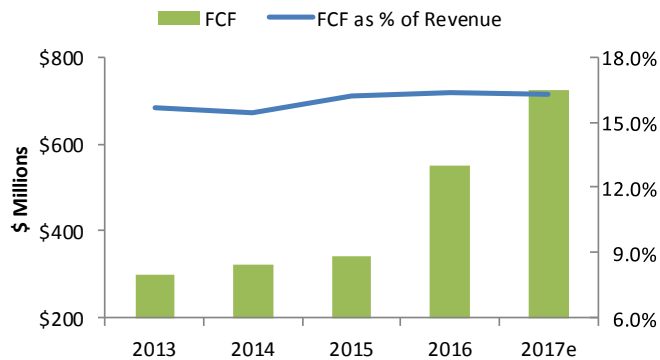
Revenue



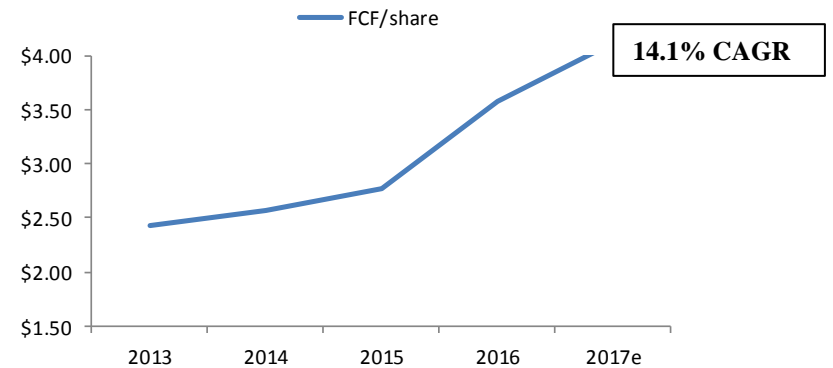
Adjusted EBITDA*



Adjusted Free Cash Flow*



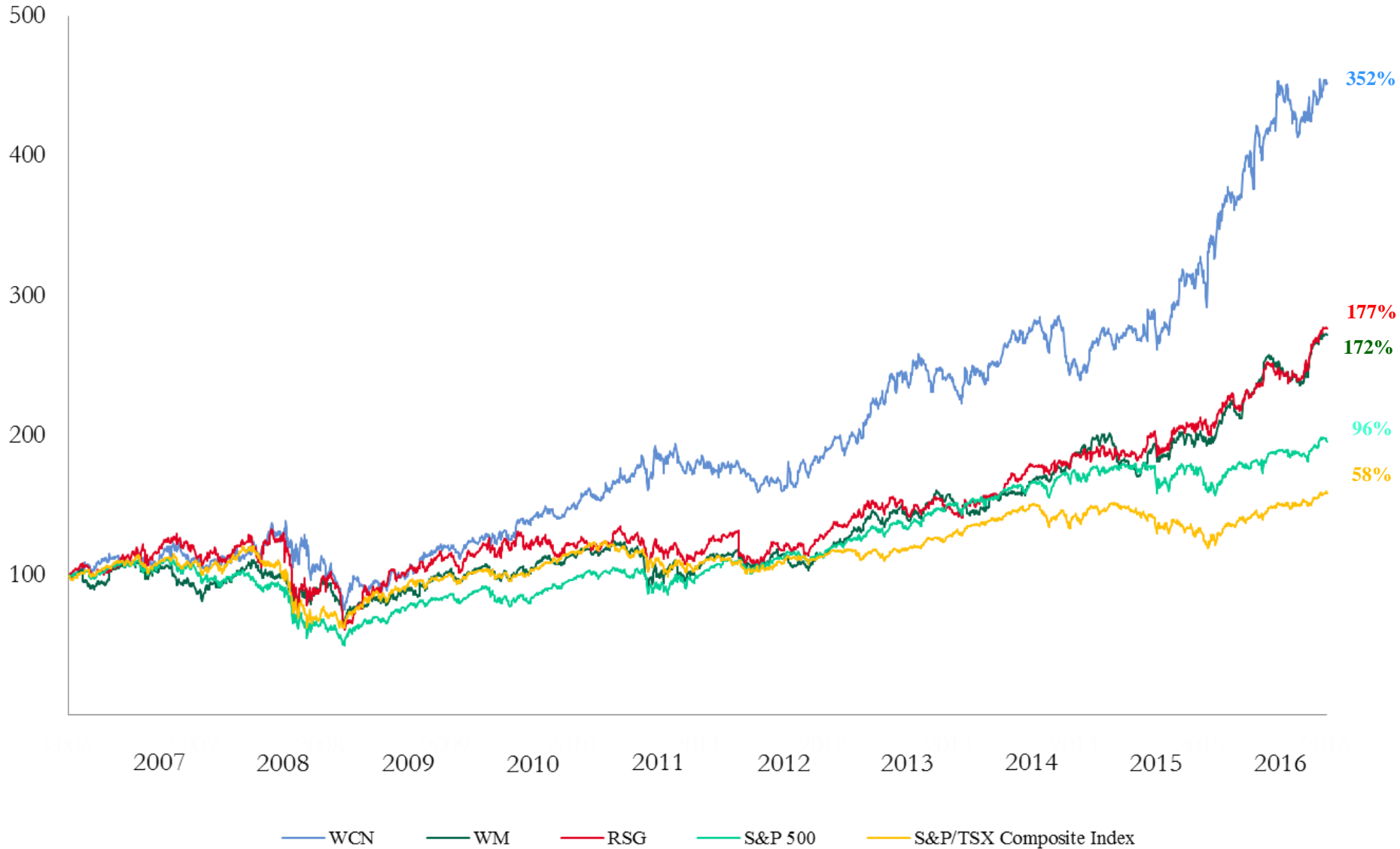
Adjusted FCF/Share*



2017e based on February 2017 outlook, reflects impact of \$50 million in divestitures
 * A Non-GAAP measure; see appendix for reconciliation tables.



WCN: 10-YEAR OUTPERFORMANCE





PROGRESSIVE WASTE INTEGRATION UPDATE

INTEGRATION PLAYBOOK



- Infuse WCN culture across broader organization
 - ▶ Servant Leadership and accountability
 - ▶ Increase employee retention rates and improve safety performance

- Improve quality of revenue
 - ▶ Shed low/no margin and unsafe-to-service revenue and divest structurally broken markets to maintain strategic differentiation
 - ▶ Transition U.S. sales effort from volume-oriented to price-focused

- Drive higher EBITDA on less revenue
 - ▶ Culture-driven improvements
 - ▶ Quality of revenue initiatives
 - ▶ Corporate/field synergies and operating/safety improvements

- Increase EBITDA to Free Cash Flow conversion rate
 - ▶ Reduce the amount of capex necessary to generate EBITDA

TRACKING AHEAD OF EXPECTATIONS



- Integration and performance improvement plans for Progressive Waste operations tracking 12-18 months ahead of expectations
 - ▶ We underestimated the opportunity for improvement

- Safety metrics improving more quickly than expected
 - ▶ Monthly claims down 50% through December 2016

- Turnover down 35% through December 2016

- Quality of revenue improvement ahead of schedule
 - ▶ Price-focused strategy already implemented => over 3% in 2H '16
 - ▶ Completed \$50 million of the \$200 million in targeted divestitures
 - ▶ Shedding of \$50 million in low/no margin revenue well underway

- 2H '16 EBITDA margin ~ 30%, up 500 bps from pre-deal run rate



FINANCIAL DISCUSSION



2016 FINANCIAL HIGHLIGHTS



- Revenue: \$3.376 billion
 - ▶ Reflects seven months contribution from Progressive Waste operations

- Solid waste strength
 - ▶ 4.7% core price + volume growth
 - ◆ 2.8% core price
 - ◆ 1.9% volume

- Adjusted EBITDA: \$1.071 billion, or 31.7% of revenue
 - ▶ Increased EBITDA margins at Progressive Waste operations to ~30% in 2H '16 => up 500 bps.

- Adjusted free cash flow: \$550.9 million, or 16.3% of revenue
 - ▶ 51+% conversion of adjusted EBITDA to adjusted free cash flow

- Increased dividend 24% and ended the year ~2.7x Debt-to-EBITDA

CURRENT ENVIRONMENT



- Benefitting from numerous tailwinds:
 - ▶ Continued strength in solid waste
 - ◆ 2016 was fourth consecutive year of strong volumes
 - ◆ Double-digit increase in MSW landfill tons in Q4 '16
 - ▶ Increasing recycled commodity values => OCC up 50+% YoY at high flow thru
 - ▶ Increasing E&P waste activity => up 35+% off recent lows at high flow thru

- Acquisition dialogue remains high
 - ▶ Completed \$200 million revenue Groot acquisition in January
 - ▶ Rising interest rate environment and potential tax law changes may spur outsized activity levels

- Potential interest rate increase
 - ▶ Approximately 65%/35% fixed vs. floating rate debt
 - ▶ Sensitivity to 100 bps rate increase => ~\$0.01 EPS/quarter



2017 OUTLOOK (as of February 22nd)

2017 Full Year Outlook:

- Revenue: \$4.450 billion
 - ▶ Solid waste price + volume growth:
 - ◆ 4.0% - 4.5% in U.S., less approximately 1.0% low quality volume to be shed
 - ◆ 4.0% in Canada, less approximately 2.0% low quality volume to be shed
 - ▶ Reflects January 1st acquisition of Groot Industries and recent \$50 million revenue divestiture
- Adjusted EBITDA: \$1.410 billion, or 31.7% of revenue
- Adjusted FCF: \$725 million, or 16.3% of revenue

Q1'17 Outlook:

- Revenue: \$1.075 billion
 - ▶ Solid waste price + volume growth: 3.0% - 3.5%
- Adjusted EBITDA: \$322.5 million, or approximately 30% of revenue

CAPITAL ALLOCATION



- Leverage ratio ended 2016 below 2.7x Debt/EBITDA
 - ▶ Should end Q1 '17 ~ 2.85x given the Groot transaction

- At 16+% of revenue, our strong free cash flow generation provides tremendous flexibility to fund growth strategy and return capital to shareholders

- Typical free cash flow allocation:
 - ▶ Dividend ~20%
 - ▶ Average acquisition activity ~30% => Dialogue at record levels
 - ▶ Remaining ~50% for larger M&A and/or 2% - 3% share repurchases

- Programmatic double-digit annual dividend increases since commencing dividend in 2010
 - ▶ Increased 24.1% in October 2016



NON-GAAP RECONCILIATION SCHEDULES

NON-GAAP RECONCILIATION SCHEDULE

(in thousands, except share and per share amounts)

Adjusted EBITDA *	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017e</u>
Net income (loss) attributable to Waste Connections	195,655	232,525	(95,764)	246,540	463,000
Plus: Net income attributable to noncontrolling interests	350	802	1,070	781	1,000
Plus/less: Income tax provision (benefit)	124,916	152,335	(31,592)	114,044	190,000
Plus: Interest Expense	73,579	64,674	64,236	92,709	120,000
Plus: Depreciation and Amortization	243,864	257,944	269,434	463,912	625,000
Plus: Closure and post-closure accretion	2,967	3,627	3,978	8,936	11,000
Plus: Impairments and other operating items	4,129	4,091	494,492	27,678	
Less/plus: Other expense (income), net	(1,056)	(1,067)	518	(655)	
Less: Foreign currency transaction gain				(1,121)	
Adjustments:					
Plus: Acquisition-related costs	1,946	2,147	4,235	47,842	
Plus: Pre-existing Progressive Waste equity grants				14,289	
Plus: Severance-related and other expenses				44,336	
Plus: Synergy bonus				11,798	
Plus: Corporate relocation expenses	750				
Plus: Loss of prior office leases	9,902				
Plus: NEO equity grants					
Adjusted EBITDA *	<u>657,002</u>	<u>717,078</u>	<u>710,607</u>	<u>1,071,089</u>	<u>1,410,000</u>
Revenues	1,928,795	2,079,166	2,117,287	3,375,863	4,450,000
Adjusted EBITDA* as % of Revenues	34.1%	34.5%	33.6%	31.7%	31.7%

*Adjusted EBITDA, a non-GAAP financial measure, is provided supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. Other companies may calculate differently.
2017e based on February 2017 guidance.

NON-GAAP RECONCILIATION SCHEDULE

(in thousands, except share and per share amounts)

Adjusted Free Cash Flow*	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017e</u>
Net cash provided by operating activities	484,061	545,077	576,999	795,312	1,175,000
Plus/Less: Change in book overdraft	(110)	(11)	(89)	(1,305)	
Plus: Proceeds from disposal of assets	11,019	9,421	2,883	4,604	
Plus: Excess tax benefit associated with equity-based compensation	3,765	7,518	2,069	5,196	
Less: Capital Expenditures	(209,874)	(241,277)	(238,833)	(344,723)	(450,000)
Less: Distributions to noncontrolling interests	(198)	(371)	(42)	(3)	
Adjustments:					
Payment of contingent consideration recorded in earnings	5,059	1,074		493	
Transaction-related expenses				45,228	
Severance-related and other expenses				82,526	
Payment for termination of corporate lease	9,690				
Corporate office relocation	2,159				
Tax effect	(3,992)			(36,384)	
Adjusted Free Cash Flow*	<u>301,579</u>	<u>321,431</u>	<u>342,987</u>	<u>550,944</u>	<u>725,000</u>
Revenues	1,928,795	2,079,166	2,117,287	3,375,863	4,450,000
Adjusted EBITDA*	657,002	717,078	710,607	1,071,089	1,410,000
Adjusted Free Cash Flow* as a % of Revenues	15.6%	15.5%	16.2%	16.3%	16.3%
Adjusted Free Cash Flow* as a % of Adjusted EBITDA*	45.9%	44.8%	48.3%	51.4%	51.4%
Diluted shares outstanding	124,165,052	124,787,421	123,871,636	154,054,331	176,000,000
Adjusted Free Cash Flow* Per Share	\$ 2.43	\$ 2.58	\$ 2.77	\$ 3.58	\$ 4.12

*Adjusted free cash flow, free cash flow as a % of revenue, free cash flow per share and adjusted EBITDA, non-GAAP financial measures, are provided supplementally because they are widely used by investors as valuation and liquidity measures. Other companies may calculate these metrics differently.
2017e based on February 2017 guidance.



WASTE CONNECTIONS, INC.
Connect with the Future®

CORPORATE HEADQUARTERS

3 Waterway Square Place, Suite 110
The Woodlands, TX 77380
(832) 442-2200

INVESTOR RELATIONS

Worthing Jackman, EVP CFO
Phone: (832) 442-2266
worthingj@wasteconnections.com

Mary Anne Whitney, VP Finance
Phone: (832) 442-2253
maryannew@wasteconnections.com

<http://wasteconnections.investorroom.com>