



WASTE CONNECTIONS
Connect with the Future®

Raymond James

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This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 (PSLRA) and "forward-looking information" within the meaning of applicable Canadian securities laws. These forward-looking statements are neither historical facts nor assurances of future performance and reflect Waste Connections' current beliefs and expectations regarding future events and operating performance. These forward-looking statements are often identified by the words "may," "might," "believes," "thinks," "expects," "intends" or other words of similar meaning. All of the forward-looking statements included in this presentation are made pursuant to the safe harbor provisions of the PSLRA and applicable Canadian securities laws. Forward-looking statements involve risks and uncertainties. Forward-looking statements in this presentation include, but are not limited to, statements about our financial outlook, return of capital to shareholders, expected benefits of the divestiture program, potential acquisition opportunities and a potential dividend increase. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, risk factors detailed from time to time in filings that have been made by the Company with the U.S. Securities and Exchange Commission and the securities commissions or similar regulatory authorities in Canada. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. Waste Connections undertakes no obligation to update the forward-looking statements set forth in this presentation, whether as a result of new information, future events, or otherwise, unless required by applicable securities laws.

WCN: INVESTMENT HIGHLIGHTS



- Third largest solid waste company in North America
 - ▶ ~\$25 billion enterprise value; ~\$12 billion assets; over 16,000 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
- Well positioned for additional strategic growth opportunities
 - ▶ Very active current M&A environment
- Proven management team creating substantial stockholder value
 - ▶ Approximately 2x average shareholder return of WM, RSG, and the S&P 500 and over 4x the return of the TSX60 over the past decade
 - ▶ 2018 was our 15th consecutive year of positive shareholder returns
- Increasing return of capital to shareholders
 - ▶ Annual double-digit percentage dividend increases plus opportunistic share repurchases

KEYS TO SUCCESS...WHAT WE BELIEVE



- Solid waste is a commodity business
 - ▶ Lowest price provider wins
 - ▶ Basic level of service expectation by customers
 - ▶ Private companies in competitive markets often dictate collection margins

- Success is driven by:
 - ▶ Market selection => determines sustainability and direction of returns
 - ▶ Asset and contractual positioning => creates moat for pricing growth/retention
 - ▶ Execution at the local level

- Free cash flow drives value creation

- The company that wins with Human Capital, delivers over the long term

- Culture Matters

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



OUR DIFFERENTIATED STRATEGY

- Exclusive solid waste markets
 - ▶ Vertically integrated, or
 - ▶ Non-integrated

- Competitive solid waste markets
 - ▶ Secondary markets with
 - ▶ High collection market share and
 - ▶ Vertically integrated or disposal neutral

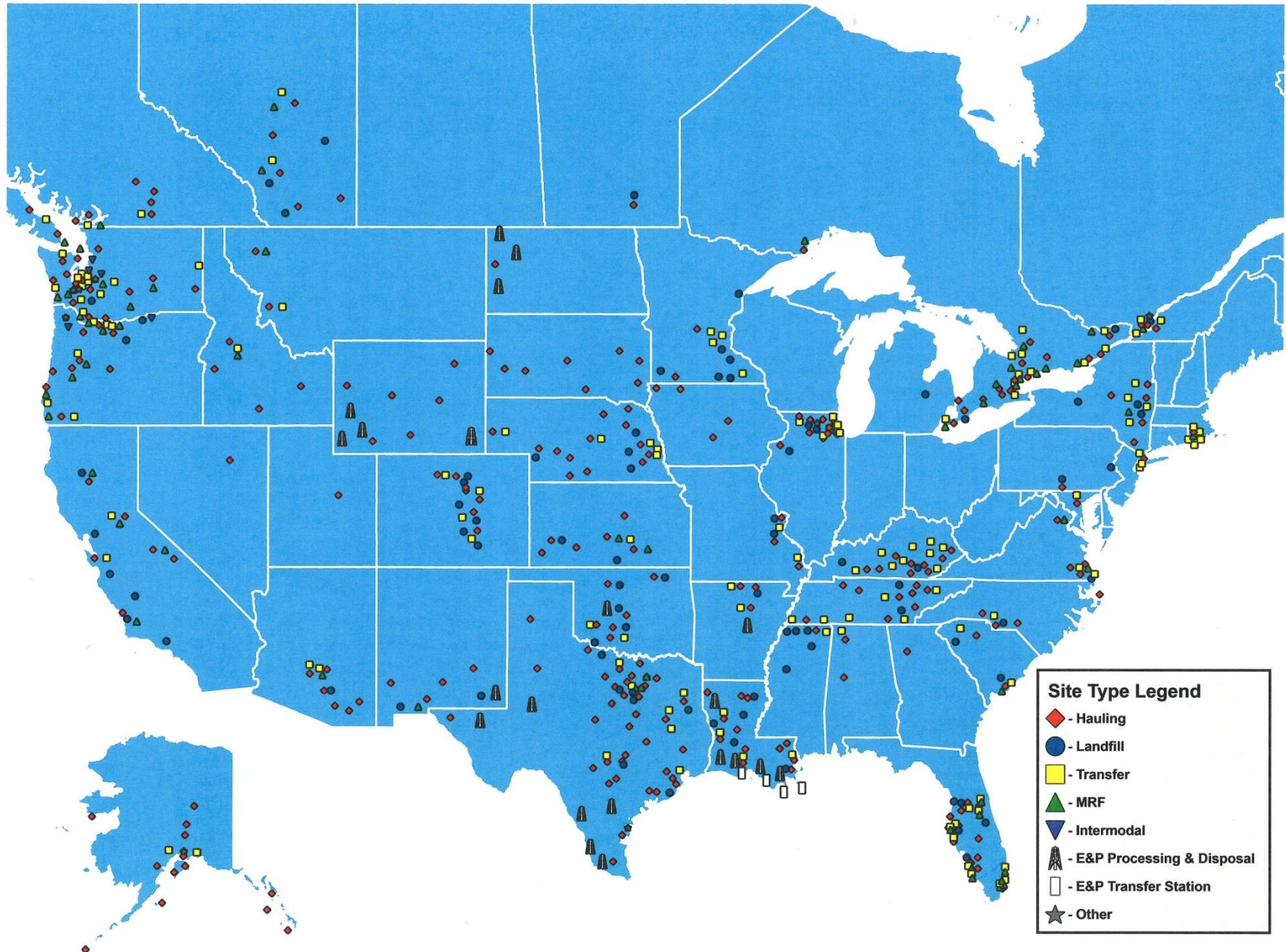
- Niche opportunities
 - ▶ E&P waste => disposal-oriented business; well-positioned assets in active oil/gas basins
 - ▶ Strategic approach to segments of urban markets => drive results in line with secondary markets



STRATEGIC IMPLICATIONS

- Consistent pricing
- Lower customer churn rates
 - ▶ Comparably better core price + volume growth
- Higher EBITDA and EBIT margins
 - ▶ Strong conversion of EBITDA to free cash flow
- Attractive returns on invested capital
- Our success: not dependent on behavior or execution of other national players
- Our strategy: resilient in a weak economy; levered to improving economy

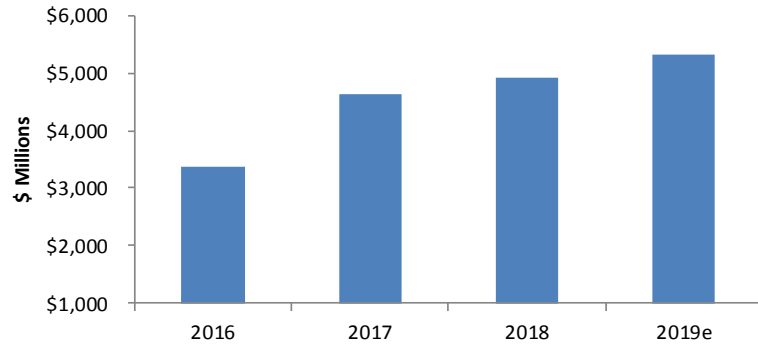
REVENUE MIX: 86% US & 14% CANADA



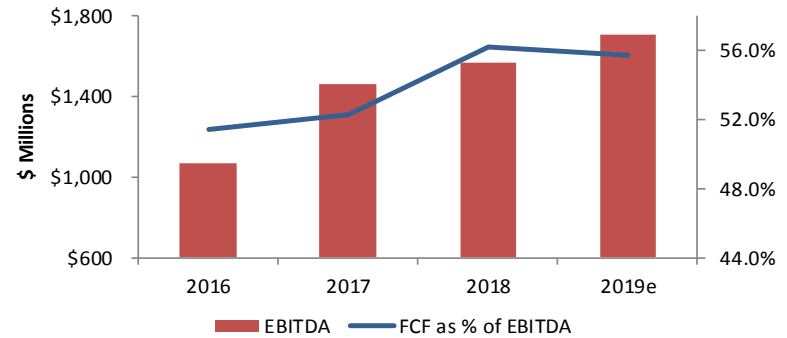
WCN: FINANCIAL HIGHLIGHTS



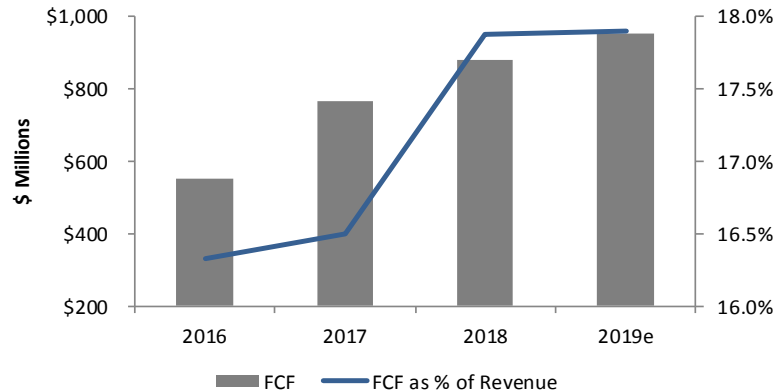
Revenue



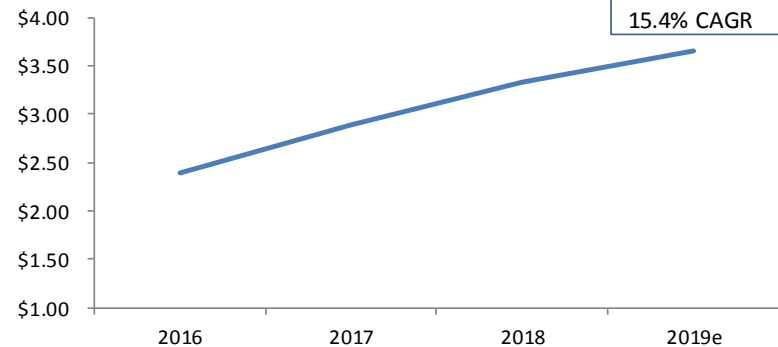
Adjusted EBITDA and EBITDA - FCF Conversion *



Adjusted Free Cash Flow *



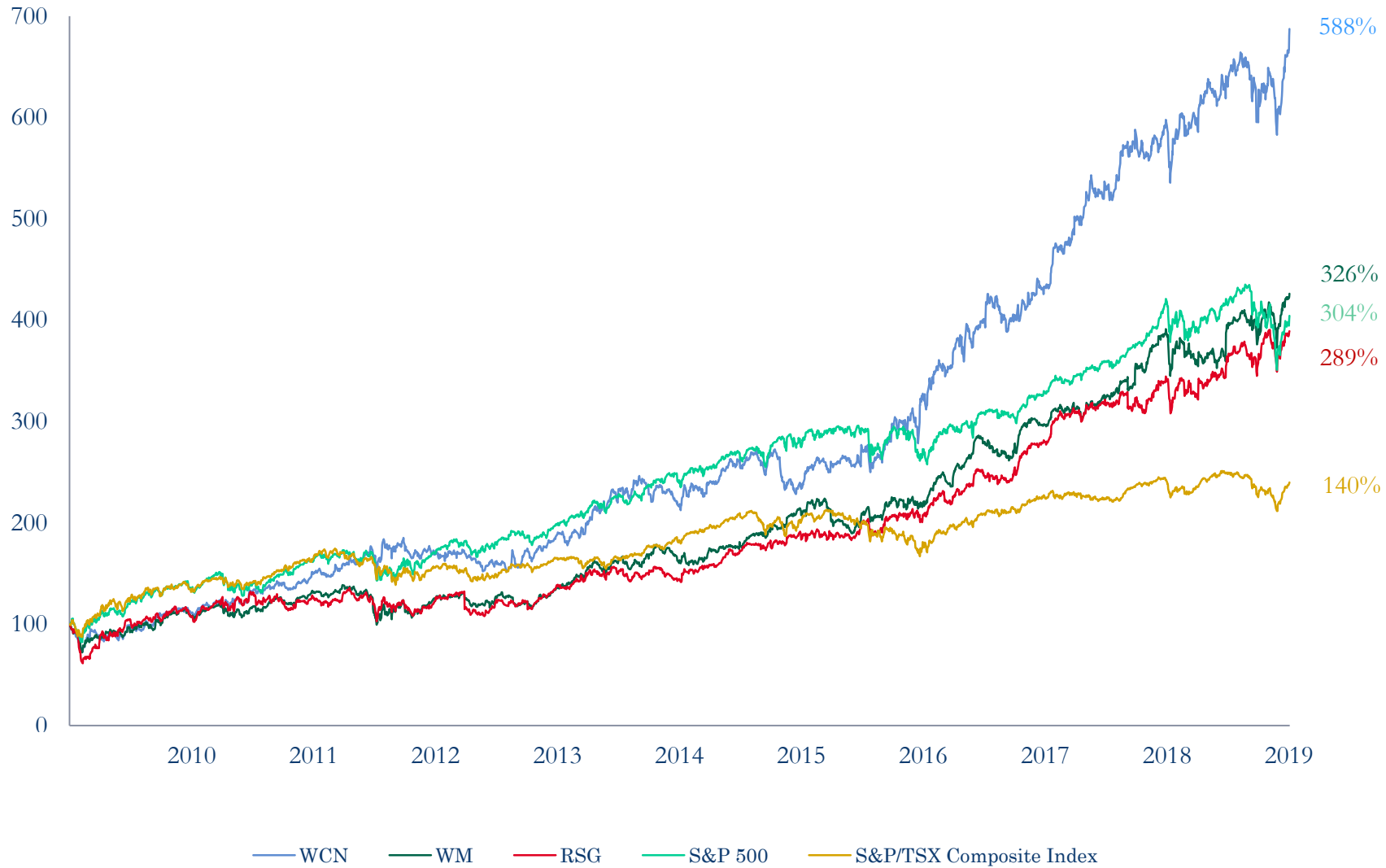
Adjusted FCF/Share *



* A Non-GAAP measure; see appendix for reconciliation tables
 2019e based on February 2019 outlook; Company expects double-digit adjusted free cash flow per share growth in 2019



WCN: 10-YEAR OUTPERFORMANCE





FINANCIAL DISCUSSION





2018 HIGHLIGHTS

- Revenue: \$4.923 billion, up 6.3% YoY
 - ▶ Solid waste pricing growth better than expected => ~4.5%
 - ▶ E&P waste revenues up ~27% YoY, with very attractive incrementals
 - ▶ Recycled commodity revenue down ~42% YoY
- Adjusted EBITDA: \$1.566 billion => 31.8% of revenue, up 30 bps YoY
 - ▶ Pricing strength, E&P waste activity more than offset ~70bps recycling drag
- Adjusted free cash flow: \$879.9 million => 17.9% of revenue
 - ▶ EBITDA to FCF conversion of 56.2%
- Above average acquisition activity => ~\$360 million in total annualized revenue
 - ▶ \$175 million revenue multi-market (VA/MD, GA, CO), collection-oriented acquisition closed in December
- \$211.5 million buybacks & dividends; increased quarterly cash dividend by 14.3%
- Ended 2018 with ~\$320 million in cash and leverage ratio ~2.45x Debt/EBITDA
 - ▶ Well-positioned for continuing above average M&A and return of capital



2019 OUTLOOK (as of February 13th)

- Revenue: \$5.310 billion
- Solid waste organic price + volume growth
 - ▶ Price: 4.5%, in line with 2018; Volume: down 0.5%, with underlying flat
- Recycling: Commodity values assumed in the range of current levels
- E&P Waste Activity: Assumed in line with 2018
- Adjusted EBITDA: \$1.705 billion, or 32.1% of revenue
 - ▶ Up 30 bps YoY (up 65 bps net of rollover M&A impact)
- Adjusted Free Cash Flow: \$950 million
 - ▶ ~17.9% of revenue and over 55% of EBITDA
 - ▶ Expect double-digit adjusted free cash flow per share growth in 2019
- Any increase in volumes, E&P waste activity or acquisitions drive further growth



Q1 2019 OUTLOOK (as of February 13th)

- Revenue: \$1.240 billion

- Solid waste organic price + volume growth
 - ▶ Price: 4.5% - 5.0%
 - ▶ Volume: down 100bps
 - ◆ Includes about 50 bps for remaining purposeful shedding, including NYC Dept. of Sanitation contract with a third party

- Adjusted EBITDA: ~\$383 million, or 30.9% of revenue, down 40bps YoY
 - ▶ Up 25bps YoY, excluding margin dilutive impact of acquisitions



NON-GAAP RECONCILIATION SCHEDULES

NON-GAAP RECONCILIATION SCHEDULE

(in thousands, except share and per share amounts)

Adjusted EBITDA*	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019e**</u>
Net income (loss) attributable to Waste Connections	246,540	576,817	546,871	636,000
Plus: Net income attributable to noncontrolling interests	781	603	283	1,000
Plus/less: Income tax provision (benefit)	114,044	(68,910)	159,986	201,000
Plus: Interest Expense	92,709	125,297	132,104	134,000
Less: Interest Income	(602)	(5,173)	(7,170)	
Plus: Depreciation and Amortization	463,912	632,484	680,487	720,000
Plus: Closure and post-closure accretion	8,936	11,781	12,997	13,000
Plus: Impairments and other operating items	27,678	156,493	20,118	
Less/plus: Other expense (income), net	(53)	(3,736)	(1,263)	
Plus/less: Foreign currency transaction loss (gain)	(1,121)	2,200	1,433	
Adjustments:				
Plus: Transaction-related expenses	47,842	5,700	8,607	
Plus: Fair value changes to equity awards	14,289	16,357	9,205	
Plus: Integration-related and other expenses	44,336	10,612	2,760	
Plus: Synergy bonus	11,798			
Adjusted EBITDA*	1,071,089	1,460,525	1,566,418	1,705,000
Revenues	3,375,863	4,630,488	4,922,941	5,310,000
Adjusted EBITDA* as % of Revenues	31.7%	31.5%	31.8%	32.1%

*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.

**2019e based on February 2019 outlook

NON-GAAP RECONCILIATION SCHEDULE

(in thousands, except share and per share amounts)

Adjusted Free Cash Flow*	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019e**</u>
Net cash provided by operating activities	795,312	1,187,260	1,411,235	1,525,000
Plus/less: Change in book overdraft	(1,305)	8,241	(839)	
Plus: Proceeds from disposal of assets	4,604	28,432	5,385	
Plus: Excess tax benefit associated with equity-based compensation	5,196			
Less: Capital Expenditures	(344,723)	(479,287)	(546,145)	(575,000)
Less: Distributions to noncontrolling interests	(3)		(103)	
Adjustments:				
Payment of contingent consideration recorded in earnings	493	10,012	11	
Cash received for divestitures		(21,100)	(2,030)	
Transaction-related expenses	45,228	5,700	8,607	
Integration-related and other expenses	82,526	10,602	2,760	
Pre-existing Progressive Waste share-based grants		17,037	5,772	
Synergy Bonus		11,798		
Tax Effect	(36,384)	(14,804)	(4,752)	
Adjusted Free Cash Flow*	550,944	763,891	879,901	950,000
Revenues	3,375,863	4,630,488	4,922,941	5,310,000
Adjusted EBITDA *	1,071,089	1,460,525	1,566,418	1,705,000
Adjusted Free Cash Flow* as % of Revenues	16.3%	16.5%	17.9%	17.9%
Adjusted Free Cash Flow* as % of Adjusted EBITDA*	51.4%	52.3%	56.2%	55.7%
Diluted shares outstanding	231,081,497	264,302,411	264,395,618	264,500,000
Adjusted Free Cash Flow* Per Share	\$ 2.38	\$ 2.89	\$ 3.33	(1)

*Adjusted free cash flow, free cash flow as % 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.

**2019e based on February 2019 outlook

(1) Company expects double-digit adjusted free cash flow per share growth



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