The Henry Fund
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Waste Connections (WCN)

February 21, 2025

Industrials – Waste Management Services

Stock Rating **SELL**

Investment Thesis

Waste Connections has historically outperformed by acquiring secondary market haulers and landfills, leveraging a roll-up strategy to achieve economies of scale. With fewer fragmented targets remaining, WCN is expected to pursue more premium acquisitions that are less justified. Our target suggests a 15% downside from the current price.

Drivers of Thesis

- As the industry faces more acquisition competition, companies can either pursue larger premium acquisitions or continue rolling up smaller scale operations. WCN has pursued the former, while others are better positioned to take collection services from municipalities. **22% of municipalities still offer waste collection services**[25]. This is a large pool of targets offering revenue growth and margin expansion for sustainable companies with greater customer satisfaction.
- WCN collection & landfill **volumes have declined an average of 150 bps annually since 2019**, a trend which management expects to continue. Management expects revenues to grow in the upper single digits to compensate, while historical data suggests 6% growth is reasonable. 10% growth is needed for our DCF to yield the current market share price.
- **Our EPS forecast is materially lower than consensus**. This is likely because we have not forecasted growth from acquisitions. Other analysts have likely built this in somewhat as management heavily stresses its acquisition activity. We believe pricing in acquisitions is too uncertain.

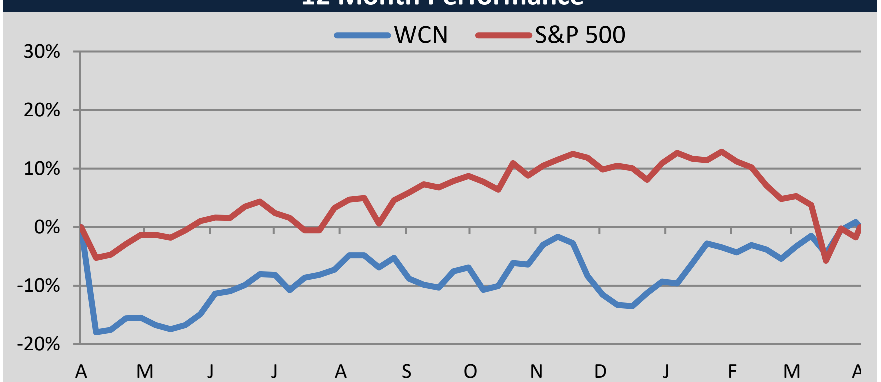
Risks to Thesis

- Our analysis suggests WCN is **the most vertically integrated**, deriving 79% of landfill revenues from itself compared to a peer group average of 41%. This is especially valuable in the secondary markets it serves, where limited customer options enhance its pricing power.
- Mgmt. has heavily stressed the strategic nature of its recent acquisitions. It is difficult to forecast **synergies**, and whether they are laying the stone for future value creation.

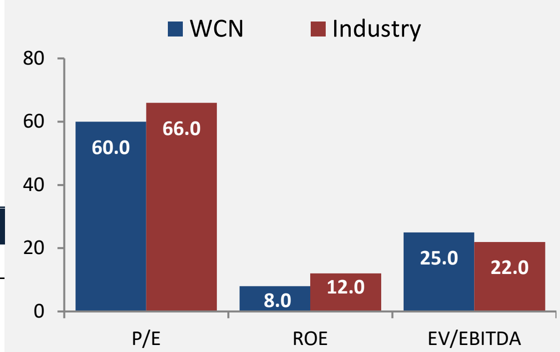
Earnings Estimates

Year	2022	2023	2024	2025E	2026E	2027E
EPS	$3.25	$2.96	$2.40	$4.75	$5.48	$6.24
HF est.				$3.47	$4.18	$4.86
growth	*37.2%*	*-8.8%*	*-19.1%*	*44.8%*	*20.5%*	*16.3%*

12 Month Performance



Target Price	$159
Henry Fund DCF	$139
Henry Fund DDM	$107
Relative Multiple	$162-$195
Price Data	
Current Price	$187
52wk Range	$160 – 195
Consensus 1yr Target	$200
Key Statistics	
Market Cap (B)	$48.7
Shares Outstanding (M)	257.8
Institutional Ownership	89.6%
Beta	0.6
Dividend Yield	.01%
Est. 5yr Growth	21.4%
Price/Earnings (TTM)	78.6x
Price/Earnings (FY1)	53.9x
Price/Sales (TTM)	5.5x
Price/Book (mrq)	6.2x
Profitability	
Operating Margin	-3.0%
Profit Margin	6.9%
Return on Assets (TTM)	3.4%
Return on Equity (TTM)	8.0%



Company Description

Waste Connections provides solid waste collection, transfer, recycling, and disposal services across the U.S. and Canada, focusing on secondary and rural markets with limited competition. The company serves residential, commercial, and industrial customers, including oil and gas operations. Its long-term contracts and strategic acquisitions drive stable cash flow and growth.

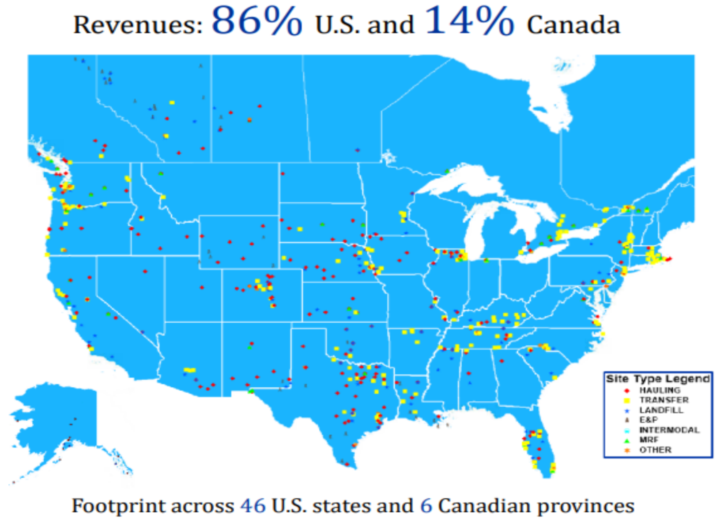
COMPANY DESCRIPTION

Waste Connections (WCN) is the third largest solid waste services company in North America. The company has traditionally focused on secondary and rural markets, providing a less competitive market environment that allows for pricing power. With strong revenue growth, and EBITDA margins growing from 28%-32%, the company has successfully scaled companies in secondary markets. Recently they have gained exposure to larger markets such as New York City through acquisitions. Larger cities are looking towards exclusive market/franchise models to enable efficiency. We see this more recent strategy as a deviation from its winning strategy of integrating fixed costs of many smaller companies. Management says this allows the average contract fee to increase, the extent of which is to be determined. Many of the smaller and more fragmented companies that make for great targets are likely gone, making the transition towards larger companies a natural progression. However, we still see opportunities through acquiring operations conducted by municipalities for its residents, though WCN does not have the best positioning for this. We dive deeper into this theory in our ESG, Industry Trends, and Peer Comparison sections.

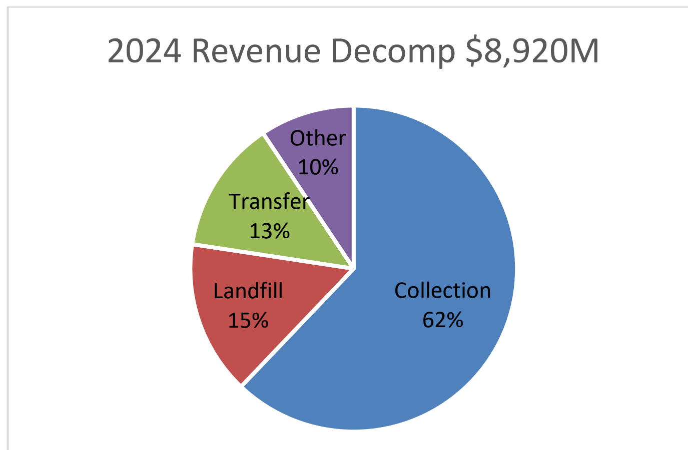
Industry Leaders	Market Cap. (*B*)
Waste Management (WM)	91
Republic Services (RSG)	72
Waste Connections (WCN)	49

Source: Yahoo Finance

Waste Connections main business segments are collection, landfill, and transfer. These assets create synergies when integrated, with a large portion of landfill and transfer revenues being intercompany revenues. Therefore, we see collection as the main driver, with other revenue lines supporting collection contracts. Other revenues include exploration & production activities, recycling, and intermodal/renewable natural gas.



Source: WCN Investor Presentation

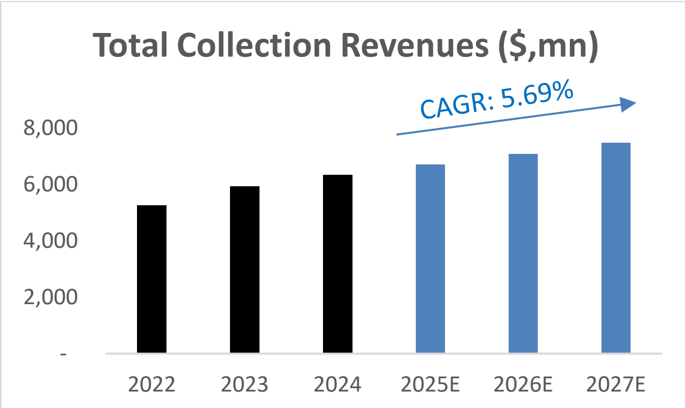


Source: WCN 2024 10K

Collection Revenue ($6,333M – 62%)

Waste Connections generates most of its revenue from collection services, catering to a diverse customer base that includes residential, commercial, industrial, and municipal clients. Growth in contracts can come organically, through adding on stops to existing operations, or inorganically through acquisitions. We are assuming the number of contracts will be held constant because each secondary market they operate in has little room for growth, as they already own most contracts there, and we are not forecasting acquisitions. Therefore, growth is driven entirely by pricing power. Management expects high single-digit pricing growth from increased primary market exposure, meanwhile the historical average is only 5.54%. We expect prices to grow 6% in

2025 before reverting to the 5.54% historical average thereafter. Though we believe pricing power will increase above average in '25, we see 8%-10% is too unrealistic, hence our more conservative though still above average '25 growth.



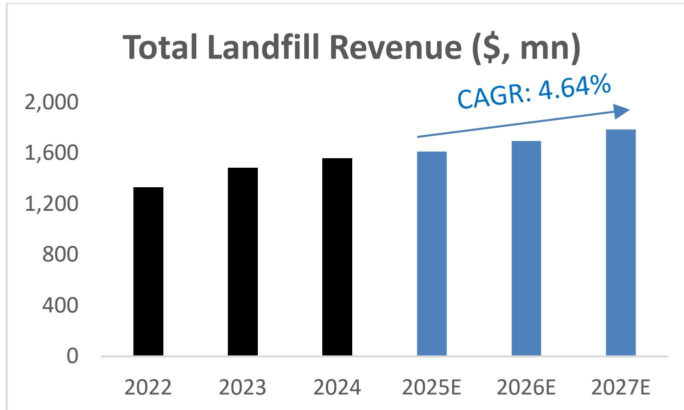
Source: Henry Fund Model

A key factor behind Waste Connections pricing power is its ownership of landfills in secondary markets, where competition is limited. Competitors attempting to enter these markets face significant barriers, primarily the uncertainty of future tipping fees and the need to secure enough collection contracts to achieve the economies of scale necessary for profitability. These barriers create a natural moat, allowing Waste Connections to maintain strong pricing leverage and stable margins.

Additionally, ongoing mergers and acquisitions (M&A) activity has led the company to shed contracts, hence reduced volume collected and landfilled. Volume has been a common concern amongst analysts. Management states shedding contracts allows them to redeploy capital into bidding for more profitable contracts. We see this as dissonant for a few reasons. First, fleets cannot be efficiently moved between markets. Eliminating that method of transfer, management is essentially saying they are buying companies, selling their assets, and using cash proceeds to invest in new markets with more profitable contracts which likely exhibit more competition. We see this as a cycle of overpaid premiums and an undisciplined approach to growing revenues. As part of this strategy, the company has also been expanding into exclusive municipal contracts, such as those under New York City's Commercial Waste Zones (CWZ) program, primarily through acquisitions rather than organic contract growth. Because this growth has been driven by M&A rather than direct bidding, we did not incorporate these contracts into our financial model, their qualitative effects are discussed in more detail later in the report.

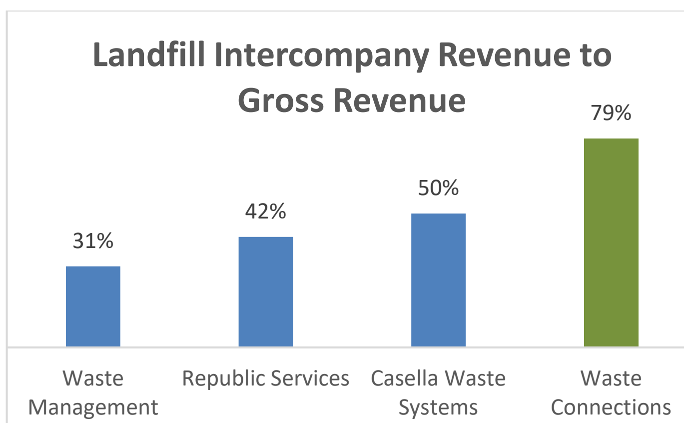
Landfill Revenue ($1,558M – 15%)

WCN currently owns and operates 93 landfills that receive municipal solid waste (MSW) and industrial waste (mainly construction and demolition). Landfill revenues are generated through "tipping fees". Anyone collecting waste needs somewhere to put it.



Source: Henry Fund Model

With 70% of landfill revenues coming from intercompany transactions, they are more vertically integrated than its peer group. Landfills as the constraining resource of vertical integration; everything flows up to it and it's the most capital intensive. In secondary markets with less volume, it is hard to imagine there are multiple landfills providing collectors with optionality, making ownership crucial. As a 3rd party subject to tipping fees, there is risk and uncertainty in future fees. This control and information asymmetry gives WCN an advantage and steers competition away.

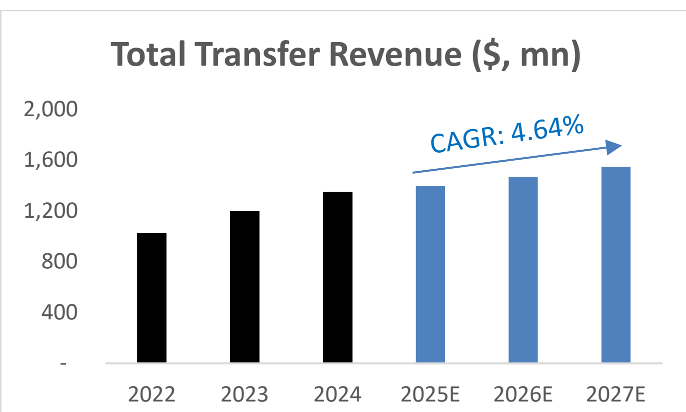


Source: Henry Fund Model

We expect landfill revenues to grow by 2% in 2025, followed by 5% growth thereafter. Growth is driven by higher tipping fees, despite lower volume. Pricing and volume typically have a negative correlation, reflecting the competitive dynamics between more and less populated regions. The 2024 volume decrease is attributed to slowed operations at the Chiquita Landfill in California due to regulatory issues, with management projecting a 150 bps volume decline in 2025. We expect volume to continue declining at 25 bps per year from '26-'27, which management says is intentional. After acquiring companies, they intentionally cancel unprofitable contracts. The 3-year decline in value reflects Chiquita concerns as well as the average 3-year contract coming to maturity and not being renewed. From there, we expect long-term volume growth of 25 bps as contracts remain steady and the amount of trash customers produce increases.

Transfer Revenue ($1,349M – 13%)

Waste Connections currently operates 210 transfer stations. Stations are designed to receive, compact, and load waste, efficiently preparing it for transportation—whether by truck, rail, or barge—to landfills or treatment facilities. They are especially beneficial in networks that link high-volume collection operations that have high tipping fees, to landfills in less competitive markets with lower tipping fees. From a qualitative standpoint, these improved economics should lead to leading more contracts since you have a unique source of profitability.

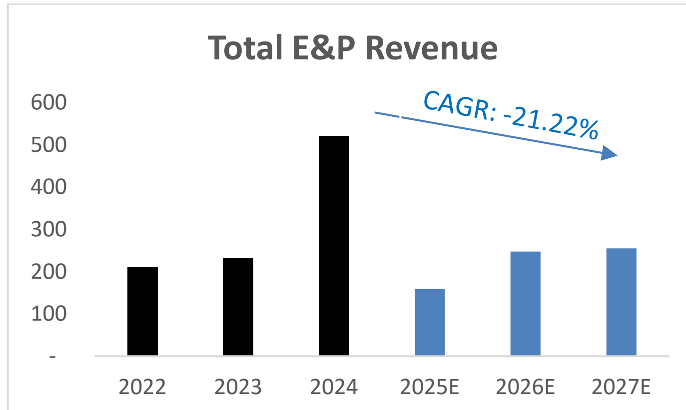


Source: Henry Fund Model

We expect transfer station operations to grow in line with landfill revenue. This leads to a growth rate of 3.39% in 2025, 5.28% in 2026 and 2027, and 5.80% thereafter. Our growth in line with landfill growth is justified because of their vertically integrated model.

E&P Activity Revenue ($522M – 5%)

Waste Connections' Exploration & Production (E&P) waste services support the oil and gas sector by managing drilling byproducts such as fluids, produced water, and contaminated soils.



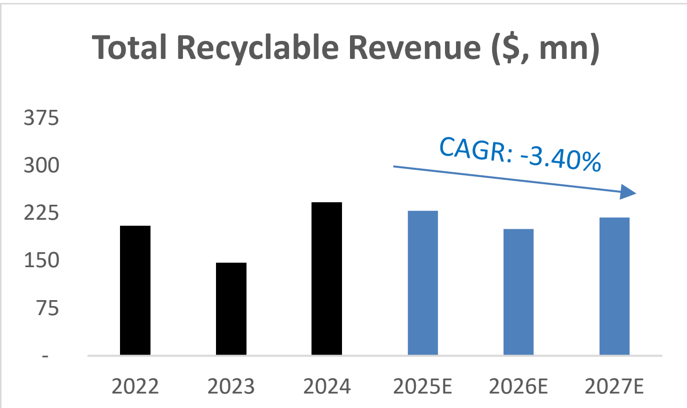
Source: Henry Fund Model

E&P waste revenues are closely tied to drilling activity. Our projections incorporate U.S. daily oil consumption estimates from the EIA, along with price increasing at a 3% inflation rate. Based on these assumptions, we expect a 69.45% decline in E&P revenue in 2025 due to lower forecasted consumption, followed by a 55.37% rebound in 2026 as volumes recover. Thereafter, we anticipate steady growth of 3% in line with inflation. This reflects stable long-term demand and the sector's ongoing need for specialized waste handling solutions.

Trump's, "Drill, baby, drill" mantra is a consideration that may seem underappreciated in our valuation. We have sided with the more conservative estimates of oil production from the EIA because of the practicality of increasing oil production. Historically, when prices have gone much lower than the current level it has put significant stress on drillers, and oil executives have already said they will not drill more[27]. Deregulation will surely provide tailwinds for production, but it will take time and who knows what the political landscape will be 4 years from now.

Recycling Revenue ($242M – 2%)

Waste Connections currently operates 81 recycling facilities, processing approximately 6% of the waste it sends to landfills. Management has set a goal to double the volume of waste recycled within the next 15 years, implying 3% growth annually. Given the inherent volatility in historical recycling revenue per ton, driven by multiple market and operational factors, we have opted for a more conservative forecast using the median revenue per ton of recycled material over the historical period. Considering management's cautious outlook on near-term pricing, we project overall revenue decline to be 5.37% in 2025, with a further 12.54% decline in 2026. We then expect a rebound in 2027 of 8.93% growth. From there we expect 2028 growth to be less than a percent, growing to a peak of 4.70% in 2029, then hovering between 3-4% through the forecast horizon.



Source: Henry Fund Model

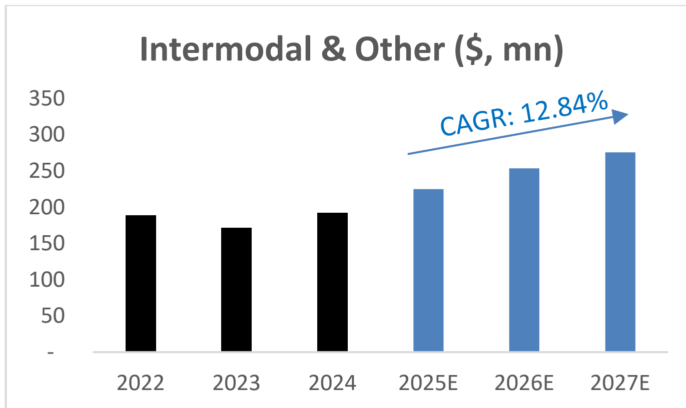
Intermodal & Other ($192M – 2%)

Similar to transfer operations, Waste Connections' intermodal segment enables the long-haul transportation of waste, primarily via rail and barge. Its most notable rail connection links an Alabama landfill with Northeast collection operations where tipping fees are high. The company currently operates four intermodal facilities, which, while not a core revenue driver, play a critical role in expanding market reach and optimizing logistics. These assets are particularly valuable in securing exclusive contracts in high-volume markets like New York, where capacity and reliability are key competitive advantages.

Management anticipates each facility will handle approximately 9,000 tons per day over the next two years, increasing to 10,000 tons per day thereafter[1]. Important to note, management reports intermodal and landfill volume statistics separately. So, while railway volumes are increasing because they are connected to high volume markets in the northeast, their landfills are still concentrated around slowing markets where we expect continuing volume declines.

Embedded in other is revenue from landfill gas recovery systems. Waste Connections operates a growing portfolio of landfill gas recovery systems, generating revenue by capturing and processing methane emissions from landfill waste. Currently the company operates 58 systems, with an additional 12 systems under development, expected to come online by 2026[1]. These systems convert landfill gas into renewable natural gas (RNG) or electricity, creating a stable revenue stream. Though this segment is not immensely material to revenues, it is a high margin stream that more effectively utilizes trash that is landfilled.

We assume constant cubic feet of gas handled per system, considering we do not expect trash to begin decomposing differently. Revenue per cubic foot is expected to grow at 3% annually, aligned with inflation. However, in 2026, as the 12 new systems become operational, we expect a one-time 24% increase in revenue before reverting to growth with inflation.

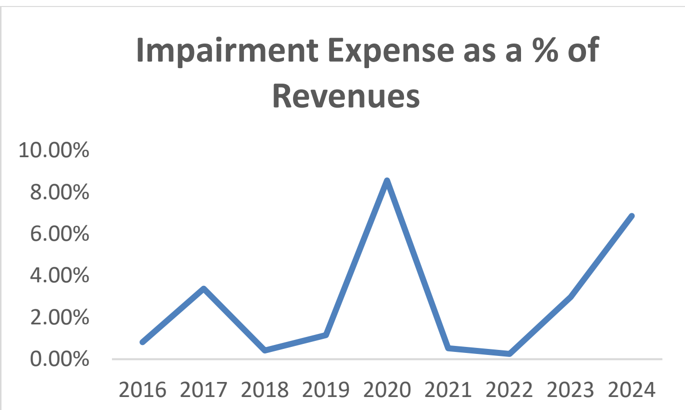


Source: Henry Fund Model

In aggregate, we expect revenue growth of 17.22% in 2025, driven by railway volume increases. Growth of 12.68% in 2026 driven by the 12 landfill gas recovery stations becoming operations. Growth of 8.79% in 2027 is driven by a further increase in railway volume. We expect 3% growth from '28-'34, reflecting 3% inflation.

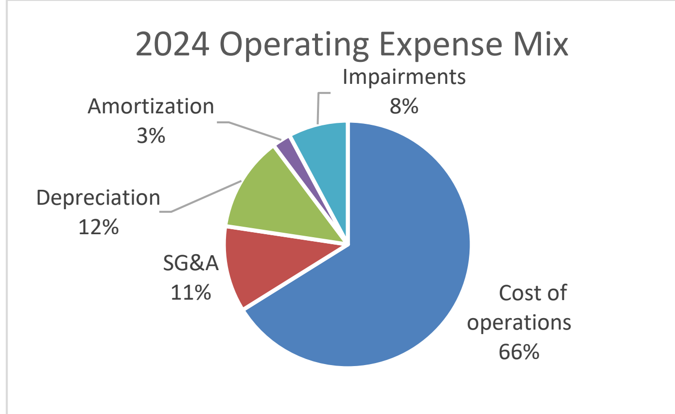
Cost Structure Analysis

WCN's cost structure is largely driven by its cost of operations, encompassing labor, fuel, equipment maintenance, landfill tipping fees, and other direct operating expenses. Cost of operations are a function of volume of waste handled. Our methodology is described in detail at the end of this section. Selling, general, and administrative expenses as a percentage of sales have decline, a sign of successful acquisitions. We expect a continued decline from ’25-’26 as recent acquisitions are integrated. From there we expect the percentage to level of at 9.59% of sales because we aren’t modeling acquisitions. Depreciation an expectedly large 11% of total revenues given the fixed asset requirements. Depreciation is modeled as a historical average percentage of net PPE. This results in depreciation as a percentage of sales declining to about 8%, which is justified considering increases prices do not necessarily mean increased capital expenditures. Amortization-to-sales has remained consistent around 2% historically, and we have forecasted it to decline to .53%. This is because we do not forecast acquisition activity so there are new intangibles to be amortized in our model. Impairment expense is incredibly volatile and is the main driver in fluctuations in profitability.



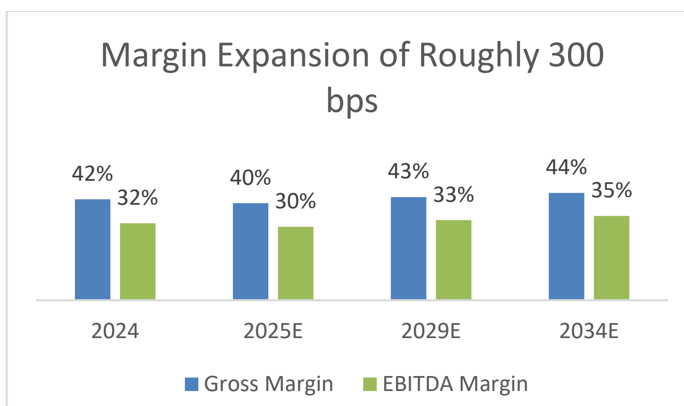
Source: WCN Annual Filings

Historical sources of impairment are goodwill, correcting landfill assumptions, and regulatory expenses such as lawsuits. For example, in 2024 the company recorded about $116 million of impairment expense related to their Chiquita Canyon Landfill in California, the result of a lawsuit. We believe it is impracticable to attempt to forecast such expenses, instead we have relied on our 5% Equity Risk Premium to adjust our valuation accordingly.



Source: WCN 2024 10K

Cost of operations correlate with volume of waste landfilled plus a steady increase stemming from rising labor costs and fuel prices. Because most of the company’s revenue growth comes from increases in pricing, there will be significant margin improvement. Historically, WCN’s cost of operations has grown about 1.24 times the rate of volume growth. For example, when volume grows at 25 bps, the related cost of operations will grow by about 31 bps. These costs are also subject to natural inflationary pressures, particularly in labor, fuel, and equipment costs. A baseline assumption of 3% inflation is applied, along with a premium of 150 bps to capture cost volatility in key areas like labor costs and fuel costs, but also remaining moderate to take efficiency increases into consideration. In all, the forecasted cost of operations is equal to 1.24 times the rate of volume growth, plus a constant rise in costs of 4.5%. This considers that as revenues rise from increased prices, cost of operations won’t necessarily correlate, instead being driven by the volume handled. Cost of operations as a percentage of sales goes from 58% in 2024 to 56% by 2034.

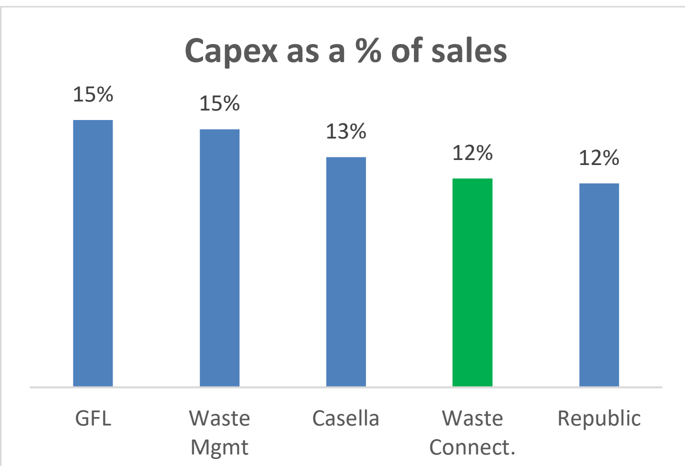


Source: Henry Fund Model

Variable expenses are heavily weighted towards the initial collection of waste. As such, the more benefits derived from waste downstream in the process, through high-margin activities like waste-to-energy (WTE), the more profitable a company is. WTE investments, pricing growth, and not forecasting impairment are key factors driving margin expansion.

Capital Expenditure Analysis

Capital requirements for Waste Connections include landfill site costs and fleet maintenance and improvement. Management expects to deploy about $1.2 billion, $125 million of which is dedicated to renewable natural gas (RNG) facilities. Aside from RNG guidance, investors are left wondering where the rest of the capital is going. To us, this signals that most capex is going towards maintaining existing assets rather than high return investments, otherwise management would surely specify its initiatives. Peers such as GFL Environmental and Waste Management are reinvesting a larger percentage of sales and have a more detailed capital allocation guide.



Source: FactSet

We used the average management expectation to forecast 2025 capex at $1.212 billion and we expect it to grow with the rate of inflation at 3%. We believe this is reasonable considering sales growth is around 3%, with most of it coming from pricing rather than volume growth requiring fresh capital.

Debt Maturity Analysis

Waste Connections targets a leverage ratio of 2.5x – 3.0x total debt to adjusted EBITDA and is sitting at 2.67x as of 2024 year end.

Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment ($mil)
2028	4.25	$500.00
2029	4.00	847.50
2030	2.60	600.00
2031	-	-
2032	2.20	650.00
Thereafter	4.60	1,500.00
Total		$4,097.50

Source: WCN 2024 10K

We do not expect refinancing to be an issue. The company has an above average credit rating along with a healthy debt-to-equity ratio in line with industry standards. In 2024, operating cash flows less capex, dividends, and interest payments were $544mm. Even if 2028 loans matured in 2024, it would have had more than enough to pay the principal. We do not expect debt to be an issue.

Company	S&P Global	Debt-to-Equity
Waste Connections	A-	1.0x
Waste Management	A-	3.0x
Republic Services	BBB+	1.1x
GFL Environmental	BB	1.4x
Casella Waste Systems	B+	0.8x

Source: S&P Global

ESG Analysis

In the waste management industry, Environmental, Social, and Governance (ESG) factors are becoming increasingly important as cities and businesses prioritize sustainability in waste disposal strategies. Governments and municipalities are now favoring waste collection companies with strong ESG commitments, incorporating sustainability criteria into contract bids to promote responsible waste diversion, emissions reduction, and community engagement. With rising regulatory pressure, investor scrutiny, and public demand for greener practices, companies must focus on improving landfill utility, enhancing recycling capabilities, and adopting cleaner technologies. As a result, ESG performance has evolved from a corporate responsibility to a competitive advantage, crucial for securing long-term contracts and maintaining public trust.

Company	ESG Risk
Waste Connections	Medium (22)
Waste Management	Low (19)
Republic Services	Low (17)
GFL Environmental	Medium (23)
Casella Waste Systems	Medium (21)

Source: Sustainalytics

Sustainalytics reports a risk profile that considers exposure and management. Differences in exposure are largely explained by landfill ownership. Landfills are subject to strict regulatory standards and can still face issues after doing all the right maintenance tasks. The peer group sees the largest variances in the management department, in which capital investment is telling. We see a low management risk as important for long-term competitiveness. Waste Management (WM) has committed $3 billion over five years to renewable energy and recycling initiatives, while Republic Services (RSG) has made substantial investments in fleet electrification and charging infrastructure. In contrast, Waste Connections provides broad sustainability targets but reports only a $500 million capital commitment without a clear, detailed roadmap[3,4,5]. This lack of a structured investment plan raises concerns, as sustainability initiatives not only create long-term value but also enhance a company's ability to secure contracts. For example, investments in electric vehicle fleets eliminate major operational costs such as fuel and reduce labor expenses through automation, providing a competitive edge. While WCN is likely to maintain its advantage in secondary markets through pricing power, contract growth will require greater sustainability advancement.

RECENT DEVELOPMENTS

Recent Earnings Announcement

Waste Connections recently reported its full-year 2024 financial results, with revenue increasing by 11% year-over-year, primarily driven by acquisitions and pricing initiatives. However, the company’s full-year basic earnings per share (EPS) came in at $2.40, falling 43% short of consensus estimates of $3.44[6]. Revenues grew 11.2% year over year. The earnings miss was largely due to a $613 million impairment charge. $116 million was related to the early closure of the Chiquita Landfill, a key topic during their 4th quarter 2024 earnings call. The rest of the impairment was a mixed bag of issues related to estimates for their collection fleet and landfills. Had they not reported any impairment, basic EPS would be $4.77, well above consensus estimates. Following earnings the stock price dipped by about 1.5%. We expect similar trends to continue because the company takes large impairment hits year after year. Impairments are hard to forecast, but they are likely to continue given the natural risk of waste operations. Rather than forecast impairments we have relied on sensitivity analysis of our equity risk premium to adjust the value of future cash flows.

Management highlighted that Chiquita will require ongoing maintenance costs ranging from $0 to $20 million and cause a 150 bps decline in 2025 waste volume. The company reiterated its strategic approach to pricing and volume trade-offs, shedding lower-margin contracts post-acquisition to pursue more profitable opportunities. Consequently, management anticipates an initial decline in volume over the next three years, corresponding to a typical contract length. By 2028 we assume volumes will grow at 25 bps annually. Management does not give long-term volume guidance, though revenue growth from acquisitions is largely a function of volume growth, which are model does not consider.

	Mgmt.	Street	Henry Fund
Revenue (b)	$9.45-$9.60	$9.50	$8.99
EPS	N/A	$4.75	$3.47

Source: FactSet & Henry Fund Model

2025 expectations are shown above. Management expectations come largely from acquisition growth and high single digit pricing growth. The discrepancy is largely because we are not forecasting acquisitions, due to their inherently volatile and opportunistic nature. We only expect price growth of 6%, which is more reasonable given historical trends. If we plug the street consensus for revenue, our expected EPS would be $4.83, above the streets estimate. Our revenue estimate is below the market because of acquisitions being priced in, though we seem to be more bearish on margin expansion from price increases.

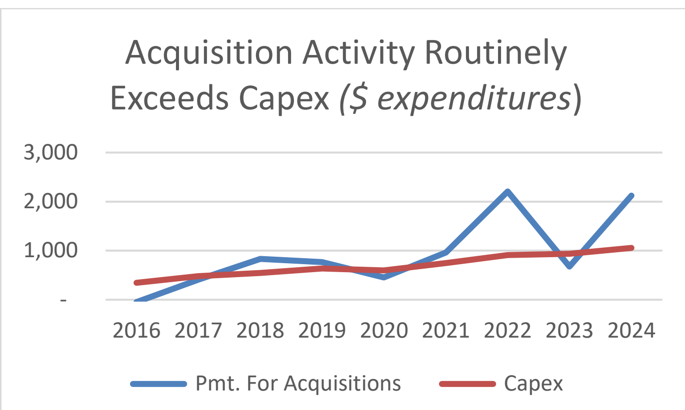
Chiquita Canyon Landfill

Waste Connections has faced significant environmental and regulatory challenges with the Chiquita Canyon Landfill in California. Since May 2022, a chemical reaction in an inactive section of the landfill has generated noxious odors, leading to over 25,000 complaints from nearby residents[8]. Despite ceasing waste acceptance, Waste Connections remains responsible for managing the site, including addressing the ongoing chemical reaction and fulfilling closure and post-closure obligations.

The ultimate impact on its effect on other operations remains unclear. Considering their strategy of vertical integration, it is not unreasonable to assume that this landfill was key to many collection contracts' profitability.

Acquisition Activity

Waste Connections primary method of entering new markets is through acquisitions. WCN engaged in 24 acquisitions in 2024, resulting in approximately $750 million in annualized revenue[1]. Their largest recent acquisition was Royal Waste Services for $26.5 million in 2024, operating in New York City.



Source: Henry Fund Model

Given how much WCN relies on acquisitions it is important to analyze the prudence of such activity Through the historical period Waste Connections has paid larger premiums than Waste Management. One would expect a larger premium paid to result in outsized growth or profitability, however, Waste Connections underperforms in both categories. Important to note however is that looking at multiples of revenue, Waste Connections looks like it is getting a better deal. This discrepancy may signal that Waste Connections sees acquisitions through a near-sighted lens of revenue growth, rather than focusing on long-term value creation. Without realized synergies acquisitions are value destructive because of premiums paid for control.

Company	Avg. Rev Multiple	Avg. Premium Paid	5 yr. EPS Growth	Return on Assets
WCN	3x	54%	74%	3x
WM	6x	34%	11%	7x

Source: WCN & WM 10K Statements

Financing acquisitions are another important piece to the puzzle that can have significant effects on the capital structure, potentially diluting shareholders, or pushing them farther down the capital structure, leaving less cash for payouts. Since 2017 Waste Connections included an average of 12% debt in total consideration paid. Specific details regarding financing methods are not publicly disclosed, but management seems to favor using cash, while maintaining a debt-to-EBITDA ratio of 2.5x-3.0x.

Analyzing returns on invested capital (ROIC) including goodwill can be a helpful metric to understand whether acquisitions are creating value. From 2017 to 2024, ROIC increased from about 6% to 8%. However, returns in this calculation do not include impairment expenses. This results in a high ROIC despite material impairment expenses.

Recent notable acquisitions include Secure Energy Services (2023), Arrowhead Environmental Partners (2023), and Royal Waste Services (2024). Royal Waste Services is a New York City waste collection company. The integration of Royal Waste and the landfill acquired in Alabama is unique and discussed below.

Exclusive Contracts

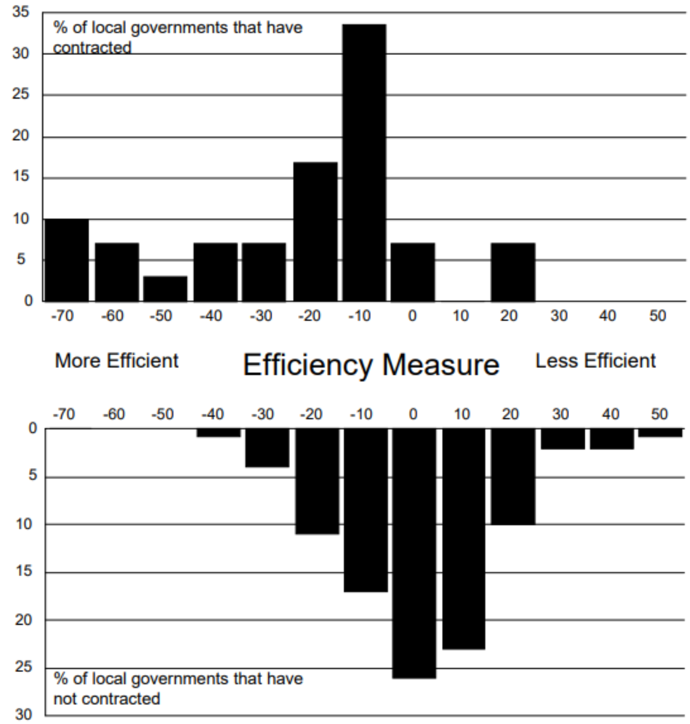
The acquisition of Royal Waste Services is incredibly important considering that New York City introduced a commercial waste zones program. This divides the city into 20 zones and awards exclusive contracts to waste haulers authorized to operate within each zone. The city requires that there must be three carters per zone, with no carter having more than 15 zones. Each hauler is subject to environmental, safety, and technology requirements. The goal is to increase efficiency while creatint a safe, efficient, and competitive collection system. Each deal has a 10-year term, with the option for extension. Including Royal Waste, WCN holds the maximum number of contracts[11].

Management states that they are, "comfortably the largest and only fully integrated player in New York City."[10] Generating an estimated 12,000 tons of waste each day, there is a clear advantage to having fixed contracts to handle a portion. Entrance into NYC is key towards management's goal of raising contract fees by 8%-10%. We expect pricing growth of 6%, so this will be a key metric to watch. Furthermore the 10-year nature of contracts provides barriers to entry that gives management more assurance in how capital outlays will fit into their operations.

INDUSTRY TRENDS

Privatization

We see the trend of municipal governments outsourcing waste collection services as an opportunity for companies within the industry. A 1997 survey shows that of the top 100 U.S. cities, exclusive municipal service is provided in 62[12]. It has trended to 78% of all cities as of 2016[25]. Many local governments are facing a fiscal cliff, driven by inflation, increasing public service costs, declining federal grants, and other budgetary issues[28]. Maintaining a collection fleet and landfill is expensive. By the time a collection fleet reaches the end of its useful life, operations require a large capital outlay to buy new trucks. We expect budgetary pressure coupled with private companies' ability to realize synergies to drive sales of municipal operations. Competition for such contracts will be driven by customer satisfaction and sustainability. Companies able to win contracts are those that have a history of acquiring companies and understand how to efficiently integrate operations. Benefits include revenue growth and better margins for a lower cost than acquiring a large company.



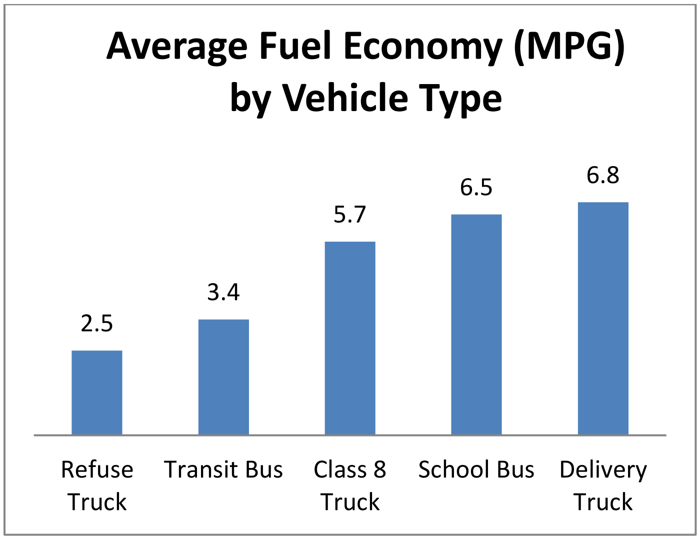
Source: Reason Foundation

Electric Vehicle Transition

Many companies within the collection industry have outlined plans to transition towards fleets of electric vehicles (EV). We expect this trend to be a key advantage that will drive revenue growth; as it improves customer satisfaction and environmental concerns, as well as cost reductions. Challenges include relatively high initial investments and technological limitations.

Financial benefits are cost savings and winning more contracts. "You can save about $35,000 per year on fuel per truck and about $20,000 per year in maintenance," according to a Forbes article[29]. The pre-tax deduction price of an EV is about $450,000 compared to a traditional truck costing $183,000[16]. Only considering cost savings, if tax incentives are maintained the investment pays for itself in 2 years. Without tax incentives it would take 5 years. On the revenue side, we believe EV fleets have greater potential to win residential waste contracts. The number one complaint for residential waste collection is how noisy the trucks are in the morning. EVs provide a quieter alternative which wins residential support. Furthermore, the rise in clean city initiatives implies ESG related demand. The U.S. Department of Energy has designed coalitions for clean initiatives, which currently include 93%

of the total U.S. populations[9]. Refuse vehicles have the 3rd highest fuel consumption out of any vehicle and the absolute lowest fuel economy[11]. When considering where municipalities will look to cut emissions, refuse trucks are the lowest hanging fruit. Municipalities that go this route will look to companies with EV fleets to take over collection services.



Source: U.S. Department of Energy

Headwinds towards adoption center around initial cost and technology. As mentioned, cost challenges have been alleviated via tax incentives. In lieu of tax policy, costs have been trending down anyways. Government policy is crucial to allow the infrastructure that EVs require to be put in place. Without reliable charging EV trucks will not operate efficiently unless technology can make up the difference. Technology is constantly improving but battery capacity remains a limiting factor. This can be solved by which type of market you serve. Los Angeles certainly has the infrastructure in place allowing EVs to flourish, whereas many of the secondary markets that Waste Connections operates are probably not the most conducive[10].

Republic Services and Waste Management have led the EV transition. Republic is partnered with Oshkosh Corporation to have 50% of its 17,000-vehicle fleet be electric within 5 years[17]. Waste Management has dedicated $1.6 billion to upgrade its fleet as well as construct waste-to-energy facilities to provide electricity[18]. WCN currently has two fully electric vehicles operating in New York City. WCN has committed $500 million toward sustainability initiatives but in a very broad plan that does not specify where capital will be allocated[5].

We view the contrast in the plans of these companies as a telling sign that Waste Connections is lagging.

Building a Circular Economy

The waste management industry is shifting toward a circular economy—an approach focused on reusing, recycling, and repurposing materials to reduce waste and resource use. Unlike the traditional "take, make, dispose" model, the circular economy emphasizes minimizing waste at the source, maximizing resource recovery, and generating renewable energy from organic waste. Companies play a key role by investing in advanced recycling, composting, and landfill gas-to-energy systems, turning waste into valuable resources while supporting sustainability goals. This shift creates a positive feedback loop: customers favor sustainable services, companies extract more value per ton of waste, and facilities—though capital-intensive—tend to be high-margin once running. Waste Connections, for example, operates 81 recycling facilities and 58 landfill gas recovery systems, with plans to add 12 more by 2026 and double recycling volumes over the next 15 years.

MARKETS AND COMPETITION

Peer Comparisons

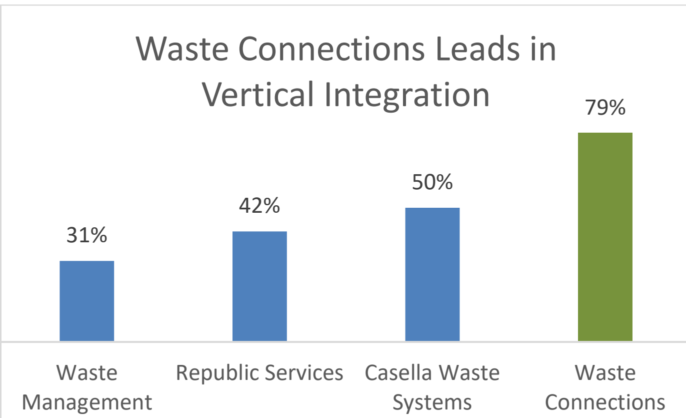
Company	Sales	EBITDA Margin	ROA	EV/EBITDA
Waste Management	$ 22,063	30%	7%	18x
Republic Services	$ 16,032	31%	6%	18x
GFL Environmental	$ 5,701	25%	-3%	25x
Casella Waste Systems	$ 1,557	23%	1%	25x
Waste Connections	$ 8,919	26%	3%	25x

Source: FactSet

Waste Management leads the industry in sales. All companies within the peer group follow very similar revenue mixes, with collection as the main driver.

Because of our view on sustainability, we expect Waste Management and Republic Services to be the best positioned companies. Please refer to our industry trends for more detail.

However, we also hold the view that vertical integration creates significant barriers to entry which leads to pricing power. Vertical integration is the ability to collect trash and control the landfill where it is dumped rather than be subject to paying tipping fees. We examined each company's intercompany landfill revenue as a percentage of gross landfill revenue to arrive at a relative idea of who is the most vertically integrated. GFL Environmental was excluded because they do not report a detailed enough breakdown. Using this calculation, we believe Waste Connections is the most vertically integrated. Hence, we have built increased pricing into our model.



Source: Henry Fund Model

In summary, we believe the three best companies positioned for growth are Waste Connections, Waste Management, and Republic Services. In our view, it boils down to whether more value is created from winning more contracts or raising prices. We view the former as a less risky method of growth. Though Waste Connections has pricing power, there are factors that could limit it in the future. Waste collection is an essential service that is subject to regulatory control.

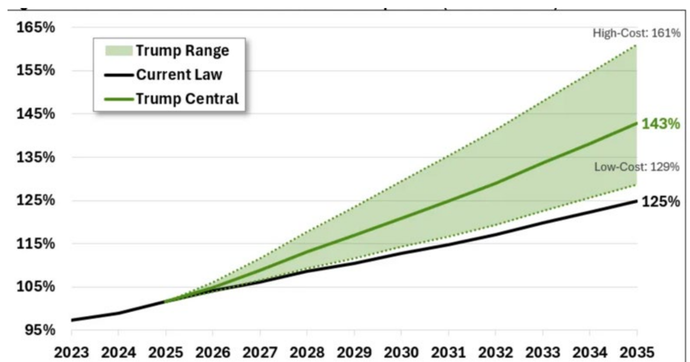
ECONOMIC OUTLOOK

Interest Rates

Interest rates are important considerations in capital intensive industries. Rates will affect companies relying on acquisitions for growth and the profitability of large investments in infrastructure such as waste-to-energy and recycling facilities. There is a lot of rate uncertainty due to tariff policies. Without dwelling on a specific percentage, we believe that the cost of borrowing will rise in the near-term. In periods of contraction or uncertainty lenders do not give out money as freely as they do in more stable periods. Absent of a tariff repeal, we expect much uncertainty to come in the near term. Long-term we expect yields to be 4.49%, which is what we have used as our risk-free rate.

Inflation

Inflation will determine the level of pricing power companies have as well as costs of operation. We expect inflation to be driven by a growing debt deficit and tariffs coupled with less domestic productivity.



Source: Committee for a Responsible Federal Budget

We do not believe there is a full appreciation for the challenges associated with reshoring. When tariffs reduce level of imports, there needs to be someone in place domestically to make up for the "loss" in supply. This requires capital spending and a large labor force. At a high level, manufacturing facilities need to be built, and we need more workers to run facilities. Furthermore, tariffs generally benefit low-skilled workers in terms of job openings[20]. Trump has promised to deport illegal immigrants, which make up an estimated 8% of the low-wage workforce[21,22]. It begs the question of how smoothly the transition to domestic production will work. This affects the cost of operations, particularly labor, and potentially the amount of waste produced if consumption of goods slows. We expect inflation of 3.5% in the near term, before leveling off to a steady 3.0% long-term. Contracts have inflation build into pricing increases, though management has been able to increase prices at a positive spread to inflation in the past.

E&P Activity

Exploration and production activity is relevant to Waste Connections' specialty revenue source. Oil consumption was depressed in the U.S. in 2024. We expect Trumps, "Drill, baby, drill" mantra to revert consumption to historical levels. The Energy Information Administration expects production to grow slowly in 2025, going from 13.2 million to 13.6 million barrels daily, then remain steady at about 20.5 million barrels of petroleum consumption per day long-term.[23].

Policy Environment

We feel strongly that opportunities to invest in electric vehicles are incredibly valuable. Potential repeal of the inflation reduction act (IRA) incentives put investments profitability at risk. The IRA currently provides a "Commercial Clean Vehicle Tax Credit", meant to make the cost the same as comparable diesel models. It is hard to tell what will happen to IRA credits considering bipartisan support and the jobs they create. If repealed it puts companies that have already made an investment such as Republic in amazing position.

VALUATION

Revenue

Collection, landfill, and transfer revenues are the largest drivers, guided by similar assumptions. Each segment is a function of waste volume and the price per ton of waste. For volume, there has been a steady decline that we expect to continue for the next 3 years per mgmt. guidance. Waste Connections acquires companies for strategic assets rather than contract growth. Because of this, there is a natural shedding of contracts a few years after each acquisition as they mature. After 3 years we expect volume to rise moderately as shedding stops. Exclusive contracts like New York City will drive increased volumes, but their presence in rural markets drive reduced volumes as urbanization continues.

Looking at pricing, it is their rural market dominance that we believe has driven historical price increases, which will continue at the average rate, about 250 bps above our forecast inflation rate. Growth at 6% in 2025 is driven by its secondary market pricing power plus its more recent exposure to primary markets, followed by a historical average growth rate of 5.54%. Cumulatively, all three revenue sources grow at about 5.5% annually.

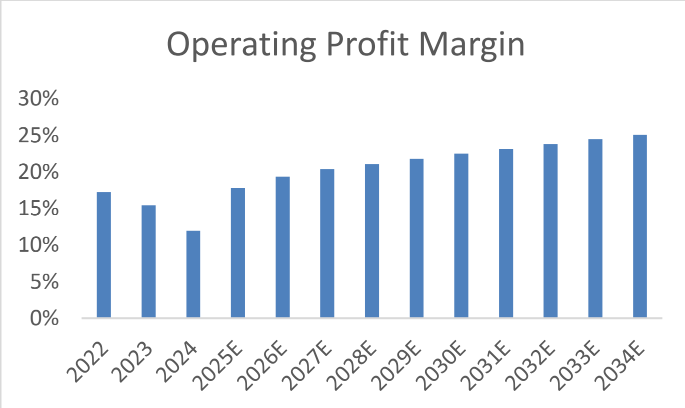
Other revenue sources include recycling, E&P, Intermodal, and waste-to-energy. Management goals indicate a 3% annual increase in recycled waste, and we backed out the average revenue of ton historically and forecasted a median price. Management does not give an indication of what to expect for E&P activities. We used energy information administration forecasts for U.S. petroleum consumption and kept Waste Connections market share the same, growing with total consumption. Pricing will grow with 3% inflation. Intermodal revenues grow at the rate of inflation except for a couple one-off increases where management expects capacity to grow. Lastly management gives specific forecasts for waste-to-energy infrastructure which will increase revenues by 24% in 2026, then pricing will drive 3% growth.

Revenue Stream ($mm)	3-year CAGR
Collection ($6,333)	5.69%
Landfill ($1,558)	4.64%
Transfer ($1,349)	4.64%
E&P ($522)	-21.22%
Recycling ($242)	-3.40%
Landfill Gas Recovery ($99)	9.72%
Intermodal ($93)	16.00%

Source: Henry Fund Model

Operating Expenses

Cost of operations is driven by a function of volume growth, along with a constant increase from inflation and a risk premium capturing potential labor costs or fuel price increases. Looking at historical averages, for every 1% increase in volume, costs have risen by 1.24%. When volume declines, we do not necessarily expect the cost of operations to decline significantly since assets will still be used at some point. Every year we always add 3% to costs for inflation and another 150 bps for the risk of any outsized cost increases.



Source: Henry Fund Model

We believe margin growth is reasonable considering pricing expectations. As revenues increase you will not necessarily see additional capital required. Management states they expect even greater pricing power at a high single digit percent. We believe our lower pricing estimates (5.54%-6%) are more justified given historical growth. Renegotiation is a concern, though we believe the customer is left with a lack of options in the secondary markets that WCN dominates.

Capital Expenditures

Capital expenditures enable fleet maintenance, upgrades, and landfill maintenance. It was the second largest use of capital, after acquisitions, in 2024. Management expects $1.2 billion of capital expenditures in 2025. From there we expect capex to grow at a 3% rate of inflation. This is reasonable because the costs of maintaining fixed assets necessary for operations should grow at a steady pace.

WACC

We assume a cost of capital of 7.09%. The capital asset pricing model was used to arrive at a cost of equity of 7.61%. This includes a risk-free rate of 4.49% (the 10-year treasury yield as of February 18), a beta of .59 (reported by Bloomberg), and an equity risk premium of 5.26% (geometric average of 10-year treasury yield 1928-2023). Our pre-tax cost of debt is 5.26%, which is the current yield on their 2034 maturity bond.

Discounted Cash Flow & Economic Profit

Our DCF and EP model indicate an intrinsic value of $138.68. Key assumptions include 2.75% growth in net operating profits less adjusted taxes (NOPLAT) and 28% return on invested capital (ROIC) in the terminal year. ROIC steadily increases going forward because of pricing power. We put 50% weight on our DCF model. While it is useful to value current operations, limitations arise with companies which primarily grow through acquisitions. We have not built in acquisitions because of uncertainty; therefore our model does not capture all future revenues nor the premium paid to acquire such revenues.

Relative Valuation

Our 1-year and 2-year forward P/E relative value is $194.96 and $161.60 respectively, averaging out to $178.28. Our peer group consisted of Waste Management, Republic Services, GFL Environmental, and Casella Waste System (excluded from average). We put 50% weight on our relative pricing. We expect market sentiment to be significant going forward given the macroeconomic environment. Each business generates significant cash flow through stable contractual agreements, which we expect investors to value. Limitations of this methodology are that companies such as Waste Management may deserve higher multiples due to superior margins and the market may share a similar view of growth prospects for all companies.

Dividend Discount Model

Our DDM model suggests a value of $106.51. We put no weight on this figure. Overall industry valuations suggest investors are looking for growth and that could alter Waste Connections payout strategy going forward. With that being said, our model has forecasted dividends per share to grow at the historical overage of $0.10 annually. Our terminal year assumptions include 2.50% EPS growth, 15.34% ROE, and a required equity return of 7.45%.

SUMMARY

Our final target price of $158 is based off a 50% weight on our DCF model and a 50% weight on our relative valuation. We believe companies focused on sustainability and improved customer satisfaction will thrive. These are the companies that will be able to capitalize on the privatization of services currently being offered through municipalities. This opportunity drives revenues and margin expansion as services are integrated with one another, making the business as a whole more efficient. Contrary to this valuable strategy, WCN has relied on expensive acquisitions and pricing power to grow in recent years. While WCN has historically outperformed, we believe it is because of a historically sound acquisition strategy that they are now deviating from. Instead of bundling small and cheap companies and integrating fixed costs, they are chasing after larger companies which we do not see the same value in. We recommend a sell rating on Waste Connections.

Keys To Monitor

Key factors that will further confirm or contradict our overall investment thesis include the development of electric fleets, acquisition strategy, and pricing power

Pricing Power
Management states that the declining trend in volume is intentional, so that the company can focus on more profitable contracts. Per management, pricing would need to grow in the upper single digits in 2025 for this intentional contract shedding to pay off. Our model estimates 6% growth currently. Holding all else constant, here is a chart that shows valuation differences if pricing reaches management goals.

Percent	6%	7%	8%	9%	10%
DCF Value	$139	$150	$161	$172	$184

Source: Henry Fund Model

The ability to raise prices is crucial to the story they are selling. To reiterate, they have historically only been able to raise prices 5.5% annually, which is why we believe our 6% estimate is more realistic. However, securing NYC contracts could have a larger impact on their average contract fee than we anticipate.

Electric Fleet Developments
It will be important to monitor the efficacy of electric truck fleets. How much influence does this have on winning contracts? How does implementation affect margins? These are two significant questions that companies such as Waste Management and Republic Services will answer as they pave the way. If results prove valuable, being the first to benefit could do a lot for winning long-term contracts and leave companies with more cash flow to allocate to other valuable activities.

Acquisition Strategy
Within the industry it will be important to monitor acquisition activity. Particularly how much of a premium WCN and its peers are paying. Inorganic revenue growth is nothing special, it is a matter of the capital required and how well companies can integrate operations and realize synergies. Because WCN has engaged in particularly large acquisitions recently, we look forward to management releasing specific metrics showing how valuable the acquisition was. The company has raised margins from 28%-32% historically. Given the larger premium paid for recent acquisitions, we would like that trend to continue at a greater level.

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Waste Connections

Revenue Decomposition thousands

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
By Service Line:													
Commercial	2,176,295	2,476,891	2,670,549	2,830,782	2,987,607	3,153,121	3,327,804	3,512,164	3,706,738	3,912,091	4,128,821	4,357,558	4,598,966
Residential	1,891,108	2,125,068	2,258,911	2,394,446	2,527,098	2,667,099	2,814,856	2,970,800	3,135,382	3,309,082	3,492,405	3,685,884	3,890,082
Industrial & construction roll off	1,183,624	1,333,020	1,403,313	1,487,512	1,569,920	1,656,893	1,748,685	1,845,563	1,947,807	2,055,715	2,169,602	2,289,798	2,416,653
Total Collection	5,251,027	5,934,979	6,332,773	6,712,739	7,084,625	7,477,113	7,891,345	8,328,526	8,789,926	9,276,888	9,790,828	10,333,240	10,905,701
Landfill (Disposal)	1,328,942	1,483,397	1,557,872	1,610,676	1,695,658	1,785,123	1,888,729	1,998,348	2,114,329	2,237,042	2,366,876	2,504,246	2,649,589
Transfer	1,026,050	1,198,385	1,349,080	1,394,807	1,468,399	1,545,874	1,635,594	1,730,522	1,830,959	1,937,225	2,049,658	2,168,617	2,294,481
Recycling	204,876	147,039	241,873	228,876	200,182	218,062	219,540	229,850	239,058	247,825	255,673	263,983	272,892
E&P	210,562	232,211	521,504	159,334	247,560	254,987	262,637	270,516	278,631	286,990	295,600	304,468	313,602
Intermodal & other (RNG lumped in)	188,471	171,721	191,887	224,934	253,446	275,717	284,186	292,915	301,911	311,184	320,742	330,593	340,510
Intercompany	(998,069)	(1,145,781)	(1,275,398)	(1,344,709)	########	(1,497,830)	(1,580,809)	(1,668,386)	(1,760,815)	(1,858,364)	(1,961,317)	(2,069,974)	(2,184,651)
Total	**7,211,859**	**8,021,951**	**8,919,591**	**8,986,659**	**9,530,664**	**10,059,048**	**10,601,222**	**11,182,290**	**11,794,000**	**12,438,790**	**13,118,060**	**13,835,172**	**14,592,124**
% Growth	17.24%	11.23%	11.19%	0.75%	6.05%	5.54%	5.39%	5.48%	5.47%	5.47%	5.46%	5.47%	5.47%
Collection Revenue:													
Hauling operations (sustainability report)	359	359	359	359	359	359	359	359	359	359	359	359	359
Revenue per operation	14,627	16,532	17,640	18,698	19,734	20,828	21,981	23,199	24,484	25,841	27,273	28,783	30,378
Pricing growth	10.00%	13.03%	6.70%	6.00%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%
Total Collection Revenues	**5,251,027**	**5,934,979**	**6,332,773**	**6,712,739**	**7,084,625**	**7,477,113**	**7,891,345**	**8,328,526**	**8,789,926**	**9,276,888**	**9,790,828**	**10,333,240**	**10,905,701**
% growth	18.23%	13.03%	6.70%	6.00%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%	5.54%
Landfill Revenue:													
Total tons received	36,706	38,899	37,771	37,204	37,111	37,018	37,111	37,204	37,297	37,390	37,483	37,577	37,671
Average price per ton	$ 36.21	$ 38.13	$ 40.84	$ 43.29	$ 45.69	$ 48.22	$ 50.89	$ 53.71	$ 56.69	$ 59.83	$ 63.14	$ 66.64	$ 70.33
Total Landfill Revenue	**1,328,942**	**1,483,397**	**1,557,872**	**1,610,676**	**1,695,658**	**1,785,123**	**1,888,729**	**1,998,348**	**2,114,329**	**2,237,042**	**2,366,876**	**2,504,246**	**2,649,589**
% growth	7.74%	11.62%	5.02%	3.39%	5.28%	5.28%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%
Transfer Station Revenue:													
Number of transfer stations	209	210	210	210	210	210	210	210	210	210	210	210	210
Total Transfer Revenue	**1,026,050**	**1,198,385**	**1,349,080**	**1,394,807**	**1,468,399**	**1,545,874**	**1,635,594**	**1,730,522**	**1,830,959**	**1,937,225**	**2,049,658**	**2,168,617**	**2,294,481**
% growth	19.43%	16.80%	12.57%	3.39%	5.28%	5.28%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%
Recycling Revenue:													
Number of recycling facilities	79	81	81	81	81	81	81	81	81	81	81	81	81
Total recyclables	2,184	2,208	2,215	2,289	2,365	2,444	2,525	2,610	2,697	2,786	2,879	2,975	3,074
Average revenue per ton	$ 93.81	$ 66.61	$ 109.20	$ 100.00	$ 84.64	$ 89.23	$ 86.93	$ 88.08	$ 88.65	$ 88.94	$ 88.80	$ 88.73	$ 88.76
Total Recyclable Revenue	**204,876**	**147,039**	**241,873**	**228,876**	**200,182**	**218,062**	**219,540**	**229,850**	**239,058**	**247,825**	**255,673**	**263,983**	**272,892**
% growth	-0.10%	-28.23%	64.50%	-5.37%	-12.54%	8.93%	0.68%	4.70%	4.01%	3.67%	3.17%	3.25%	3.38%
Exploration & Production Revenue:													
US petroleum consumptions (million barrels per day	20.3	20.4	13.2	13.6	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
Tons received (thousands)	11,143	11,508	7,452	7,667	11,565	11,565	11,565	11,565	11,565	11,565	11,565	11,565	11,565
Avg revenue per ton	$ 18.90	$ 20.18	$ 20.18	$ 20.78	$ 21.41	$ 22.05	$ 22.71	$ 23.39	$ 24.09	$ 24.82	$ 25.56	$ 26.33	$ 27.12
Total E&P Revenue	**210,562**	**232,211**	**521,504**	**159,334**	**247,560**	**254,987**	**262,637**	**270,516**	**278,631**	**286,990**	**295,600**	**304,468**	**313,602**
% growth	51.80%	10.28%	124.58%	-69.45%	55.37%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Intermodal Revenue:													
Number of intermodal facilities	6	4	4	4	4	4	4	4	4	4	4	4	4
Volume transferrred per facility *tons*			7	9	9	10	10	10	10	10	10	10	10
Total volume			28	36	36	40	40	40	40	40	40	40	40
Revenue per ton			3,312	3,411	3,514	3,619	3,728	3,840	3,955	4,073	4,196	4,321	4,451
Total Revenue	**87,505**	**75,458**	**92,736**	**122,809**	**126,493**	**144,764**	**149,107**	**153,580**	**158,188**	**162,933**	**167,821**	**172,856**	**178,041**
% growth	46.03%	-13.77%	22.90%	32.43%	3.00%	14.44%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Landfill Gas Recovery:													
Number of landfill gas recovery systems	55	58	58	58	70	70	70	70	70	70	70	70	70
Annual standard cubic feet collected for energy (billions	29.0	30.1	30.1	30.1	36.3	36.4	36.4	36.5	36.5	36.6	36.6	36.7	36.7
Revenue per cubic foot	3,481.6	3,198.1	3,294.1	3,392.9	3,494.7	3,599.5	3,707.5	3,818.7	3,933.3	4,051.3	4,172.8	4,298.0	4,426.9
Estimated Revenue from LFG	**100,966**	**96,263**	**99,151**	**102,126**	**126,953**	**130,953**	**135,079**	**139,334**	**143,724**	**148,251**	**152,921**	**157,737**	**162,469**
% growth	9.42%	-4.66%	3.00%	3.00%	24.31%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.00%

Waste Connections

Income Statement

In thousands

Fiscal Years Ending Dec. 31	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
Revenues	7,211,859	8,021,951	8,919,591	8,986,659	9,530,664	10,059,048	10,601,222	11,182,290	11,794,000	12,438,790	13,118,060	13,835,172	14,592,124
Operating Expenses:													
Cost of operations	4,336,012	4,744,513	5,191,706	5,425,333	5,669,473	5,924,599	6,209,623	6,508,358	6,821,465	7,149,636	7,493,594	7,854,099	8,231,948
Selling, general & administrative	696,467	799,119	883,445	875,945	913,972	964,643	1,016,637	1,072,360	1,131,022	1,192,856	1,257,996	1,326,766	1,399,356
Depreciation	763,285	845,638	974,001	892,194	927,756	963,409	999,262	1,035,420	1,071,976	1,109,019	1,146,631	1,184,890	1,223,867
Amortization of intangibles	155,675	157,573	189,768	191,798	173,328	156,636	141,551	127,920	115,601	104,468	94,407	85,316	77,100
Impairments & other operating items	18,230	238,796	613,012	-	-	-	-	-	-	-	-	-	-
Operating income (loss)	**1,242,190**	**1,236,312**	**1,067,659**	**1,601,388**	**1,846,135**	**2,049,761**	**2,234,149**	**2,438,233**	**2,653,936**	**2,882,811**	**3,125,431**	**3,384,101**	**3,659,853**
Interest expense	202,331	274,642	326,804	425,049	432,122	432,107	432,308	459,090	478,182	466,255	436,046	471,826	478,903
Interest income	5,950	9,350	11,607	6,322	8,657	34,095	65,506	125,162	184,618	224,800	257,235	354,865	437,230
Other income, net	3,154	12,481	10,471	-	-	-	-	-	-	-	-	-	-
Loss on early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before income tax provision	1,048,963	983,501	762,933	1,182,661	1,422,670	1,651,748	1,867,347	2,104,305	2,360,371	2,641,357	2,946,620	3,267,140	3,618,179
Income tax provision	212,962	220,675	146,363	288,892	347,520	403,477	456,142	514,024	576,574	645,211	719,779	798,073	883,823
Net income	$ 836,001	$ 762,826	$ 616,570	$ 893,769	1,075,151	1,248,271	1,411,205	1,590,280	1,783,797	1,996,145	2,226,841	2,469,067	2,734,357
Less: net income attributable to noncontrolling interests	(339)	(26)	1,003	-	-	-	-	-	-	-	-	-	-
Net income attributable to Waste Connections	**835,662**	**762,800**	**617,573**	**893,769**	**1,075,151**	**1,248,271**	**1,411,205**	**1,590,280**	**1,783,797**	**1,996,145**	**2,226,841**	**2,469,067**	**2,734,357**
Basic EPS	$ 3.25	$ 2.96	$ 2.40	$ 3.47	$ 4.18	$ 4.86	$ 5.51	$ 6.22	$ 6.98	$ 7.83	$ 8.74	$ 9.71	$ 10.77
Cash dividends per common share	$ 0.95	$ 1.05	$ 1.17	$ 1.27	$ 1.36	$ 1.46	$ 1.56	$ 1.65	$ 1.75	$ 1.84	$ 1.94	$ 2.03	$ 2.13
Weighted average shares outstanding - basic	257,384	257,551	257,810	257,744	257,209	256,710	256,242	255,803	255,393	255,009	254,650	254,314	253,999
Year end shares outstanding	257,146	257,600	258,019	257,468	256,951	256,468	256,015	255,592	255,195	254,824	254,476	254,151	253,846

Waste Connections

Balance Sheet

In Thousands

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets													
Current Assets:													
Cash & equivalents	78,637	78,399	62,366	110,733	672,340	1,366,532	2,688,212	4,005,255	4,893,824	5,610,008	7,774,790	9,600,115	11,559,189
Accounts receivable	833,862	856,953	935,027	1,067,049	1,131,642	1,194,381	1,258,757	1,327,751	1,400,384	1,476,944	1,557,599	1,642,747	1,732,625
Prepaid expenses & other current assets	205,146	206,433	229,519	294,964	312,820	330,162	347,958	367,030	387,108	408,271	430,567	454,104	478,949
Total current assets	1,117,645	1,141,785	1,226,912	1,472,746	2,116,802	2,891,076	4,294,927	5,700,037	6,681,316	7,495,224	9,762,956	11,696,966	13,770,763
Long-term Assets:													
Restricted cash	102,727	105,639	135,807	141,918	148,305	154,978	161,952	169,240	176,856	184,815	193,131	201,822	210,904
Investments	68,099	70,350	78,126	81,642	85,316	89,155	93,167	97,359	101,740	106,319	111,103	116,103	121,327
Property & equipment, net	6,950,915	7,228,331	8,035,929	8,356,235	8,677,354	9,000,286	9,325,955	9,655,215	9,988,858	10,327,627	10,672,218	11,023,287	11,381,457
Operating lease right-of-use assets	192,506	261,782	308,198	320,483	332,798	345,184	357,674	370,302	383,098	396,090	409,306	422,771	436,507
Goodwill	6,902,297	7,404,400	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406	7,950,406
Intangible assets, net	1,673,917	1,603,541	1,991,619	1,799,821	1,626,493	1,469,857	1,328,306	1,200,386	1,084,786	980,318	885,910	800,595	723,495
Other assets, net	126,497	100,048	90,812	94,899	99,169	103,632	108,295	113,168	118,261	123,583	129,144	134,955	141,028
Total LT Assets	16,016,958	16,774,091	18,590,897	18,745,403	18,919,840	19,113,498	19,325,755	19,556,076	19,804,005	20,069,157	20,351,219	20,649,939	20,965,126
Total assets	**17,134,603**	**17,915,876**	**19,817,809**	**20,218,149**	**21,036,642**	**22,004,573**	**23,620,682**	**25,256,113**	**26,485,321**	**27,564,381**	**30,114,175**	**32,346,904**	**34,735,889**
Liabilities and Equity													
Current Liabilities:													
Accounts payable	638,728	642,455	637,371	657,886	697,711	736,392	776,083	818,622	863,403	910,606	960,333	1,012,831	1,068,245
Book overdraft	15,645	14,855	14,628	14,738	15,630	16,497	17,386	18,339	19,342	20,399	21,513	22,689	23,931
Deferred revenue	325,002	355,203	382,501	366,731	388,932	410,494	432,619	456,332	481,295	507,608	535,328	564,592	595,482
Accrued liabilities	431,247	521,428	736,824	603,678	640,222	675,716	712,136	751,170	792,261	835,575	881,205	929,377	980,225
Current portion of operating lease liabilities	35,170	32,533	40,490	54,370	56,460	58,561	60,680	62,822	64,993	67,197	69,439	71,724	74,054
Current portion of contingent consideration	60,092	94,996	59,169	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt & notes payable	6,759	26,462	7,851	-	-	-	500,000	847,500	600,000	-	650,000	750,000	750,000
Total current liabilities	1,512,643	1,687,932	1,878,834	1,697,404	1,798,954	1,897,660	2,498,905	2,954,784	2,821,294	2,341,385	3,117,818	3,351,212	3,491,937
Long-term Liabilities:													
Long-term portion of debt & notes payable	6,890,149	6,724,771	8,072,928	8,215,240	8,214,970	8,218,786	8,227,949	8,243,418	8,264,167	8,289,849	8,320,083	8,354,626	8,393,175
Long-term portion of operating lease liabilities	165,462	238,440	272,107	277,503	288,167	298,891	309,707	320,641	331,721	342,971	354,415	366,074	377,968
Long-term portion of contingent consideration	21,323	20,034	27,993	22,394	16,796	11,197	5,599	-	-	-	-	-	-
Deferred income taxes	1,013,742	1,022,480	958,340	1,009,008	1,059,675	1,110,343	1,161,011	1,211,678	1,262,346	1,313,013	1,363,681	1,414,349	1,465,016
Other long-term liabilities	417,640	524,438	747,253	673,021	713,762	753,333	793,937	837,454	883,266	931,555	982,426	1,036,132	1,092,821
Total Long Term Liabilities	8,508,316	8,530,163	10,078,621	10,197,166	10,293,371	10,392,551	10,498,202	10,613,191	10,741,500	10,877,389	11,020,605	11,171,180	11,328,980
Total liabilities	**10,020,959**	**10,218,095**	**11,957,455**	**11,894,570**	**12,092,325**	**12,290,211**	**12,997,107**	**13,567,975**	**13,562,794**	**13,218,774**	**14,138,424**	**14,522,392**	**14,820,916**
Equity													
Common Equity	3,516,034	3,560,945	3,609,089	3,505,914	3,402,739	3,299,564	3,196,389	3,093,215	2,990,040	2,886,865	2,783,690	2,680,515	2,577,340
Accumulated other comprehensive income (loss)	(56,830)	(9,826)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)	(205,740)
Retained earnings (accumulated deficit)	3,649,494	4,141,690	4,457,005	5,023,405	5,747,318	6,620,538	7,632,926	8,800,663	10,138,228	11,664,483	13,397,801	15,349,737	17,543,372
Total Waste Connections' equity	7,108,698	7,692,809	7,860,354	8,323,579	8,944,317	9,714,362	10,623,575	11,688,138	12,922,528	14,345,607	15,975,751	17,824,512	19,914,972
Noncontrolling interest in subsidiaries	4,946	4,972	-	-	-	-	-	-	-	-	-	-	-
Total equity	**7,113,644**	**7,697,781**	**7,860,354**	**8,323,579**	**8,944,317**	**9,714,362**	**10,623,575**	**11,688,138**	**12,922,528**	**14,345,607**	**15,975,751**	**17,824,512**	**19,914,972**
Total Liablities and Equity	**17,134,603**	**17,915,876**	**19,817,809**	**20,218,149**	**21,036,642**	**22,004,573**	**23,620,682**	**25,256,113**	**26,485,321**	**27,564,381**	**30,114,175**	**32,346,904**	**34,735,889**

Waste Connections

Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net income (loss)	247,321	577,420	547,154	566,681	203,992	618,489	836,001	762,826	616,570
Loss on disposal of assets & impairments	26,741	134,491	10,193	84,691	445,647	27,727	9,519	38,877	122,641
Adjustment to closure and post-closure liabilities								159,547	480,786
Depreciation	393,600	530,187	572,708	618,396	621,102	673,730	763,285	845,638	974,001
Amortization of intangibles	70,312	102,297	107,779	125,522	131,302	139,279	155,675	157,573	189,768
Loss on early extinguishment of debt	-	-	-	-	-	115,288	-	-	-
Deferred income taxes, net of acquisitions	42,298	(153,283)	77,859	54,637	(50,487)	14,563	93,481	6,329	(57,285)
Current period provision for expected credit losses	-	-	-	-	-	9,719	17,353	17,430	20,243
Amortization of debt issuance costs	4,847	4,341	4,158	5,001	7,509	5,055	5,454	6,483	10,007
Share-based compensation	44,772	39,361	43,803	42,671	45,751	58,221	63,485	70,436	77,885
Interest accretion	10,505	13,822	14,861	16,426	17,205	15,970	17,668	22,720	36,001
Payment of contingent consideration recorded in earnings	(493)	(10,012)	(11)	-	(10,371)	(520)	(2,982)	-	(35,035)
Adjustments to contingent consideration	(2,623)	17,754	349	1,498	18,418	2,954	(1,030)	30,367	(3)
Other adjustments	(6,794)	1,611	943	(2,240)	2,426	(1,260)	(8,217)	(3,943)	2,656
Accounts receivable, net	(5,252)	(38,934)	(37,724)	(22,933)	46,841	(54,688)	(100,546)	(20,630)	(209,308)
Prepaid expenses & other current assets	(21,650)	(51,457)	39,758	9,135	(17,749)	(8,229)	(752)	10,262	
Accounts payable	54,219	50,012	16,135	71,147	(148,362)	66,752	192,850	32,327	
Deferred revenue	8,016	4,205	17,916	19,156	14,981	31,707	42,252	26,519	
Accrued liabilities	(70,041)	(15,002)	1,314	(24,039)	88,612	3,853	(28,082)	21,753	
Capping, closure & post-closure expenditures	-	(8,845)	(2,702)	(5,062)	(6,484)	(21,040)	(18,881)	(39,427)	
Other long-term liabilities	(466)	(10,708)	(3,258)	(20,140)	(1,812)	659	(14,041)	(18,270)	
Net cash flows from operating activities	**795,312**	**1,187,260**	**1,411,235**	**1,540,547**	**1,408,521**	**1,698,229**	**2,022,492**	**2,126,817**	**2,228,927**
Payments for acquisitions, net of cash acquired	48,637	(410,695)	(830,091)	(768,293)	(456,297)	(960,449)	(2,206,901)	(676,793)	(2,120,878)
Capital expenditures for property & equipment	(344,723)	(479,287)	(546,145)	(634,406)	(597,053)	(744,315)	(912,677)	(934,000)	(1,055,988)
Investment in noncontrolling interest	-	-	-	(25,000)	-	(25,000)	-	-	7,903
Proceeds from disposal of assets	4,604	28,432	5,385	3,566	19,084	42,768	30,676	31,581	37,000
Other cash flows from investing activities	(4,913)	(104,682)	(969)	(1,873)	(11,777)	(6,486)	1,731	(1,867)	(27,213)
Net cash flows from investing activities	**(296,395)**	**(966,232)**	**(1,371,820)**	**(1,426,006)**	**(1,046,043)**	**(1,693,482)**	**(3,087,171)**	**(1,581,079)**	**(3,159,176)**
Proceeds from long-term debt	3,469,289	973,754	1,022,737	1,575,795	1,815,625	2,112,193	4,816,146	1,818,765	4,564,469
Principal payments on notes payable & long-term debt	(3,714,044)	(770,106)	(970,773)	(1,470,711)	(1,542,958)	(1,893,100)	(3,073,985)	(2,052,153)	(3,245,419)
Premiums paid on early extinguishment of debt	-	-	-	-	-	(110,617)	-	-	(4,000)
Payment of contingent consideration recorded at acquisition date	(16,325)	(17,158)	(6,127)	(3,200)	(12,566)	(12,934)	(16,911)	(13,317)	(27,743)
Change in book overdraft	(1,305)	8,241	(839)	(2,564)	1,096	(367)	(1,076)	-	(227)
Payments for repurchase of common shares	-	-	(58,928)	-	(105,654)	(338,993)	(424,999)	-	-
Payments for cash dividends	(92,547)	(131,975)	(152,550)	(175,067)	(199,883)	(220,203)	(243,013)	(270,604)	(302,258)
Tax withholdings related to net share settlements of equity-based compe	-	(1,095)	(15,135)	(18,230)	(23,446)	(18,606)	(18,358)	(31,799)	(32,928)
Debt issuance costs	(13,506)	(3,667)	(8,630)	(5,953)	(11,117)	(18,521)	(13,271)	-	(13,449)
Proceeds from issuance of shares under employee share purchase plar	(6,301)	(12,048)	-	-	-	1,222	3,270	3,909	4,486
Proceeds from sale of common shares held in trust	19,870	10,814	2,667	4,036	679	430	660	794	2,014
Net cash flows from financing activities	**(354,869)**	**56,760**	**(187,578)**	**(95,894)**	**(78,224)**	**(499,496)**	**1,028,463**	**(544,405)**	**944,945**
Effect of exchange rate changes on cash, cash equivalents & restricted	(598)	1,795	(1,290)	608	6,914	(25)	(2,035)	1,341	(561)
Net increase (decrease) in cash, cash equivalents & restricted cash	143,450	279,583	(149,453)	19,255	291,168	(494,774)	(38,251)	2,674	14,135
Cash, cash equivalents & restricted cash at beginning of year	10,974	154,382	553,227	403,966	423,221	714,389	219,615	181,364	184,038
Cash, cash equivalents & restricted cash at end of year	154,424	433,965	403,774	423,221	714,389	219,615	181,364	184,038	198,173

Waste Connections

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net Income	893,769	1,075,151	1,248,271	1,411,205	1,590,280	1,783,797	1,996,145	2,226,841	2,469,067	2,734,357
Depreciation	892,194	927,756	963,409	999,262	1,035,420	1,071,976	1,109,019	1,146,631	1,184,890	1,223,867
Amortization of intangibles	191,798	173,328	156,636	141,551	127,920	115,601	104,468	94,407	85,316	77,100
Deferred Income Taxes	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668
ROU Asset	(12,285)	(12,316)	(12,385)	(12,490)	(12,628)	(12,796)	(12,993)	(13,216)	(13,464)	(13,737)
Operating Lease Liability	19,276	12,753	12,825	12,934	13,077	13,251	13,454	13,686	13,943	14,225
Working Capital Changes										
Accounts Receivable	(132,022)	(64,594)	(62,739)	(64,376)	(68,994)	(72,633)	(76,560)	(80,654)	(85,148)	(89,878)
Prepaid exp & other current assets	(65,445)	(17,856)	(17,343)	(17,795)	(19,072)	(20,078)	(21,164)	(22,295)	(23,537)	(24,845)
Other Assets	(4,087)	(4,270)	(4,463)	(4,663)	(4,873)	(5,093)	(5,322)	(5,561)	(5,811)	(6,073)
Accounts Payable	20,515	39,825	38,681	39,691	42,538	44,781	47,203	49,727	52,498	55,414
Deferred Revenue	(15,770)	22,200	21,563	22,125	23,712	24,963	26,313	27,720	29,264	30,890
Accrued Liabilities	(133,146)	36,544	35,494	36,421	39,033	41,092	43,314	45,630	48,172	50,848
Other LT Liabilities	(74,232)	40,741	39,571	40,604	43,517	45,812	48,289	50,871	53,705	56,689
Net cash provided by operating activities	**1,631,236**	**2,279,930**	**2,470,188**	**2,655,136**	**2,860,598**	**3,081,341**	**3,322,835**	**3,584,454**	**3,859,561**	**4,159,525**
Cash Flows From Investing Activities:										
Capital Expenditures	(1,212,500)	(1,248,875)	(1,286,341)	(1,324,931)	(1,364,679)	(1,405,620)	(1,447,788)	(1,491,222)	(1,535,959)	(1,582,037)
Restricted Cash	(6,111)	(6,386)	(6,674)	(6,974)	(7,288)	(7,616)	(7,959)	(8,317)	(8,691)	(9,082)
Investments	(3,516)	(3,674)	(3,839)	(4,012)	(4,193)	(4,381)	(4,578)	(4,784)	(5,000)	(5,225)
Change in Goodwill	-	-	-	-	-	-	-	-	-	-
Change in Gross Intangibles	-	-	-	-	0	-	-	-	-	-
Net cash provided by (used in) investing activities	**(1,222,127)**	**(1,258,935)**	**(1,296,854)**	**(1,335,917)**	**(1,376,160)**	**(1,417,617)**	**(1,460,325)**	**(1,504,323)**	**(1,549,649)**	**(1,596,344)**
Cash Flows From Financing Activities:										
Book overdraft	110	892	867	889	953	1,003	1,057	1,114	1,176	1,241
Change in current portion of LT Debt	(7,851)	-	-	500,000	347,500	(247,500)	(600,000)	650,000	100,000	-
Change in LT debt	142,312	(270)	3,816	9,162	15,469	20,749	25,682	30,234	34,543	38,548
Change in current portion of contingent consideratic	(59,169)	-	-	-	-	-	-	-	-	-
Change in LT contingent consideration	(5,599)	(5,599)	(5,599)	(5,599)	(5,599)	-	-	-	-	-
Common Equity (Share Repurchases)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)	(103,175)
Change in AOCI	-	-	-	-	-	-	-	-	-	-
Change in NCI	-	-	-	-	-	-	-	-	-	-
Dividends Paid	(327,370)	(351,237)	(375,051)	(398,818)	(422,543)	(446,232)	(469,890)	(493,522)	(517,131)	(540,721)
Net cash provided by (used in) financing activities	**(360,741)**	**(459,388)**	**(479,142)**	**2,461**	**(167,394)**	**(775,155)**	**(1,146,326)**	**84,651**	**(484,587)**	**(604,106)**
Net Increase (Decrease) in Cash	**48,367**	**561,607**	**694,192**	**1,321,679**	**1,317,044**	**888,569**	**716,184**	**2,164,782**	**1,825,324**	**1,959,074**
Beginning Cash Balance	62,366	110,733	672,340	1,366,532	2,688,212	4,005,255	4,893,824	5,610,008	7,774,790	9,600,115
Ending Cash Balance	**110,733**	**672,340**	**1,366,532**	**2,688,212**	**4,005,255**	**4,893,824**	**5,610,008**	**7,774,790**	**9,600,115**	**11,559,189**

Waste Connections

Common Size Income Statement

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues	100.00%	100.00%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:													
Cost of operations	60.12%	59.14%	58.21%	60.37%	59.49%	58.90%	58.57%	58.20%	57.84%	57.48%	57.12%	56.77%	56.41%
Selling, general & administrative	9.66%	9.96%	9.90%	9.75%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%
Depreciation	10.58%	10.54%	10.92%	9.93%	9.73%	9.58%	9.43%	9.26%	9.09%	8.92%	8.74%	8.56%	8.39%
Amortization of intangibles	2.16%	1.96%	2.13%	2.13%	1.82%	1.56%	1.34%	1.14%	0.98%	0.84%	0.72%	0.62%	0.53%
Impairments & other operating items	0.25%	2.98%	6.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating income (loss)	**17.22%**	**15.41%**	**11.97%**	**17.82%**	**19.37%**	**20.38%**	**21.07%**	**21.80%**	**22.50%**	**23.18%**	**23.83%**	**24.46%**	**25.08%**
			2.77%										
Interest expense	2.81%	3.42%	3.66%	4.73%	4.53%	4.30%	4.08%	4.11%	4.05%	3.75%	3.32%	3.41%	3.28%
Interest income	0.08%	0.12%	0.13%	0.07%	0.09%	0.34%	0.62%	1.12%	1.57%	1.81%	1.96%	2.56%	3.00%
Other income, net	0.04%	0.16%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on early extinguishment of debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before income tax provision	14.54%	12.26%	8.55%	13.16%	14.93%	16.42%	17.61%	18.82%	20.01%	21.23%	22.46%	23.61%	24.80%
Income tax provision	2.95%	2.75%	1.64%	3.21%	3.65%	4.01%	4.30%	4.60%	4.89%	5.19%	5.49%	5.77%	6.06%
Net income	11.59%	9.51%	6.91%	9.95%	11.28%	12.41%	13.31%	14.22%	15.12%	16.05%	16.98%	17.85%	18.74%
Less: net income attributable to noncontrolling interests	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income attributable to Waste Connections	**11.59%**	**9.51%**	**6.92%**	**9.95%**	**11.28%**	**12.41%**	**13.31%**	**14.22%**	**15.12%**	**16.05%**	**16.98%**	**17.85%**	**18.74%**

Waste Connections

Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets													
Current Assets:													
Cash & equivalents	1.09%	0.98%	0.70%	1.23%	7.05%	13.59%	25.36%	35.82%	41.49%	45.10%	59.27%	69.39%	79.22%
Accounts receivable	11.56%	10.68%	10.48%	11.87%	11.87%	11.87%	11.87%	11.87%	11.87%	11.87%	11.87%	11.87%	11.87%
Prepaid expenses & other current	2.84%	2.57%	2.57%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%
Total current assets	15.50%	14.23%	13.76%	16.39%	22.21%	28.74%	40.51%	50.97%	56.65%	60.26%	74.42%	84.55%	94.37%
Long-term Assets:													
Restricted cash	1.42%	1.32%	1.52%	1.58%	1.56%	1.54%	1.53%	1.51%	1.50%	1.49%	1.47%	1.46%	1.45%
Investments	0.94%	0.88%	0.88%	0.91%	0.90%	0.89%	0.88%	0.87%	0.86%	0.85%	0.85%	0.84%	0.83%
Property & equipment, net	96.38%	90.11%	90.09%	92.98%	91.05%	89.47%	87.97%	86.34%	84.69%	83.03%	81.36%	79.68%	78.00%
Operating lease right-of-use asse	2.67%	3.26%	3.46%	3.57%	3.49%	3.43%	3.37%	3.31%	3.25%	3.18%	3.12%	3.06%	2.99%
Goodwill	95.71%	92.30%	89.13%	88.47%	83.42%	79.04%	75.00%	71.10%	67.41%	63.92%	60.61%	57.47%	54.48%
Intangible assets, net	23.21%	19.99%	22.33%	20.03%	17.07%	14.61%	12.53%	10.73%	9.20%	7.88%	6.75%	5.79%	4.96%
Other assets, net	1.75%	1.25%	1.02%	1.06%	1.04%	1.03%	1.02%	1.01%	1.00%	0.99%	0.98%	0.98%	0.97%
Total LT Assets	222.09%	209.10%	208.43%	208.59%	198.52%	190.01%	182.30%	174.88%	167.92%	161.34%	155.14%	149.26%	143.67%
Total assets	**237.59%**	**223.34%**	**222.18%**	**224.98%**	**220.73%**	**218.75%**	**222.81%**	**225.86%**	**224.57%**	**221.60%**	**229.56%**	**233.80%**	**238.05%**
Liabilities and Equity													
Current Liabilities:													
Accounts payable	8.86%	8.01%	7.15%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%
Book overdraft	0.22%	0.19%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Deferred revenue	4.51%	4.43%	4.29%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%
Accrued liabilities	5.98%	6.50%	8.26%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%
Current portion of operating lease	21.26%	13.64%	14.88%	19.77%	19.77%	19.77%	19.77%	19.77%	19.77%	19.77%	19.77%	19.77%	19.77%
Current portion of contingent cons	0.83%	1.18%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of long-term debt	0.09%	0.33%	0.09%	0.00%	0.00%	0.00%	4.72%	7.58%	5.09%	0.00%	4.96%	5.42%	5.14%
Total current liabilities	20.97%	21.04%	21.06%	18.89%	18.88%	18.87%	23.57%	26.42%	23.92%	18.82%	23.77%	24.22%	23.93%
Long-term Liabilities:													
Long-term portion of debt & notes	95.54%	83.83%	90.51%	91.42%	86.20%	81.71%	77.61%	73.72%	70.07%	66.65%	63.42%	60.39%	57.52%
Long-term portion of operating lea	2.29%	2.97%	3.05%	3.09%	3.02%	2.97%	2.92%	2.87%	2.81%	2.76%	2.70%	2.65%	2.59%
Long-term portion of contingent c	0.30%	0.25%	0.31%	0.25%	0.18%	0.11%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred income taxes	14.06%	12.75%	10.74%	11.23%	11.12%	11.04%	10.95%	10.84%	10.70%	10.56%	10.40%	10.22%	10.04%
Other long-term liabilities	5.79%	6.54%	8.38%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%
Total Long Term Liabilities	117.98%	106.34%	112.99%	113.47%	108.00%	103.32%	99.03%	94.91%	91.08%	87.45%	84.01%	80.74%	77.64%
Total liabilities	**138.95%**	**127.38%**	**134.06%**	**132.36%**	**126.88%**	**122.18%**	**122.60%**	**121.33%**	**115.00%**	**106.27%**	**107.78%**	**104.97%**	**101.57%**
Equity													
Common Equity	48.75%	44.39%	40.46%	39.01%	35.70%	32.80%	30.15%	27.66%	25.35%	23.21%	21.22%	19.37%	17.66%
Accumulated other comprehensiv	-0.79%	-0.12%	-2.31%	-2.29%	-2.16%	-2.05%	-1.94%	-1.84%	-1.74%	-1.65%	-1.57%	-1.49%	-1.41%
Retained earnings (accumulated (	50.60%	51.63%	49.97%	55.90%	60.30%	65.82%	72.00%	78.70%	85.96%	93.78%	102.13%	110.95%	120.22%
Total Waste Connections' equity	98.57%	95.90%	88.12%	92.62%	93.85%	96.57%	100.21%	104.52%	109.57%	115.33%	121.78%	128.83%	136.48%
Noncontrolling interest in subsidiarie	0.07%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total equity	**98.64%**	**95.96%**	**88.12%**	**92.62%**	**93.85%**	**96.57%**	**100.21%**	**104.52%**	**109.57%**	**115.33%**	**121.78%**	**128.83%**	**136.48%**
Total Liablities and Equity	**237.59%**	**223.34%**	**222.18%**	**224.98%**	**220.73%**	**218.75%**	**222.81%**	**225.86%**	**224.57%**	**221.60%**	**229.56%**	**233.80%**	**238.05%**

Waste Connections

Value Driver Estimation

Fiscal Years Ending Dec. 31	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NOPLAT:													
OPERATING REVENUES	7,211,859	8,021,951	8,919,591	8,986,659	9,530,664	10,059,048	10,601,222	11,182,290	11,794,000	12,438,790	13,118,060	13,835,172	14,592,124
OPERATING EXPENSES													
Cost of operations	4,336,012	4,744,513	5,191,706	5,425,333	5,669,473	5,924,599	6,209,623	6,508,358	6,821,465	7,149,636	7,493,594	7,854,099	8,231,948
Selling, general & administrative	696,467	799,119	883,445	875,945	913,972	964,643	1,016,637	1,072,360	1,131,022	1,192,856	1,257,996	1,326,766	1,399,356
Depreciation	763,285	845,638	974,001	892,194	927,756	963,409	999,262	1,035,420	1,071,976	1,109,019	1,146,631	1,184,890	1,223,867
Amortization of intangibles	155,675	157,573	189,768	191,798	173,328	156,636	141,551	127,920	115,601	104,468	94,407	85,316	77,100
Implied Interest Expense on ROU Asset	(8,446)	(10,126)	(13,770)	(16,211)	(16,857)	(17,505)	(18,157)	(18,814)	(19,478)	(20,151)	(20,834)	(21,530)	(22,238)
Total operating expenses - net	5,942,993	6,536,717	7,225,150	7,369,059	7,667,671	7,991,781	8,348,916	8,725,244	9,120,586	9,535,828	9,971,795	10,429,541	10,910,034
EBITA	1,268,866	1,485,234	1,694,441	1,617,599	1,862,993	2,067,266	2,252,306	2,457,046	2,673,414	2,902,962	3,146,265	3,405,631	3,682,091
Less: Adjusted Taxes													
Income Tax Expense	212,962	220,675	146,363	288,892	347,520	403,477	456,142	514,024	576,574	645,211	719,779	798,073	883,823
Tax shield on interest expense	42,894	58,773	68,629	103,828	105,556	105,552	105,601	112,143	116,807	113,893	106,514	115,254	116,983
Tax on interest income	(1,261)	(2,001)	(2,437)	(1,544)	(2,115)	(8,328)	(16,001)	(30,574)	(45,097)	(54,913)	(62,835)	(86,684)	(106,803)
Tax on non-operating income	(669)	(2,671)	(2,199)	-	-	-	-	-	-	-	-	-	-
Tax on impairments	3,865	51,102	128,733	-	-	-	-	-	-	-	-	-	-
Tax on loss on early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on ROU Expense	(2,063)	(2,473)	(3,364)	(3,960)	(4,118)	(4,276)	(4,435)	(4,596)	(4,758)	(4,922)	(5,089)	(5,259)	(5,432)
Total adjusted taxes	255,728	323,405	335,724	387,215	446,843	496,425	541,307	590,998	643,526	699,270	758,368	821,385	888,570
Plus: Change in Deferred Taxes	93,481	6,329	(57,285)	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668	50,668
NOPLAT	1,106,619	1,168,157	1,301,431	1,281,051	1,466,818	1,621,509	1,761,667	1,916,716	2,080,555	2,254,360	2,438,565	2,634,914	2,844,188
% growth	25%	6%	11%	-2%	15%	11%	9%	9%	9%	8%	8%	8%	8%
Invested Capital (IC):													
NET OPERATING WORKING CAPITAL													
Operating Current Assets													
Normal Cash	50,425	56,090	62,366	62,835	66,639	70,333	74,124	78,187	82,464	86,972	91,722	96,736	102,028
Accounts Receivable	833,862	856,953	935,027	1,067,049	1,131,642	1,194,381	1,258,757	1,327,751	1,400,384	1,476,944	1,557,599	1,642,747	1,732,625
Prepaid expenses	205,146	206,433	229,519	294,964	312,820	330,162	347,958	367,030	387,108	408,271	430,567	454,104	478,949
Total Operating Current Assets	1,089,433	1,119,476	1,226,912	1,424,848	1,511,101	1,594,877	1,680,839	1,772,968	1,869,956	1,972,188	2,079,887	2,193,587	2,313,602
Less: Non Interest-Bearing Current Liabilities:													
Account Payable	638,728	642,455	637,371	657,886	697,711	736,392	776,083	818,622	863,403	910,606	960,333	1,012,831	1,068,245
Deferred Revenue	325,002	355,203	382,501	366,731	388,932	410,494	432,619	456,332	481,295	507,608	535,328	564,592	595,482
Accrued Liabilities	431,247	521,428	736,824	603,678	640,222	675,716	712,136	751,170	792,261	835,575	881,205	929,377	980,225
Total Non Interest-Bearing CL	1,394,977	1,519,086	1,756,696	1,628,296	1,726,864	1,822,602	1,920,839	2,026,123	2,136,959	2,253,789	2,376,866	2,506,799	2,643,952
Plus: Net Property, Plant, & Equipment	6,950,915	7,228,331	8,035,929	8,356,235	8,677,354	9,000,286	9,325,955	9,655,215	9,988,858	10,327,627	10,672,218	11,023,287	11,381,457
Plus: Net Other Operating Assets													
Intangible Assets	1,673,917	1,603,541	1,991,619	1,799,821	1,626,493	1,469,857	1,328,306	1,200,386	1,084,786	980,318	885,910	800,595	723,495
Capitalized PV of Operating Leases	192,506	261,782	308,198	320,483	332,798	345,184	357,674	370,302	383,098	396,090	409,306	422,771	436,507
Other operating assets	126,497	100,048	90,812	94,899	99,169	103,632	108,295	113,168	118,261	123,583	129,144	134,955	141,028
Total Net OOA	1,992,920	1,965,371	2,390,629	2,215,202	2,058,460	1,918,672	1,794,274	1,683,856	1,586,144	1,499,991	1,424,360	1,358,321	1,301,031
Less: Other Long-Term Liabilities	417,640	524,438	747,253	673,021	713,762	753,333	793,937	837,454	883,266	931,555	982,426	1,036,132	1,092,821
Invested Capital	8,220,651	8,269,654	9,149,521	9,694,968	9,806,288	9,937,899	10,086,293	10,248,462	10,424,734	10,614,463	10,817,174	11,032,264	11,259,318
Free Cash Flow (FCF):													
NOPLAT	1,106,619	1,168,157	1,301,431	1,281,051	1,466,818	1,621,509	1,761,667	1,916,716	2,080,555	2,254,360	2,438,565	2,634,914	2,844,188
Change in IC	1,474,253	49,002	879,867	545,447	111,320	131,611	148,393	162,169	176,272	189,729	202,711	215,089	227,055
FCF	**(367,634)**	**1,119,155**	**421,564**	**735,605**	**1,355,497**	**1,489,898**	**1,613,274**	**1,754,546**	**1,904,283**	**2,064,631**	**2,235,853**	**2,419,824**	**2,617,133**
Return on Invested Capital (ROIC):													
NOPLAT	1,106,619	1,168,157	1,301,431	1,281,051	1,466,818	1,621,509	1,761,667	1,916,716	2,080,555	2,254,360	2,438,565	2,634,914	2,844,188
Beginning IC	6,746,398	8,220,651	8,269,654	9,149,521	9,694,968	9,806,288	9,937,899	10,086,293	10,248,462	10,424,734	10,614,463	10,817,174	11,032,264
ROIC	**16.40%**	**14.21%**	**15.74%**	**14.00%**	**15.13%**	**16.54%**	**17.73%**	**19.00%**	**20.30%**	**21.63%**	**22.97%**	**24.36%**	**25.78%**
Economic Profit (EP):													
Beginning IC	6,746,398	8,220,651	8,269,654	9,149,521	9,694,968	9,806,288	9,937,899	10,086,293	10,248,462	10,424,734	10,614,463	10,817,174	11,032,264
x (ROIC - WACC)	9.45%	7.26%	8.78%	7.05%	8.17%	9.58%	10.77%	12.05%	13.35%	14.67%	16.02%	17.40%	18.83%
EP	**637,405**	**596,409**	**726,275**	**644,700**	**792,530**	**939,480**	**1,070,484**	**1,215,212**	**1,367,772**	**1,529,317**	**1,700,326**	**1,882,577**	**2,076,891**

Waste Connections

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:		*ASSUMPTIONS:*
Risk-Free Rate	4.49%	*10-year Treasury Bond 2/18*
Beta	0.59	*Bloomberg raw beta*
Equity Risk Premium	5.00%	*Henry Fund consensus*
Cost of Equity	**7.45%**	
Cost of Debt:		
Risk-Free Rate	4.49%	*10- year Treasury Bond*
Implied Default Premium	0.77%	
Pre-Tax Cost of Debt	5.26%	*WCN Bond Yield 2034 Maturity*
Marginal Tax Rate	22%	
After-Tax Cost of Debt	**4.10%**	

Market Value of Common Equity:		**MV Weights**
Total Shares Outstanding	258019.389	
Current Stock Price	$187.02	
MV of Equity	**48,254,786**	85.16%
Market Value of Debt:		
Book Overdraft	14,628	
Current Portion of LTD	7,851	
Long-Term Debt	8,072,928	
PV of Operating Leases	312,597	
MV of Total Debt	**8,408,004**	14.84%
Market Value of the Firm	**56,662,790**	100.00%

Estimated WACC **6.96%**

Waste Connections

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	2.75%
CV Year ROIC	26%
WACC	6.96%
Cost of Equity	7.45%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
DCF Model:										
Free Cash Flow (FCF)	735,605	1,355,497	1,489,898	1,613,274	1,754,546	1,904,283	2,064,631	2,235,853	2,419,824	
Continuing Value (CV)										60,422,989
PV of FCF	687,770	1,184,940	1,217,735	1,232,831	1,253,600	1,272,109	1,289,538	1,305,671	1,321,214	32,990,699

Value of Operating Assets:	43,756,107
Non-Operating Adjustments	
Excess cash	-
Restricted cash	135,807
Investments	78,126
Bookoverdraft	(14,628)
Total debt	(8,095,407)
Sum of lease liabilities	(312,597)
Sum of contingent consideration	(87,162)
Value of Equity	35,460,246
Shares Outstanding	258,019
Intrinsic Value of Last FYE	$ 137.43
Implied Price as of Today	$ 138.68

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EP Model:										
Economic Profit (EP)	644,700	792,530	939,480	1,070,484	1,215,212	1,367,772	1,529,317	1,700,326	1,882,577	2,076,891
Continuing Value (CV)										49,390,725
PV of EP	602,777	692,809	767,863	818,042	868,253	913,706	955,189	992,939	1,027,879	26,967,130

Total PV of EP	34,606,586
Invested Capital (last FYE)	9,149,521
Value of Operating Assets:	43,756,107
Non-Operating Adjustments	
Excess cash	-
Restricted cash	135,807
Investments	78,126
Bookoverdraft	(14,628)
Total debt	(8,095,407)
Sum of lease liabilities	(312,597)
Sum of contingent consideration	(87,162)
Value of Equity	35,460,246
Shares Outstanding	258,019
Intrinsic Value of Last FYE	$ 137.43
Implied Price as of Today	$ 138.68

Waste Connections

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EPS	$ 3.47	$ 4.18	$ 4.86	$ 5.51	$ 6.22	$ 6.98	$ 7.83	$ 8.74	$ 9.71	$ 10.77
Key Assumptions										
CV growth of EPS	2.50%									
CV Year ROE	15.34%									
Cost of Equity	7.45%									
Future Cash Flows										
P/E Multiple (CV Year)										16.90
EPS (CV Year)										$ 10.77
Future Stock Price										$ 181.96
Dividends Per Share	$ 1.27	$ 1.36	$ 1.46	$ 1.56	$ 1.65	$ 1.75	$ 1.84	$ 1.94	$ 2.03	
Discounted Cash Flows	$ 1.18	$ 1.18	$ 1.18	$ 1.17	$ 1.15	$ 1.13	$ 1.11	$ 1.09	$ 1.06	$ 95.29
Intrinsic Value as of Last FYE	$ 105.55									
Implied Price as of Today	$ 106.51									

Waste Connections

Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26	
WM	Waste Management	$228.35	$7.56	$8.66	30.21	26.37	
RSG	Republic Services, Inc.	$228.55	$6.84	$7.53	33.41	30.35	
GFL	GFL Environmental	$46.22	$0.44	$0.78	105.05	59.26	
CWST	Casella Waste Systems	$115.01	$0.44	$0.90	261.39	127.79	*Excluded from average
				Average	**56.22**	**38.66**	
WCN	Waste Connections	$187.02	$ 3.47	$ 4.18	53.9	44.7	

Implied Relative Value:

P/E (EPS25)	**$ 194.96**	178.3
P/E (EPS26)	**$ 161.60**	$ 138.68

Waste Connections

Key Management Ratios

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:													
Current Ratio: Current Assets / Current Liabilities	0.74	0.68	0.65	0.87	1.18	1.52	1.72	1.93	2.37	3.20	3.13	3.49	3.94
Quick Ratio : (Cash + Mark. Securities + AR) / CL	0.60	0.55	0.53	0.69	1.00	1.35	1.58	1.80	2.23	3.03	2.99	3.35	3.81
Cash Ratio: Cash + Mark. Securities / CL	0.05	0.05	0.03	0.07	0.37	0.72	1.08	1.36	1.73	2.40	2.49	2.86	3.31
Operating Cash Flow Ratio: Op. CF / CL	1.34	1.26	1.19	0.96	1.27	1.30	1.06	0.97	1.09	1.42	1.15	1.15	1.19
Asset-Management Ratios:													
Asset Turnover: Rev. / Avg. Total Assets	0.45	0.46	0.47	0.45	0.46	0.47	0.46	0.46	0.46	0.46	0.45	0.44	0.44
Fixed Asset Turnover: Revenue / Avg. PPE	1.14	1.13	1.17	1.10	1.12	1.14	1.16	1.18	1.20	1.22	1.25	1.28	1.30
A/R Turnover: Revenue / Avg. AR	9.34	9.49	9.96	8.98	8.67	8.65	8.64	8.65	8.65	8.65	8.65	8.65	8.65
Days Sales Outstanding: (Avg. AR * 365) / Rev.	39.06	38.47	36.66	40.66	42.10	42.20	42.23	42.21	42.22	42.22	42.22	42.22	42.21
Financial Leverage Ratios:													
D/E: Total debt / Total Equity	0.97	0.88	1.03	0.99	0.92	0.85	0.82	0.78	0.69	0.58	0.56	0.51	0.46
D/A: Total Debt / Total Assets	0.40	0.38	0.41	0.41	0.39	0.37	0.37	0.36	0.33	0.30	0.30	0.28	0.26
Interest Coverage: EBIT / Interest Exp.	6.15	4.55	3.30	3.77	4.27	4.74	5.17	5.31	5.55	6.18	7.17	7.17	7.64
Debt-to-EBITDA: Total Debt / EBITDA	3.19	3.01	3.62	3.06	2.79	2.59	2.59	2.52	2.31	2.02	2.05	1.96	1.84
Profitability Ratios:													
Return on Equity (NI/Beg TSE)	0.12	0.11	0.08	0.11	0.13	0.14	0.15	0.15	0.15	0.15	0.16	0.15	0.15
Gross Profit Margin: ((Rev. - COGS) / Rev.)	0.40	0.41	0.42	0.40	0.41	0.41	0.41	0.42	0.42	0.43	0.43	0.43	0.44
Operating Profit Margin: (EBIT / Rev.)	0.17	0.15	0.12	0.18	0.19	0.20	0.21	0.22	0.23	0.23	0.24	0.24	0.25
Return on Assets: Net Income / Beg. Total Assets	0.06	0.04	0.03	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.08	0.08
Payout Policy Ratios:													
Dividend Payout Ratio (DPS/EPS)	0.29	0.35	0.49	0.37	0.33	0.30	0.28	0.27	0.25	0.24	0.22	0.21	0.20
Total Payout Ratio ((Divs. + Repurchases)/NI)	0.80	0.35	0.49	0.48	0.42	0.38	0.36	0.33	0.31	0.29	0.27	0.25	0.24
Dividend Yield: Annual Dividends per share / Stock price	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Retention (Plowback): Retained Earnings Change / Net I	0.71	0.65	0.51	0.63	0.67	0.70	0.72	0.73	0.75	0.76	0.78	0.79	0.80

Waste Connections

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	100,000
Average Time to Maturity (years):	5.54
Expected Annual Number of Options Exercised:	0
Current Average Strike Price:	$ 10.70
Cost of Equity:	7.45%
Current Stock Price:	$187.02

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	0	0	0	0	0	0	0	0	0	0
Average Strike Price:	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 10.70
Increase in Common Stock Account:	-	-	-	-	-	-	-	-	-	-
Share Repurchases ($)	103,175	103,175	103,175	103,175	103,175	103,175	103,175	103,175	103,175	103,175
Expected Price of Repurchased Shares:	$187.02	$ 199.78	$ 213.42	$ 227.98	$ 243.54	$ 260.16	$ 277.92	$ 296.88	$ 317.15	$ 338.79
Number of Shares Repurchased:	**552**	**516**	**483**	**453**	**424**	**397**	**371**	**348**	**325**	**305**
Shares Outstanding (beginning of the year)	258,019	257,468	256,951	256,468	256,015	255,592	255,195	254,824	254,476	254,151
Plus: Shares Issued Through ESOP	0	0	0	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	552	516	483	453	424	397	371	348	325	305
Shares Outstanding (end of the year)	**257,468**	**256,951**	**256,468**	**256,015**	**255,592**	**255,195**	**254,824**	**254,476**	**254,151**	**253,846**

Waste Connections

Sensitivity Tables

Pre-tax cost of Debt (columns) / ERP (rows)

138.68	4.51%	4.76%	5.01%	5.26%	5.51%	5.76%	6.01%
4.25%	161.09	159.61	158.16	156.73	155.32	153.93	152.56
4.50%	154.40	153.02	151.66	150.33	149.01	147.71	146.43
4.75%	148.14	146.85	145.58	144.32	143.09	141.87	140.67
5.00%	142.26	141.05	139.86	138.68	137.52	136.38	135.25
5.25%	136.73	135.59	134.47	133.37	132.28	131.20	130.14
5.50%	131.52	130.45	129.40	128.36	127.33	126.32	125.32
5.75%	126.61	125.60	124.61	123.63	122.66	121.70	120.76

Beta (columns) / Inflation (rows)

138.68	0.44	0.49	0.54	0.59	0.64	0.69	0.74
2.25%	169.58	157.53	146.77	136.75	128.39	120.48	113.27
2.50%	170.35	158.25	147.45	137.38	128.99	121.04	113.81
2.75%	171.13	158.98	148.13	138.02	129.60	121.62	114.35
3.00%	171.92	159.72	148.83	138.68	130.22	122.21	114.91
3.25%	172.74	160.48	149.55	139.35	130.86	122.81	115.48
3.50%	173.57	161.26	150.27	140.04	131.51	123.43	116.06
3.75%	174.41	162.05	151.02	140.74	132.17	124.05	116.66

Risk-Free Rate (columns) / CV Growth of NOPLAT (rows)

138.68	3.74%	3.99%	4.24%	4.49%	4.74%	4.99%	5.24%
2.00%	147.93	138.75	130.40	122.72	115.79	109.36	103.43
2.25%	154.82	144.81	135.76	127.47	120.03	113.15	106.83
2.50%	162.62	151.63	141.76	132.76	124.73	117.33	110.57
2.75%	171.51	159.35	148.50	138.68	129.95	121.97	114.69
3.00%	181.74	168.17	156.15	145.35	135.81	127.13	119.26
3.25%	193.64	178.33	164.89	152.91	142.41	132.92	124.36
3.50%	207.66	190.17	174.98	161.57	149.92	139.45	130.08

2025 Core Price Increase (Landfill Tipping Fees + Collection Fees) (columns) / 2025 Landfill Volume ((rows)

138.68	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%
-3.00%	118.85	124.22	129.62	135.06	140.52	146.02	151.55
-2.50%	120.03	125.41	130.82	136.27	141.74	147.25	152.78
-2.00%	121.20	126.60	132.02	137.47	142.96	148.47	154.02
-1.50%	122.38	127.78	133.22	138.68	144.18	149.70	155.26
-1.00%	123.56	128.97	134.41	139.89	145.39	150.93	156.50
-0.50%	124.74	130.16	135.61	141.10	146.61	152.16	157.74
0.00%	125.91	131.35	136.81	142.30	147.83	153.39	158.97

Capex Growth (columns) / Depreciation (rows)

138.68	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
9.60%	142.28	141.48	140.68	139.86	139.04	138.20	137.36
10.10%	141.87	141.06	140.24	139.41	138.58	137.73	136.87
10.60%	141.52	140.70	139.86	139.02	138.17	137.31	136.44
11.10%	141.21	140.38	139.54	138.68	137.82	136.94	136.05
11.60%	140.96	140.11	139.26	138.39	137.51	136.63	135.73
12.10%	140.75	139.89	139.02	138.14	137.25	136.35	135.44
12.60%	140.58	139.71	138.83	137.94	137.04	136.12	135.20

Increase in Recycled Waste (columns) / Terminal Year Contract (rows)

138.68	20%	30%	40%	50%	60%	70%	80%
329	106.17	106.89	107.64	108.45	109.30	110.20	111.17
339	116.25	116.96	117.72	118.52	119.38	120.28	121.24
349	126.33	127.04	127.80	128.60	129.46	130.36	131.32
359	136.41	137.12	137.88	138.68	139.53	140.44	141.40
369	146.49	147.20	147.96	148.76	149.61	150.52	151.48
379	156.56	157.28	158.03	158.84	159.69	160.60	161.56
389	166.64	167.35	168.11	168.92	169.77	170.67	171.63