



Waste & Recycling Industry Q1 2024 Outlook

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TRANSITUS CAPITAL

Investment Banking Services:

- M&A Advisory
- Capital Advisory
- Generational Transfer Finance

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Sustainability and Consolidation Drive Waste & Recycling M&A in Q1 2024

The Waste & Recycling sector has shown robust consolidation activity in 2024, driven by sustainability pressures, the need for geographic expansion, and the addition of new service capabilities to fuel growth. Regulatory demands and customer preference for sustainable practices have pushed firms toward recycling-focused mergers and acquisitions (M&A) and investment in eco-friendly technologies.

The National Waste & Recycling Association (NWRA) has supported regulatory improvements by the Environmental Protection Agency (EPA), which aim to clarify guidelines and promote certainty for municipal solid waste landfills. Efforts to reduce methane emissions have also gained traction, with federal funding of over \$1.3 billion available under the Inflation Reduction Act (IRA) to accelerate this transition.

Key Insights for Q1 2024:

- **M&A Drivers:** Sustainability goals, geographic consolidation, and service expansion remain key motivators.
- **Regulatory Impact:** Federal funding and stricter emissions guidelines drive investments in sustainable technologies.
- **Strategic Activity:** Public firms actively pursue acquisitions, with notable deals expanding geographic reach and service portfolios.
- **PE Contributions:** Despite a slight decline, PE firms remain engaged, focusing on platform growth and add-on acquisitions.

The outlook for M&A remains strong, with strategics and PE firms seeking opportunities to scale, enhance sustainability, and meet regulatory and consumer demands.



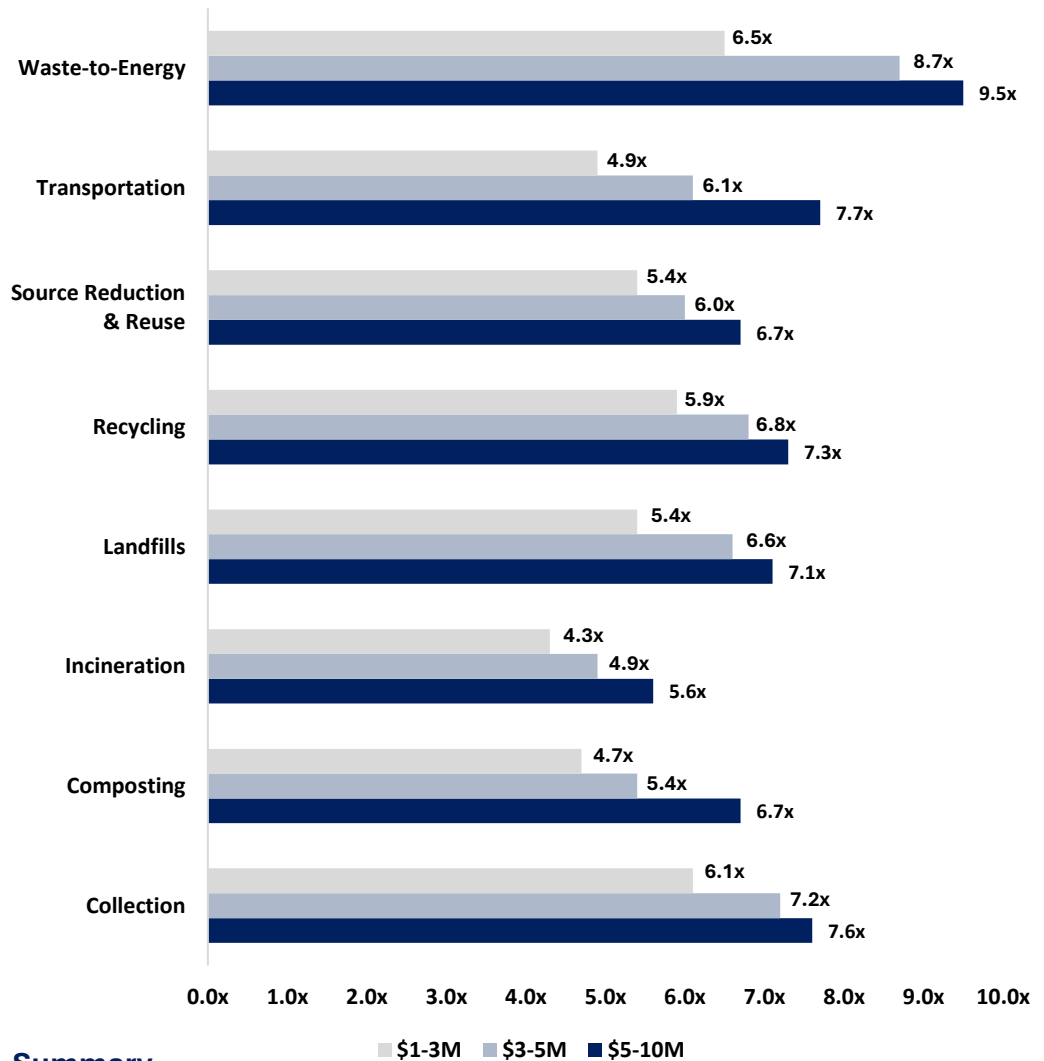
Investment Banking for the Waste Industry



Valuations in The Private Market Remain Strong

Valuation multiples for private middle-market companies remain strong in the industry as strategics and financial sponsors prioritize certain attributes when searching for targets. With rising waste volumes, shrinking landfill capacity and expected PFAS regulations from the EPA, companies with innovative recycling techniques, PFAS remediation services, and waste processing facilities are enjoying higher EBITDA multiples.

Valuation Multiples by Sub-Sector & EBITDA Range¹



Summary

Despite macroeconomic challenges such as inflation and high interest rates, M&A activity among the major industry players remained strong with more than \$3.5B deployed by four top public waste management companies. M&A outlook for 2024 is positive given more straightforward macroeconomic expectations and the upcoming PFAS and EPR policy implementation, prompting many companies to expand their services and operations through acquisitions. Owners looking to sell should be confident as multiples within the private market should remain strong with favorable deal structures, in particular for companies with innovative recycling and environmental efforts.

1: First Page Sage

NOTABLE 2024 TRANSACTIONS

Clean Harbors to acquire HEPACO (February 2024, \$400M)



Completes
Acquisition of



Clean Harbors, Inc. (NYSE: CLH) announced that it has entered into a definitive agreement with Gryphon Investors to acquire HEPACO, a leading provider of specialized environmental and emergency response services in the Eastern United States, for \$400 million in cash.

Headquartered in Charlotte, NC, HEPACO has more than 2,000 customers, which it services through more than 40 regional locations in 17 states. Its offerings include field services, environmental remediation and emergency response services. On an adjusted basis, HEPACO is expected to generate full-year 2023 EBITDA of approximately \$36 million on \$270 million of revenues. Clean Harbors expects the acquisition to generate cost synergies of approximately \$20 million after the first full year of operations, which equates to a post-synergy acquisition multiple of 7.1 times.

Mike Battles, Co-Chief Executive Officer of Clean Harbors, said, "The acquisition of HEPACO aligns with our Vision 2027 long-term strategic plan for driving growth through a continued focus on value creation across all areas of our business. We see an excellent cultural fit with our two organizations that should help ensure the success of this acquisition. HEPACO has demonstrated a commitment to safety, environmental compliance and service excellence that matches our principles in these areas. We look forward to welcoming HEPACO's talented team to the Clean Harbors family."

Waste Connections acquires Secure Energy Assets (Feb 2024, CAD\$1.075B)



WASTE CONNECTIONS INC.
Connect with the Future®

Completes
Acquisition of



Waste Connections, Inc. announced the closing of previously announced acquisition of the Secure Energy Services portfolio of 30 energy waste treatment and disposal facilities in Western Canada for an aggregate purchase price of CAD\$1.075 billion.

The assets acquired by the Company's subsidiary, R360 Environmental Solutions Canada Inc. ("R360"), include 18 treatment, recovery and disposal facilities; six landfills; four saltwater disposal injection wells; and two disposal caverns and represent all of the required divestitures as mandated by the Canadian Competition Tribunal following Secure's 2021 merger with Tervita Corporation.

"We are pleased to expand our R360 E&P waste operations into Canada, and we welcome the former Secure employees to the Waste Connections family," said Ronald J. Mittelstaedt, President and Chief Executive Officer. "This acquisition will contribute to the outsized margin expansion for which we are positioned in 2024, given the disposal-oriented profile of the facilities."

IWSG announces divestiture to Republic Services (Jan 2024, Undisclosed)



Acquires
Subsidiaries of



Integrated Waste Solutions Group announced its divestiture of Central Refuse LLC and 130 Environmental Park Landfill LLC to Phoenix-based Republic Services Inc. IWSG, a portfolio company of New York-based Nova Infrastructure, develops and operates integrated solid waste operations in selected geographic regions throughout the United States.

Central Texas Refuse provides waste and recycling collection in the Austin area as well as operating a material recycling facility (MRF). Located near Lockhart, Texas, 130 Environmental Park includes more than 1,200 acres, with the landfill occupying about 500 acres.

SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description
5/1/2024	Noble Oil Recycling	Safety-Bleen a subsidiary of Clean Harbors, Inc	Noble Oil Recycling, a leading regional recycler and re-refiner of used oil, and provider of related environmental products and services
5/1/2024	Tin Cans, LLC	Meridian Waste	Tin Cans, Inc offers temporary and permanent dumpster rental services to businesses, warehouses, office buildings, factories, residential communities, apartment complexes and more.
5/1/2024	Hometown Haulers	Waste Management	Hometown Haulers provides residential and commercial garbage & recycling services throughout Dodge Center, MN
4/22/2024	Phillips Trash Service	Cards Holdings LLC	Phillips Trash Service is a waste service provider based in Hindsville, Arkansas
4/16/2024	Freestate Farms composting facility	The Convertus Group	Freestate Farms is situated in the second most populated county in Virginia and is linked to a 20-year contract securing exclusive rights to yard waste
4/4/2024	Angelo's Recycled Materials	GFL Environmental	Provider operates as Class III C&D landfill in Pasco County, FL. It also takes in storm debris and yard waste, and it received permit to continue operating an air curtain incinerator capable of processing 30 tons per hour of wood waste or equivalent
4/3/2024	R&L Haul Away	Cards Holdings LLC	R&L Haul Away, a waste service provider headquartered in Westminster, Texas
4/3/2024	Carolina Waste Services Inc.	Meridian Waste	Carolina Waste Services Inc. provides waste collection services in various counties of North Carolina
3/31/2024	Liberty Waste & Recycling of Moorestown	Mazza Recycling	Provider operates as a waste collection and recycling services in philadelphia suburb areas
3/21/2024	380 McKinney C&D Landfill	Frontier Waste Solutions	Provider has been operating since August 2019, as a privately owned and permitted Type IV construction & demolition (C&D) landfill in McKinney, Texas
3/4/2024	SDS Roll-Off Dumpsters	Superior USA Waste	Provider a solid waste management company offering commercial and residential roll-off collection services to customers across central Oklahoma
2/21/2024	EcoWater Industries	The Amlon Group	Company is an industrial waste services provider based in Port Arthur, Texas.
2/12/2024	Oak Ridge Waste & Recycling	Interstate Waste Services	Provider of solid waste collection, transfer, recycling and waste-by-rail disposal services in Southwestern Connecticut and Suburban New York
2/9/2024	Herrington Industries LLC	Capital Waste Services	Herrington is a roll-off dumpster and landfill services provider in Palatka, Florida
2/6/2024	HEPACO	Clean Harbors	HEPACO is a provider of emergency response, environmental remediation, maritime services, wastewater treatment, and other industrial services
2/2/2024	Secure Energy	Waste Connections	Portfolio of 30 energy waste treatment and disposal facilities in Western Canada
2/2/2024	Compactor Rentals of America	Kinderhook Industries LLC	Provider of sustainable waste containment infrastructure, specializing in commercial waste compactors and baler equipment rental solutions
2/2/2024	303 Roll-Off	Fuzion Field Services	A roll-off company that has served the Denver metro area for 15 years
1/26/2024	PolyAg Recycling, LTD	Revolution Sustainable Solutions	Canadian mechanical recycler of agricultural films
1/26/2024	C&R Disposal, Inc.	CARDS Recycling	A solid waste collection company offering commercial, residential and rolloff services
1/26/2024	Pedersen Trash Service, LLC	CARDS Recycling	A solid waste collection company offering commercial and residential services
1/19/2024	Link Environmental	Municipal Equipment	Provides equipment for the waste and recycling industry, including containers, cable hoists, balers and compactors
1/19/2024	Paragon Bay Group	Quantum Lifecycle Partners	Paragon Bay brings operational expertise in product fulfillment, testing, in-warranty repair, asset recovery, and forward and reverse logistics services, for electronics OEMs in Canada
1/11/2024	Waste Resources Management	Ridgewood Infrastructure	A mission-critical provider of liquids and wastewater collection, treatment, and disposal serving the commercial and industrial market
1/9/2024	Envirosafe Services of Ohio	Heritage Crystal-Clean	Envirosafe specializes in hazardous waste treatment, storage, and disposal
1/8/2024	Empire Tire & McGee Tire	Liberty Tire Recycling	Leading central-Florida scrap tire collectors, graders, and haulers
1/5/2024	Central Texas Refuse	Republic Services	The City of Round Rock's waste service provider,
1/4/2024	NexGen Municipal	Komar Industries	Provider of municipal equipment solutions and systems that reduce the lifecycle operation cost of municipal services.

Source: Waste Dive and Acquirer News Release

SELECT TRANSACTIONS (Continued)

Date	Target	Acquirer	Target Business Description
12/18/2023	Midwest Fiber Recycling	Circular Services	Recycling operations in the Midwest, with facilities in Decatur, Normal, Urbana and Peroria, IL and Terre Haute, IN.
12/14/2023	Waste Consolidators, Inc.	Ally Waste Services	Provider of bulk waste collection services for residential and commercial complexes
12/12/2023	Environmental Concepts & Services	TAS Environmental	Specialized provider of waste transportation, non-hazardous waste treatment and disposal and other industrial services
12/6/2023	Burnham RNG	Ares Management	Full-service developer and owner of organic waste management and anaerobic digestion biogas assets across the U.S.
12/5/2023	Winter Equipment Corporation	Komar Industries	Leading distributor of waste handling and recycling equipment
11/29/2023	North Georgia Roll Off	Waste Eliminator LLC	Provider of waste handling and recycling
11/9/2023	Fielding Environmental	GFL Environmental	Fully integrated environmental solutions provider with differentiated liquid waste and gas processing, recycling, and disposal capabilities
11/7/2023	Change Recycling	CARDS Recycling	
11/6/2023	Capital Waste	GFL Environmental	Capital Waste, a portfolio company of New York-based Kinderhook Industries LLC, provides solid waste hauling services for residential, commercial and industrial waste generators.
11/1/2023	U.S. Industrial Technologies	Veolia North America	Michigan-based provider of total waste and recycling services that has managed industrial waste streams for automakers as well as other large manufacturers, medium and small businesses and governments and municipalities since 1996
11/1/2023	Sunset Garbage Collection	Recology	
10/18/2023	Future Waste	Minus Global Holdings	A food and liquid waste management company based in Drumbo, Ontario
10/18/2023	S&S Waste	Coastal Waste & Recycling	S&S is a family-owned grapple truck debris removal and portable restroom company
10/17/2023	Heritage Crystal-Clean	J.F. Lehman & Company	A provider of environmental and waste disposal services
10/5/2023	Milestone Environmental Services	SK Capital	Milestone operates a leading integrated network of waste management infrastructure that reduces its customers' carbon impact by permanently sequestering hydrocarbon-containing energy waste, preventing greenhouse gas emissions and water and ground contamination
10/3/2023	Patterson TnWaste Hauling	Meridian Waste Tennessee	Asset purchase includes 21 collection vehicles and approximately 800 containers
10/2/2023	Herbert Recovery Systems	Miller Environmental Group	A hazardous waste management company
9/15/2023	The Tarp Depot	Impact Environmental Group	Manufacturer and distributor of spill prevention containment systems, dewatering products, various transportation tarps and related products to customers in the environmental services space
9/5/2023	Consolidated Waste Services	Casella Waste Systems	The acquisition includes two hauling operations, one transfer station and one material recovery facility (MRF) in the greater Albany, New York, market
8/28/2023	Superior Environmental Solutions	Palladium Equity Partners	Cincinnati-based provider of environmental, industrial, emergency response and product destruction services in the Midwestern and Southeastern U.S.
8/8/2023	Pro Disposal	Coastal Waste & Recycling	Independent waste-hauling company in South Carolina's Low Country region
10/28/2020	Industrial Organic PBC	Recycle Track Systems	Closed-loop manufacturing company that turns food waste into circular products and commodities
10/09/2020	Bowen, Inc.	Stella Environmental	Provider of transfer station management and leachate hauling services throughout North Carolina and Virginia
10/02/2020	WCA Waste Corp	GFL Environmental	WCA operates a vertically-integrated network of solid waste assets, including 37 collection and hauling operations, 27 transfer stations, 3 material recovery facilities and 22 landfills supported by over 1,000 collection vehicles, across 11 U.S. states.
09/09/2020	Labrie Environmental Group	Wynnchurch	Leading manufacturer of refuse collection vehicles and related parts
08/18/2020	Superior Sanitation	Capital Waste Services	Residential collection company in Kershaw County, SC servicing 1,700 subscription customers

Operating Data

(\$millions)

Company	Revenues							Capex	
	Total	Collection			Recycling	Landfill / Trans.	Others / Interco	Growth	Maint.
		Residential	Comm./Ind.	C&D					
Republic Services (RSG)	3,862	723	1,189	733	535	1,124	-442	166	515
Waste Connections (WCN)	2,072	643	546	326	146	655	-244	1,156	170
Waste Management (WM)	5,159	876	2,435	751	506	1,737	-1,146	170	668
GFL Environmental (GFL)(C)	1,801	366	680	0	498	414	-157	296	112

Valuation Metrics

(\$millions, except share price)

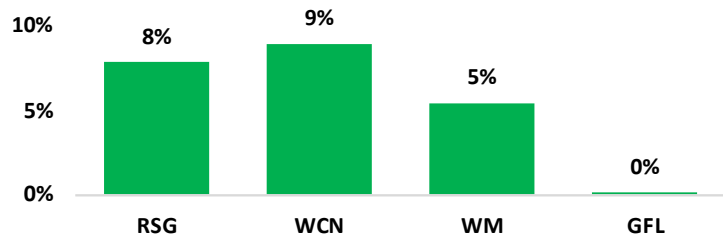
Company	Price 4/30/2024	% Change YoY	Market Cap	Enterprise Value	Q1 2024		EV Multiple	
					EBITDA	Margin	Rev.	EBITDA
Republic Services (RSG)	\$191.70	42.8%	58,580	71,560	1,150	29.8%	18.5x	62.2x
Waste Connections (WCN)	\$162.09	23.8%	41,810	49,790	640	30.9%	24.0x	77.9x
Waste Management (WM)	\$208.02	37.5%	82,930	98,700	1,530	29.7%	19.1x	64.5x
GFL Environmental (GFL) (CAD)	\$31.90	15.8%	11,990	18,640	287	15.9%	10.3x	64.9x

Revenue Summary

Total

Revenue	Q1 2024	Q1 2023	Change (%)
RSG	3,862	3,581	8%
WCN	2,072	1,901	9%
WM	5,159	4,892	5%
GFL	1,801	1,799	0%

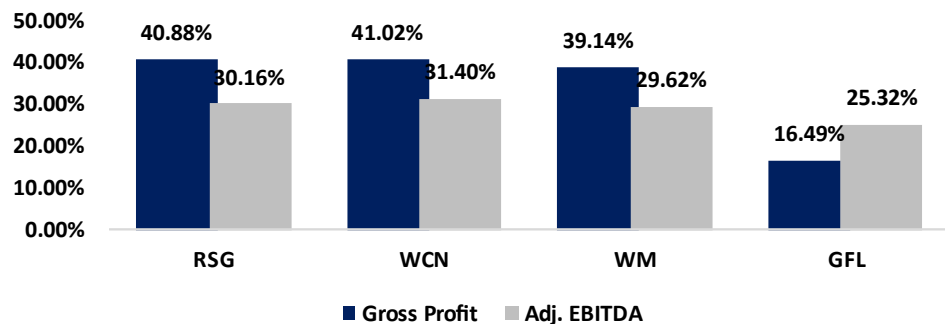
First Quarter Revenue Growth



Margin Analysis

Margin	Gross Profit	Adj. EBITDA
RSG	40.88%	30.16%
WCN	41.02%	31.40%
WM	39.14%	29.62%
GFL	16.49%	25.32%

A1 2024 Margin Performance





REPUBLIC
SERVICES

2024 Q1 EARNINGS OVERVIEW

REVENUE
\$3.86B

First Quarter Total Revenue
Growth of 8 Percent

**ADJUSTED
EARNINGS
PER DILUTED
SHARE**
\$1.45

**ADJUSTED
OPERATING
EBITDA**
\$1.16B

Up \$517M from 2022

**AVERAGE
RECYCLED
COMMODITY PRICE**



\$153

Increase of \$48 From 2023

CORE PRICE



7.0%

**INVESTMENT IN
ACQUISITIONS**



\$41MM

**ADJ. EBITDA
MARGIN**

30.2%

Up 120 basis points from
2023

**SHAREHOLD
ER RETURN**



\$899.9M

NET INCOME

\$453MM

11.8% Margin

"We are off to a strong start to the year and well-positioned to achieve our full-year goals, continued pricing in excess of cost inflation generated double-digit growth in EBITDA and EPS, and expanded EBITDA margin by more than 100 basis points. Solid execution by our 42,000 team members and investments in our differentiating capabilities — Customer Zeal, Digital and Sustainability — continue to produce positive results, and support our ability to deliver ongoing profitable growth."

- Jon Vander Ark, President & CEO

**REPUBLIC**
SERVICES

2024 Q1 EARNINGS CALL SUMMARY

Republic Services Crushes Q1 Estimates with Revenue and Profit Growth

Republic Services delivered a stellar first quarter in 2024, exceeding analyst expectations across key metrics. Total revenue surged 7.8% year-over-year to \$3.86 billion, driven by a potent combination of organic growth (4.1%) and strategic acquisitions (3.7%).

Pricing Power and Acquisitions Fuel Revenue Growth

The company's pricing power shone through, with core pricing spiking 7.0%, fueled by higher yields from both residential and small-container segments. Acquisitions also played a significant role, contributing 3.7% to the top line.

Profitability Soars on Strong Execution

Net income jumped an impressive 19.0% to \$453.8 million, while adjusted earnings per share (EPS) witnessed a healthy 16.9% increase to \$1.45. Profitability metrics further strengthened, with adjusted EBITDA margin expanding a noteworthy 120 basis points to 30.2%. This improvement reflects both effective pricing strategies and adept cost management.

Strong Cash Flow Supports Future Investments

Republic Services generated robust cash flow, boasting \$811.5 million from operations and a remarkable \$534.6 million in adjusted free cash flow. This strong financial position provides a solid foundation for future investments.

Sustainability Leadership and Continued Growth

Beyond financial strength, Republic Services maintained its leadership in sustainability, being recognized on prestigious rankings like Barron's 100 Most Sustainable Companies. Additionally, the company completed a renewable natural gas project in the quarter, demonstrating its commitment to environmental responsibility.

Management expressed confidence in achieving full-year guidance and emphasized their unwavering commitment to profitable growth. They attributed this success to strong execution, disciplined pricing strategies, and investments in differentiating capabilities like exceptional customer service and innovative digital initiatives.



2024 Q1 EARNINGS OVERVIEW

WASTE CONNECTIONS, INC.

REVENUE

\$2.07B

Up 9.1%

Revenue increase primarily due to the increase value for recycled commodities

ADJUSTED EARNINGS PER DILUTED SHARE

\$1.04

ADJUSTED OPERATING EBITDA

\$650.7MM

above outlook and up 14.8% year over year

INVESTMENTS IN ACQUISITIONS



\$150M

Profitability Increased 14.8%

2024 GROWTH OUTLOOK

\$8.75B

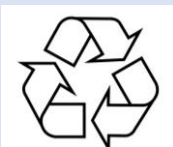
Estimated Revenue

13%

Adj. EBITDA growth

RECYCLING REVENUE

UP 54%



CORE PRICE



7.8%

SOLID WASTE COLLECTION



UP 5.8%

"We are extremely pleased by the strong start to the year driving better than expected operating and financial results, which, along with recently completed acquisitions, positions us well for the remainder of 2024. Adjusted EBITDA margin expansion of 160 basis points to 31.4% in the seasonally weakest quarter of the year puts us on track to exceed our industry-leading full year outlook of 32.7%, as continuing improvements in employee retention and safety trends, along with rising commodity values, provide momentum for continued outperformance."

- Ronald J. Mittelstaedt, President & CEO



2024 Q1 EARNINGS CALL SUMMARY

WASTE CONNECTIONS, INC.

Waste Connections Sees Revenue and Profit Growth

Waste Connections, reported positive financial results for the first quarter of 2024 (ending March 31st). Their total revenue grew by 9.1% to \$2.073 billion compared to the same period in 2023. This increase can be attributed to two key factors: price hikes for their services and acquisitions of other companies. The company experienced a healthy profit margin as well. Their net income reached \$230.1 million, representing 11.1% of their total revenue. This is an improvement from the previous year's net income, which was \$197.8 million.

Breaking Down the Financials

Looking deeper into the financials, we see that the increase in operating costs couldn't keep pace with the revenue growth. The cost of operations did rise, driven by factors like higher labor costs and expenses related to risk management and post-closure liability. However, this increase was outpaced by the revenue gains, resulting in a decrease in operating costs as a percentage of revenue. On the other hand, there was a rise in SG&A (selling, general & administrative) expenses. This can be attributed to increased spending on acquiring new companies, employee incentive compensation, and administrative payroll.

Profitability Gains Despite Higher Interest Expense

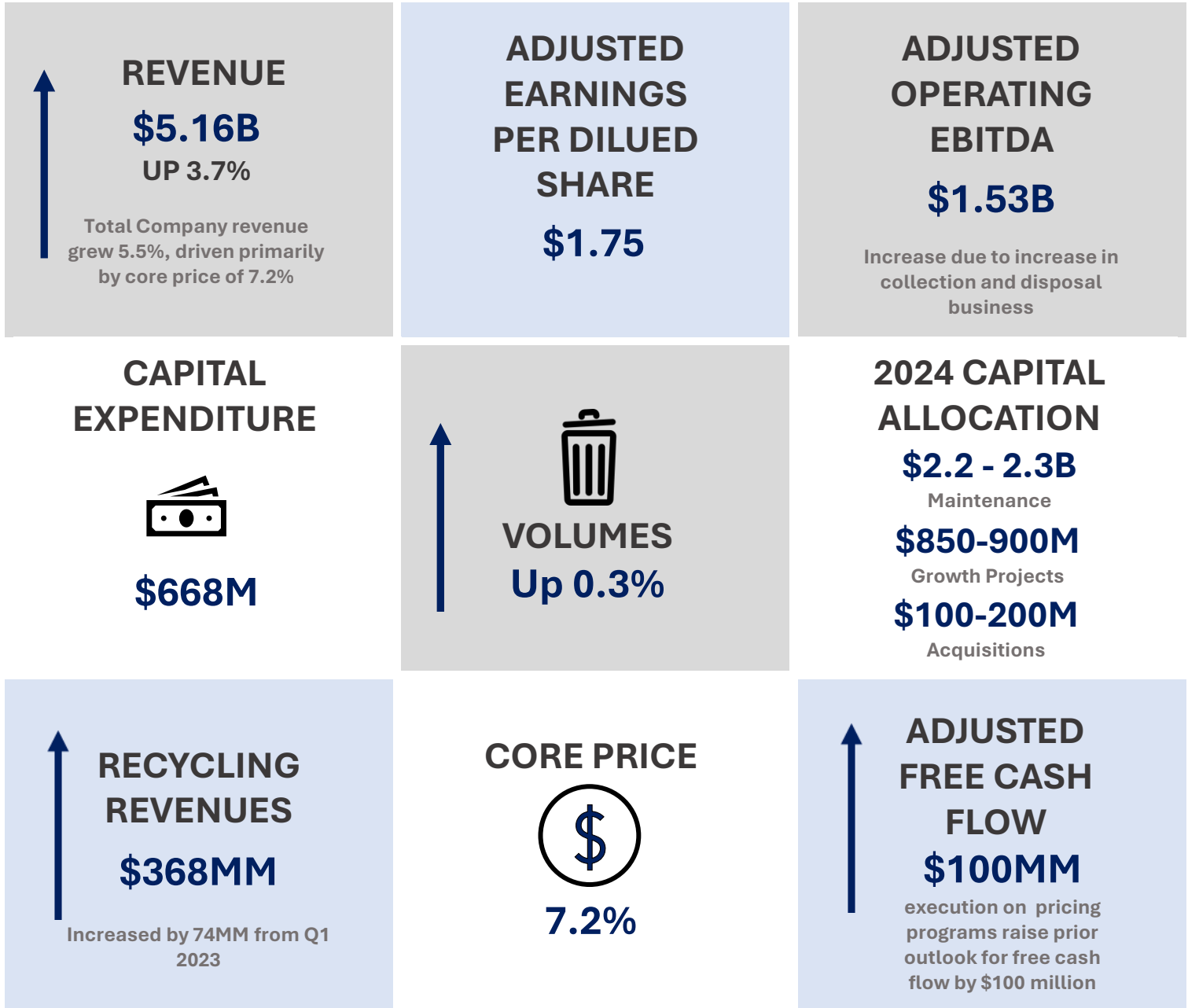
Despite the rise in interest expense due to increased borrowing and higher interest rates, Waste Connections managed to see a rise in net income. This indicates strong overall financial performance, driven by their successful revenue growth strategy. Their 2023 Sustainability Report details their efforts in reducing emissions, increasing resource recovery, and improving safety. This focus on environmental responsibility aligns with growing industry trends.

Waste Connections Navigates Challenges, Prioritizes Sustainability

Waste Connections' financial performance demonstrates impressive resilience. Even with an increase in interest expense due to borrowing and rising rates, their net income grew. This points to a robust financial strategy driven by successful revenue growth. Beyond financials, the company prioritizes sustainability efforts, as evidenced by their 2023 Sustainability Report. This commitment to reducing emissions, increasing resource recovery, and improving safety aligns Waste Connections with growing trends in the solid waste management industry.



2024 Q1 EARNINGS OVERVIEW



“We’re pleased with the strong operational and financial performance the WM team delivered in the first quarter. Adjusted operating EBITDA growth was 14.6% and margin expanded 240 basis points, which was powered by optimization of costs in the Collection and Disposal business and disciplined execution on price programs. Our results are a testament to the investments we have made in talent, technology, and assets over the past several years.”

- Jim Fish, President & CEO



2024 Q1 EARNINGS CALL SUMMARY

Robust Q1 Revenue and Profit Growth

Waste Management's first quarter of 2024 exceeded analyst expectations, with total revenue reaching \$5.16 billion, reflecting a 5.5% year-over-year increase. This growth was primarily driven by a 7.2% rise in core pricing, which offset a minor decline in volume. The company's focus on cost-cutting initiatives further strengthened its financial performance, with operating expenses as a percentage of revenue decreasing significantly and adjusted operating EBITDA rising 14.6% to \$1.53 billion.

Collection and Disposal Business Drives Success

The Collection and Disposal segment emerged as a standout performer, with notable gains in both adjusted EBITDA and margin. This success was attributed to strategic investments in technology, record-low driver turnover, and improved collection route efficiency. The Recycling and Renewable Energy segments also delivered double-digit EBITDA growth, benefiting from higher recycled commodity prices.

Upward Revision of 2024 Guidance

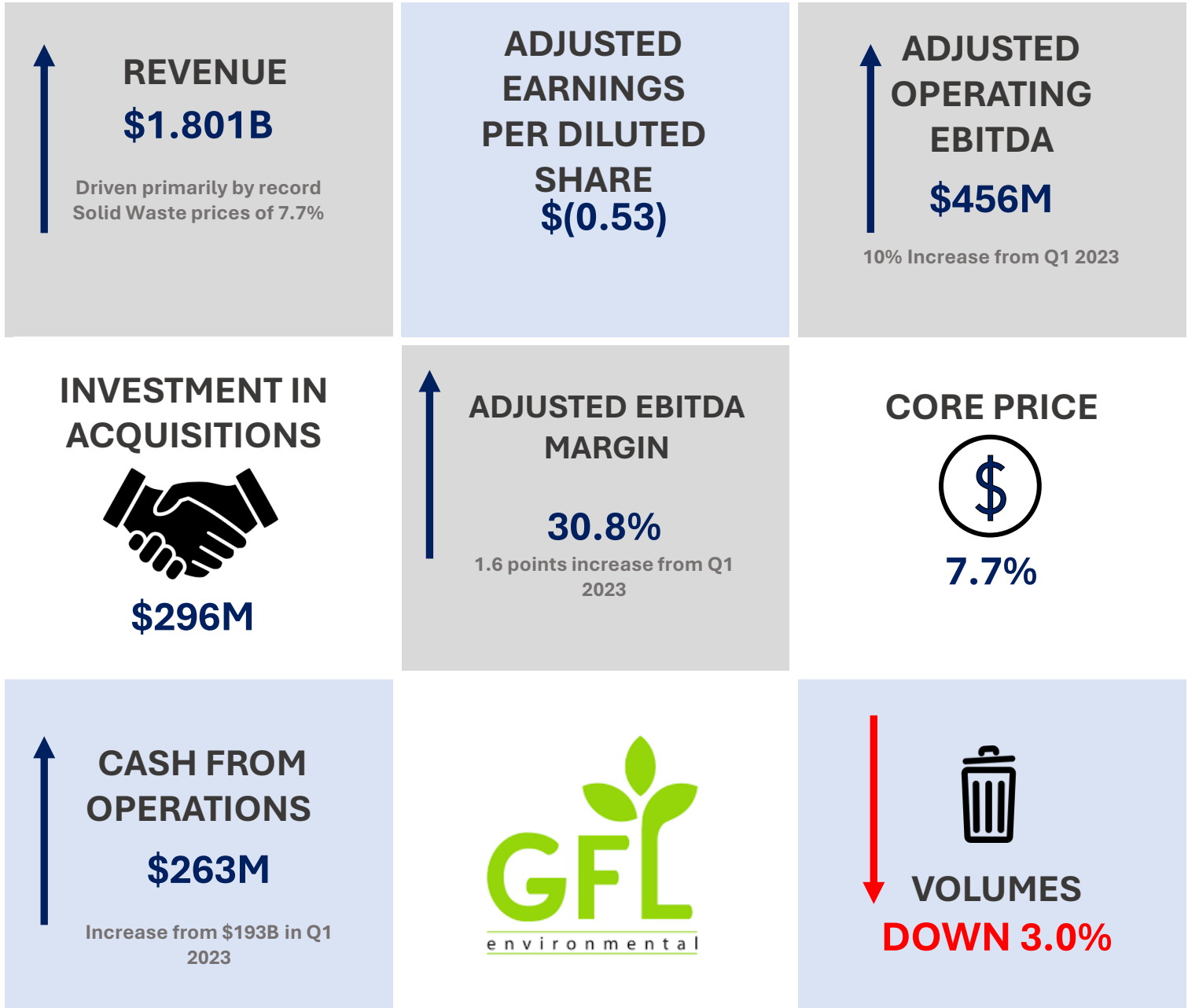
Following a strong Q1, Waste Management raised its full-year outlook. The company now anticipates revenue growth between 5% and 5.75%, with adjusted operating EBITDA projected at \$6.375 billion to \$6.525 billion, reflecting year-over-year growth of 13% to 15%. Adjusted operating EBITDA margins are expected to expand to 29.7%-30.2%, exceeding prior estimates, while free cash flow guidance has been increased to \$2.0 billion to \$2.15 billion.

Commitment to Sustainable Growth and Shareholder Returns

Waste Management remains committed to sustainable growth initiatives, allocating \$850 million to \$900 million in capital expenditures for these projects. The company returned \$557 million to shareholders in Q1 through dividends and share repurchases, highlighting its dedication to delivering shareholder value. Management expressed confidence that disciplined pricing strategies, cost optimization, and investments in sustainability will ensure continued robust financial performance in 2024.



2024 Q1 EARNINGS OVERVIEW



“I am extremely proud of the hard work and commitment of our over 20,000 employees, as we had yet another strong start to the year. Our focus on strong execution drove better than expected revenue of \$1,801.4 million for the quarter, with Solid Waste revenue, excluding the impact of divestitures, increasing by 8.8%, including 7.7% from core pricing. The continued effectiveness of our pricing and operating efficiency initiatives resulted in Adjusted EBITDA margin¹ of 25.3%, an increase of 80 basis points, and Solid Waste Adjusted EBITDA margin¹ of 30.8%, an increase of 160 basis points.”

- Patrick Dovigi, Founder & CEO



2024 Q1 EARNINGS CALL SUMMARY

Strong Start to 2024 with Revenue and EBITDA Growth

GFL Environmental reported a robust start to 2024, with Q1 revenue reaching \$1.8 billion, a 6.5% increase year-over-year (excluding divestitures). Pricing strength (+7.7%) and better-than-expected volumes drove this performance, despite weather-related headwinds. Adjusted EBITDA exceeded expectations, supported by a 100-basis-point margin expansion in Solid Waste and improved operational efficiencies. These results underscore GFL's ability to capitalize on its pricing strategies and deliberate shedding of low-margin contracts.

Investments in Growth and Innovation

The company deployed \$62 million in incremental growth investments during the quarter, focusing on recycling and renewable natural gas (RNG) infrastructure. GFL remains on track to invest \$250-\$300 million in 2024, with contributions from EPR contracts expected to ramp up significantly by 2026. Arbor Hills, the first RNG facility, continues to ramp up operations, and two to three additional facilities are expected online by year-end. These investments position GFL to lead in sustainability-related innovation and align with regulatory opportunities in Canada and the U.S. Management sees these initiatives as critical to delivering long-term shareholder value.

Active M&A Pipeline Enhances Market Position

Year-to-date, GFL has invested \$500 million in six acquisitions, including a major vertically integrated asset in Central Florida, which will serve as a growth engine in this key market. With \$100-\$150 million of M&A capital remaining for 2024, GFL is strategically focused on tuck-in acquisitions to strengthen its existing footprint. These acquisitions are expected to drive synergies by enhancing asset utilization and improving operational leverage. The company continues to identify opportunities in high-growth markets to extend its geographic reach and bolster profitability.

Optimistic Guidance and Strategic Execution

With a strong Q1 performance, GFL increased its 2024 adjusted EBITDA guidance to \$2.23 billion. Management remains confident in achieving its leverage target of 3.65x-3.85x by year-end, driven by organic growth, margin expansion, and disciplined capital allocation. The strength of the business's recurring revenue model provides high visibility into future performance. GFL is also positioned to capitalize on pricing tailwinds, commodity price recovery, and its growing pipeline of EPR and RNG projects to sustain its growth trajectory.

INVESTMENT BANKING FOR THE MIDDLE-MARKET

WHAT WE DO

Our singular focus on the middle market allows us the opportunity to work closely with waste industry clients to provide top tier guidance throughout the transaction.

Merger & Acquisition – Client Profile

- Revenue \$10+ million
- EBITDA \$1.5+ million
- Enterprise Value \$10+ million
- Sell-side & Buy-side representation

Capital Advisory – Client Requirements

- Seeking \$10+ million
- Debt – Mezzanine/Unitranche/Commercial
- Private Equity
- Recapitalization
- Control & Non-Control Financing

Generational Transfer

- Partnership Buyouts
- Founder Retirement
- Interfamily Transfer

WHO WE ARE

Transitus Capital is dedicated to providing a client centered, prudent approach by seasoned professionals. We provide a level of sophistication that our clients need to meet their varied needs with a full suite of services.

Transitus Capital delivers a true investment banking process by FINRA registered investment banking professionals.

CLIENT PROFILE

Transitus Capital Provides M&A advisory and capital advisory to firms in the waste industry including waste haulers, landfills, recyclers, and ancillary industries i.e. manufacturing.

Our capital solutions and M&A advisory provide clients guidance throughout the process of selling a business and/or raising capital.

Transitus Environmental Services Team

*Interested in selling your Environmental Services company?
Contact us to learn how Transitus maximizes value in a transaction.*



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