

Waste Management, Inc.

Raymond James Institutional Investors Conference

March 3, 2015

THINK GREEN.®



Cautionary Statement

Certain statements provided in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often identified by the words, “will,” “may,” “should,” “continue,” “anticipate,” “believe,” “expect,” “plan,” “forecast,” “project,” “estimate,” “intend” and words of similar nature, and such statements generally contain projections about accounting and finances; strategy, plans and objectives for the future and outcomes from such strategic plans and objectives; projections, estimates, or assumptions relating to our performance; results of investments in new technologies; implementation of innovation and efficiency projects; predictions or assumptions about future trends or conditions in our industry; or our opinions, views or beliefs about the effects of current or future events, circumstances or performance. You should view these statements with caution. These statements are not guarantees of future performance, circumstances or events. They are based on the facts and circumstances known to us as of the date the statements are made. All phases of our business are subject to uncertainties, risks and other influences, many of which we do not control. Any of these factors, either alone or taken together, could have a material adverse effect on us and could cause actual results to be materially different from those set forth in such forward-looking statement. We assume no obligation to update any forward-looking statement, including financial estimates, whether as a result of future events, circumstances or developments or otherwise. Some of these risks and uncertainties are described in greater detail in Waste Management’s Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission.



Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures under Regulation G of the Securities Exchange Act of 1934, as amended. The Company believes that these non-GAAP financial measures are useful to investors to assess the Company's performance, results of operations and cash available for the Company's capital allocation program. These non-GAAP measures are meant to supplement, not replace, comparable GAAP measures, and such non-GAAP measures may be different from similarly titled measures used by other companies. A reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles can be found in the Annex at the end of this presentation and under the Investor Relations tab on our website: www.wm.com.

Waste Management Investment Thesis

- Industry Leadership
- Strategic Focus to Drive:
 - Revenue Growth
 - Margin Expansion
- Financial and Business Profile Provides
 - Annuity-like Revenues
 - Strong ROI and Cash Returned to Shareholders
 - Top Quartile Dividends*



* See slide 19 for more information

THINK GREEN®

Waste Management is North America's Leading Provider of Integrated Waste Management and Environmental Solutions

| WM's 2014 Financial Stats | WM's 2014 Operational Stats | | | |
|---|---|---|--|--|
| \$14.0B IN REVENUE | +21 MILLION CUSTOMERS | 399 COLLECTION OPERATIONS | 1 ACTIVE HAZARDOUS WASTE UNDERGROUND INJECTION FACILITY | 97 MILLION TONS OF WASTE MANAGED AT LANDFILLS |
| \$3.4B¹ FREE CASH FLOW | 298 TRANSFER FACILITIES | 100% Amount of WASTE Diverted from Landfills At The WM Phoenix Open | 134 LANDFILL- GAS-TO- ENERGY PROJECTS | 247 ACTIVE SOLID WASTE LANDFILLS |
| \$1.3B RETURNED TO SHAREHOLDERS | 126 TRADITIONAL RECYCLING FACILITIES | 72 Natural Gas Fueling Stations 25 Also Serve The Public | 35 ORGANIC PROCESSING FACILITIES | 5 ACTIVE HAZARDOUS WASTE LANDFILLS |
| \$1.2B CAPITAL EXPENDITURES | | | | |
| WM Sustainability Facts | 50 ARE SINGLE STREAM 12 ARE C&D RECYCLING FACILITIES | OVER 39,800 EMPLOYEES | More than 3,700 Natural Gas Vehicles | |
| Creates enough energy to power nearly 500,000 homes every year | | | | |
| Manages nearly 13 million tons of recyclable commodities | | | | |
| Dedicates 27,000 protected acres to wildlife habitats | | | | |

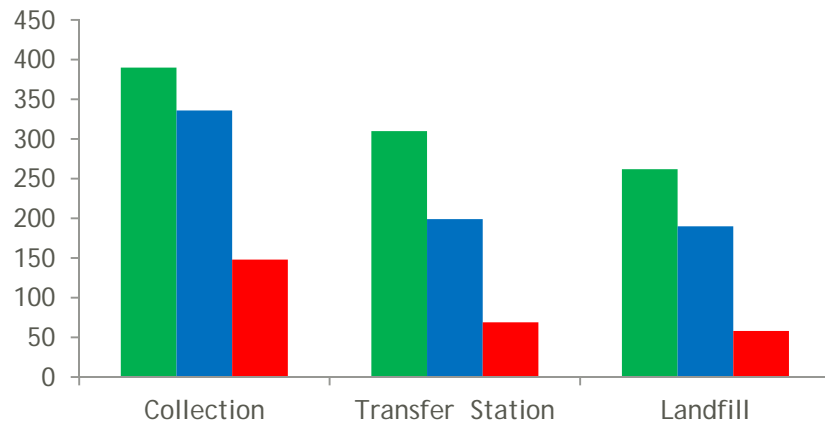


¹ See the annex at the end of this presentation for reconciliation of this non-GAAP financial measure

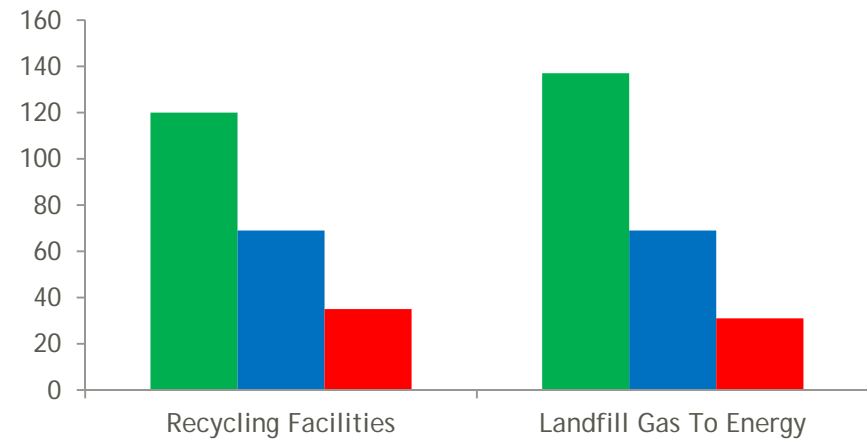
THINK GREEN.®

Industry's Largest and Most Diverse Asset Base

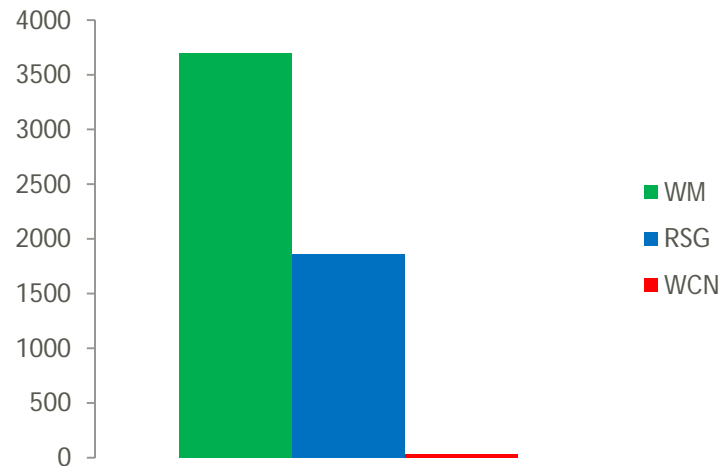
Traditional Service Facilities



Waste Conversion Facilities



Natural Gas Vehicles

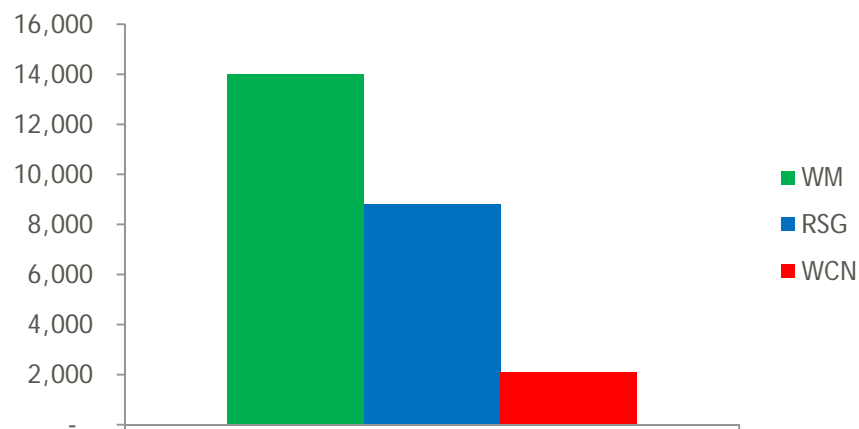


Source: Company Filings; Information presented based on most recent disclosures by each respective company

THINK GREEN.®

Asset Base Produces Strong, Consistent Earnings

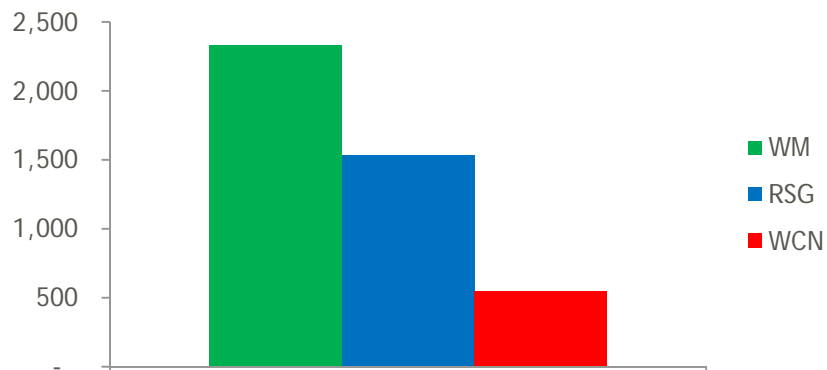
2014 Revenue
(\$=millions)



2014 Adjusted Income From
Ops*
(\$=millions)



2014 Net Cash Provided by
Operating Activities
(\$=millions)



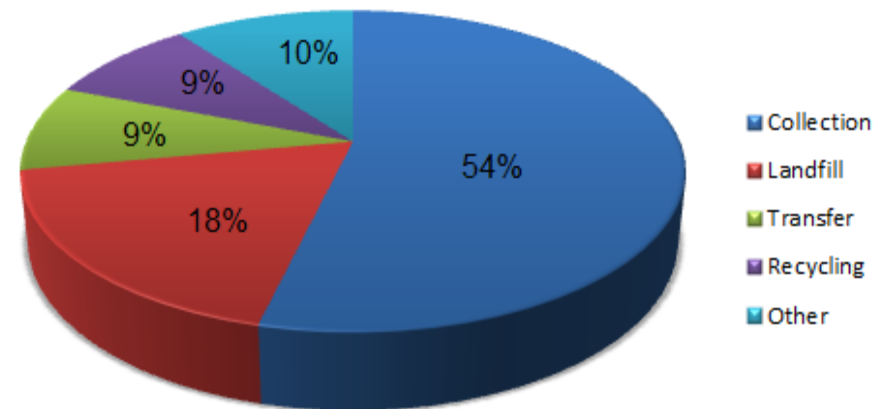
* In the case of WM, see the annex at the end of this presentation for the reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.
Source: Company filings

THINK GREEN®

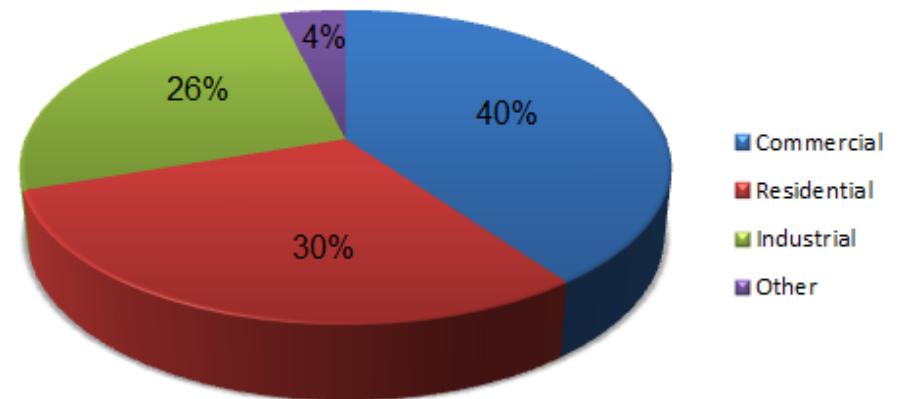
Broad and Diverse Customer Base

- Serves over 21 million customers across the US and Canada
- Waste Management's largest customer accounts for less than 1% of revenue
- Long-standing customer relationships with significant contracted business

2014 Revenue Mix



2014 Collection Revenue Mix



NOTE: 2014 Revenue Mix chart excludes 2014 revenues attributable to the Wheelabrator business, which was divested in December 2014

THINK GREEN®

Our Strategy to Drive Revenue Growth and Margin Expansion

What:

How:

Why:

Know and Service our Customers Better

- Tailored Solutions
 - Expanded Capabilities
 - Technology

- Increase Market Share
- Increase Retention
 - Sell More to Existing Customers

Extract More Value from the Waste Stream

- Target Certain Geographies and Sectors for Growth
 - Conversion Technologies

- Increase Market Share
- Improve Margins

Drive Innovation and Efficiency

- Service Delivery Optimization & Route Reductions
 - Operating Technologies
 - Simplified SG&A

- Improve Margins
- Increase Customer Retention

2015 Earnings and Cash Flow Drivers

- Continued Focus on Yield Management
- Operating and SG&A Cost Controls
- Aggressive Management of Capital Expenditures

Increasing Earnings Through Core Price

- Continue to lead in collection core price
- Long-term core price growth will be driven by landfill and post collection
- Focus on all pricing levers to drive earnings growth

Increasing Earnings Through Cost Controls

- Monthly operational reviews to ensure compliance
- Routing and Logistics should reduce costs of operations by 100 basis points once complete
- In 2015, continue to see the benefit from our 2014 restructuring reducing SG&A costs by \$60 million

Managing Cash Flow Through Capital Discipline

- Monthly reviews of capital spending requests
- A portion of the incentive compensation plans are tied to improved free cash flow
- Increasing ROIC is a strategic focus

ROIC Criteria lead to Strong Overall Returns

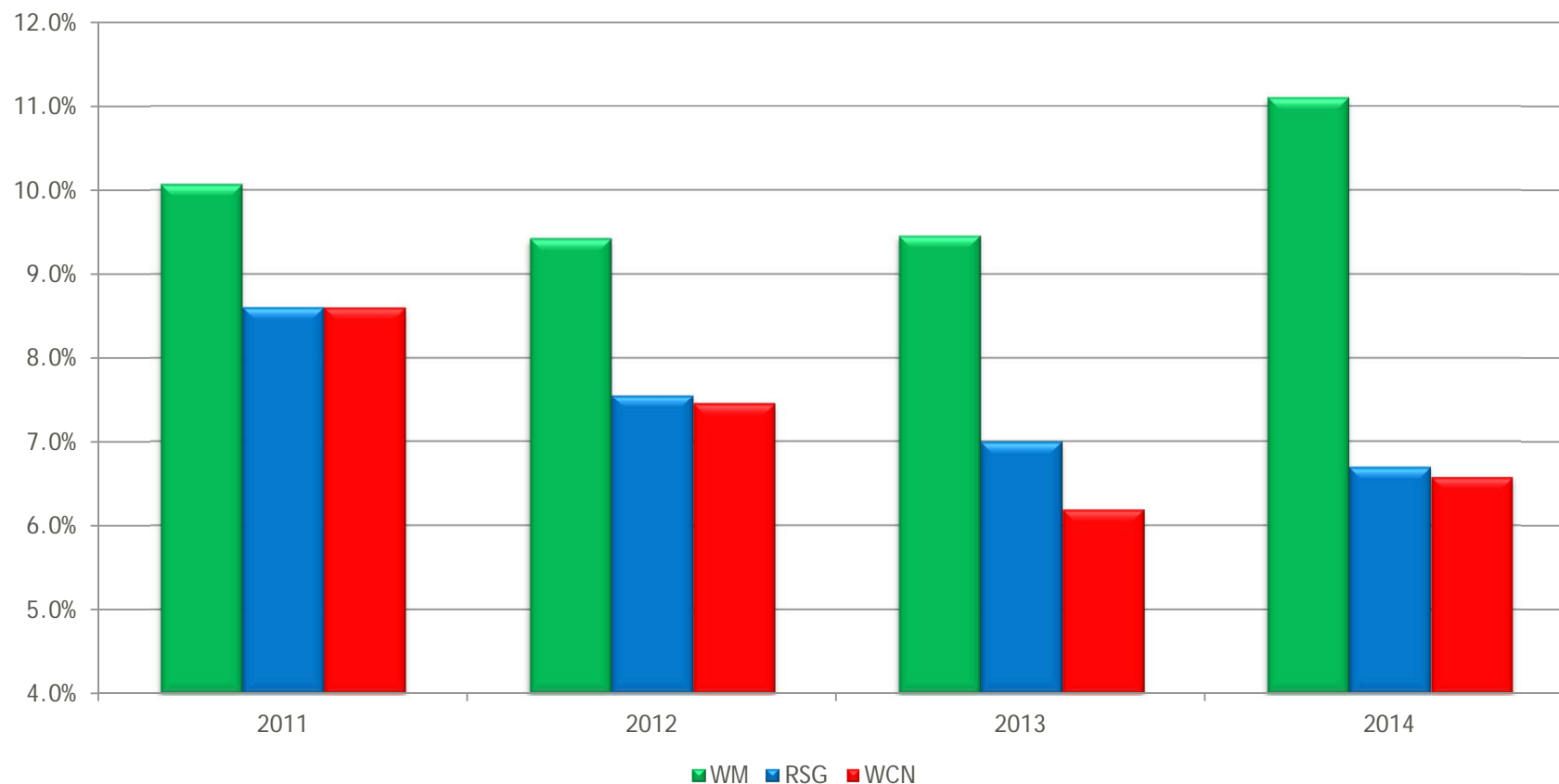
Minimum Internal Rate of Return by Business Type

| | |
|---------------------------|-----|
| • Collection and Landfill | 12% |
| • Recycling | 15% |
| • Waste-to-Energy | 11% |
| • Organic Growth | 17% |

Note: Return requirements are adjusted based on the risk profile of the investment

...And We Lead the Industry in ROIC*

WM Is Providing the Highest Returns



* See the annex at the end of this presentation for the reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

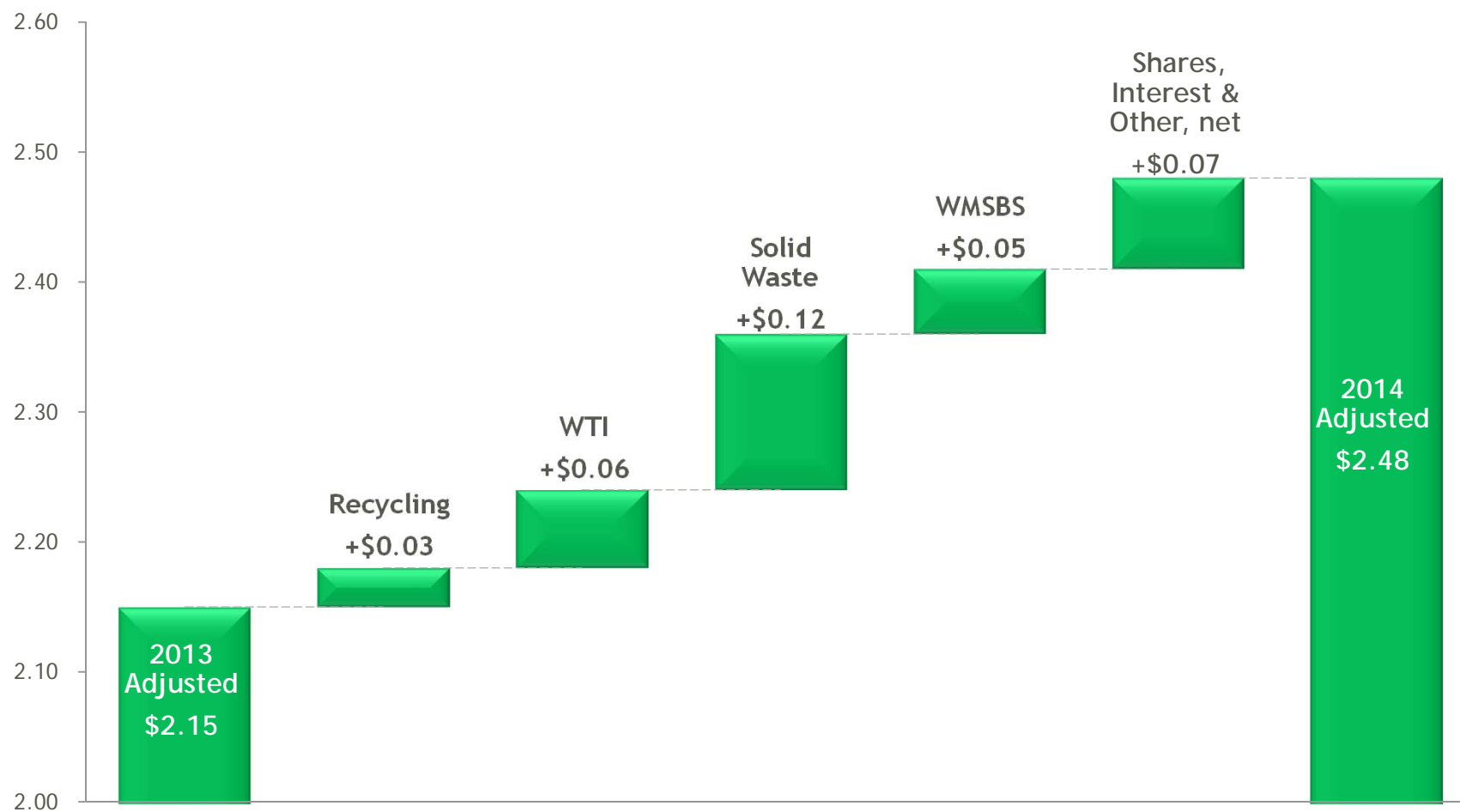
Financial Performance and Outlook

THINK GREEN.®



Full Year 2014 EPS

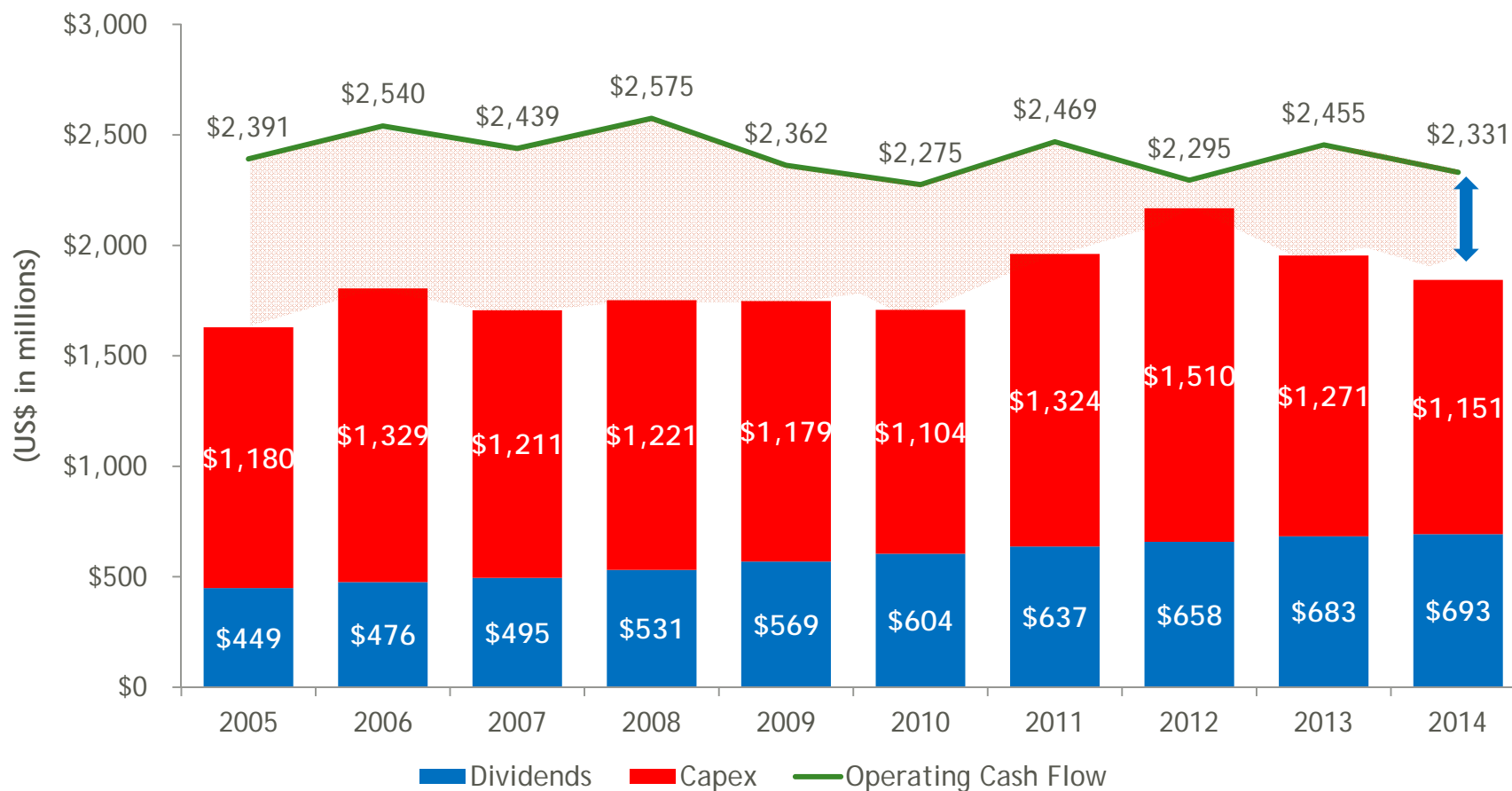
As-Adjusted*



* See the annex at the end of this presentation for the reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

THINK GREEN®

Significant Cash Generation

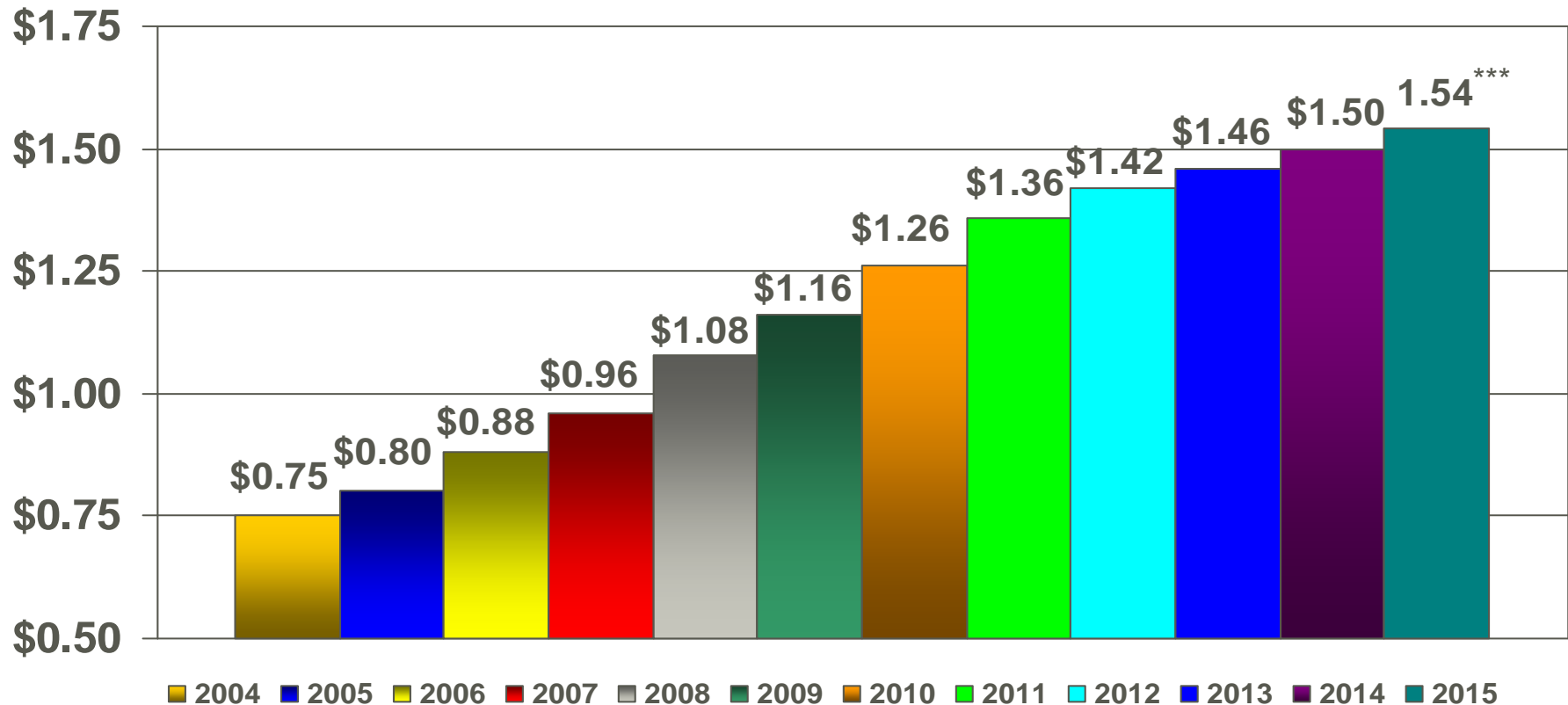


Source: Company filings.

THINK GREEN®

WM's Dividend Yield is in the Top 25% of the S&P 500*

Yield of 2.8% at a \$54.53 share price**



Annual Dividends Paid Per Share



* Source: Datastream and CapIQ as of 13-Jan-2015. Payout ratios calculated only for companies that have positive EPS. Excludes companies with incomplete data or payout ratios > 200%.

** Based upon the price of Waste Management stock as of February 25, 2015

***The Board of Directors approved a 2.7% increase in the future quarterly dividend rate to \$0.385 per share. Each future dividend must be separately declared by the Board of Directors.

THINK GREEN®

2015 Guidance

- Earnings per diluted share, as adjusted, in the range of \$2.48 to \$2.55*
- Core Price of approximately 3.8% and internal revenue growth from yield to be approximately 2.0%
- Internal revenue growth from volume between negative 0.5% and flat
- Full year 2014 free cash flow is expected to be between \$1.4 and \$1.5 billion**
- Full year 2014 capital expenditures of between \$1.2 and \$1.3 billion

* Not intended to be GAAP net earnings per diluted share. Full year EPS are likely to be adjusted to exclude the effects of items management believes are not representative of our results of operations, but which are not currently determinable. Such items may be significant.

** See the annex at the end of this presentation for explanation and reconciliation of this non-GAAP financial measure.



THINK GREEN®

Annex

Reconciliation of Certain Non-GAAP Measures

THINK GREEN.®



Return on Invested Capital

(\$ in millions)

| | Year ended December 31, 2014 | Year ended December 31, 2013 | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>Numerator</u> | | | | |
| Adjusted Income from operations* | \$2,252 | \$2,075 | \$2,042 | \$2,095 |
| Less: Adjusted provision for income tax* | (547) | (515) | (514) | (535) |
| Total Numerator | \$ 1,705 | \$ 1,560 | \$ 1,528 | \$ 1,560 |
| <u>Denominator (Average Previous 4 Qtrs)</u> | | | | |
| Current portion of long-term debt | \$ 1,058 | \$ 758 | \$ 821 | \$ 335 |
| Long-term debt, less current portion | 8,839 | 9,258 | 9,075 | 9,059 |
| Noncontrolling interests | 229 | 308 | 322 | 331 |
| Stockholders' equity | 5,705 | 6,330 | 6,242 | 6,152 |
| Less: Cash | (492) | (169) | (255) | (397) |
| Total Denominator | \$ 15,340 | \$ 16,485 | \$ 16,205 | \$ 15,480 |
| Return on Invested Capital Margin | 11.1% | 9.5% | 9.4% | 10.1% |



* Adjusted income from operations and adjusted provision for income tax. See remainder of this Annex for the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

THINK GREEN.®

Reconciliation of Certain Non-GAAP Measures

(\$ in millions)

| | Year Ended Dec 31, 2014 | Year Ended Dec 31, 2013 | Year Ended Dec 31, 2012 | Year Ended Dec 31, 2011 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <i>Adjusted Income from Operations</i> | | | | |
| As reported: | | | | |
| Income from operations | \$ 2,299 | \$ 1,079 | \$ 1,851 | \$ 2,028 |
| Adjustments to Income from Operations: | | | | |
| Income from divestitures, asset impairments and unusual items, net | (162) | 973 | 83 | 11 |
| Oakleaf | - | - | 15 | 7 |
| Landfill Operating Costs | - | - | 3 | 8 |
| Litigation | 31 | - | 7 | 24 |
| Restructuring | 81 | 18 | 67 | 17 |
| Multiemployer pension withdrawal costs | 3 | 5 | 10 | - |
| Labor Relations | - | - | 6 | - |
| As adjusted: | | | | |
| Income from operations | <u>\$ 2,252</u> | <u>\$ 2,075</u> | <u>\$ 2,042</u> | <u>\$ 2,095</u> |

Reconciliation of Certain Non-GAAP Measures

(\$ in millions)

| <i>Tax Expense</i> | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
|--|---|---|---|---|
| <i>Adjusted Provision for Income Taxes</i> | | | | |
| Provision for Income Taxes, as reported | \$ 413 | \$ 364 | \$ 443 | \$ 511 |
| Adjustments to Provision for Income Taxes: | | | | |
| Income from divestitures, asset impairments and unusual items, net | 102 | 142 | 28 | 3 |
| Landfill Operating Costs | - | - | 4 | 3 |
| Litigation | 2 | - | - | 8 |
| Restructuring | 29 | 7 | 26 | 6 |
| Results of the acquired Oakleaf operations and related integration costs | - | - | 6 | 4 |
| Multiemployer pension withdrawal costs | 1 | 2 | 4 | - |
| Labor Relations | - | - | 3 | - |
| Provision for Income Taxes, as adjusted | \$ 547 | \$ 515 | \$ 514 | \$ 535 |

Reconciliation of Certain Non-GAAP Measures

(\$ in Millions)

| | Year Ended December 31: | | | |
|--|-------------------------|-----------------|---------------|-----------------|
| | 2014 | 2013 | 2012 | 2011 |
| Net cash provided by operating activities | \$ 2,331 | \$ 2,455 | \$ 2,295 | \$ 2,469 |
| Capital expenditures | (1,151) | (1,271) | (1,510) | (1,324) |
| Proceeds from divestitures of businesses and other assets (net of cash divested) | 2,253 | 138 | 44 | 53 |
| Free cash flow | <u>\$ 3,433</u> | <u>\$ 1,322</u> | <u>\$ 829</u> | <u>\$ 1,198</u> |

Reconciliation of Certain Non-GAAP Measures

| | Year Ended December 31, 2014 | | Year Ended December 31, 2013 | |
|---|---------------------------------|---------------------|---------------------------------|---------------------|
| | After-tax Amount | Per Share Amount | After-tax Amount | Per Share Amount |
| <i>Adjusted Net Income and Diluted Earnings Per Share</i> | | | | |
| Net income and diluted EPS, as reported | \$ 1,298 | \$ 2.79 | \$ 98 | \$ 0.21 |
| Adjustments to net income and Diluted EPS: | | | | |
| Sales of businesses, net | (477) | | - | |
| Asset impairments | 247 | | 896 | |
| Restructuring | 52 | | 11 | |
| Legal reserves | 29 | | - | |
| Partial withdrawal from multiemployer pension plan | 2 | | 3 | |
| | (147) | (0.31) | 910 | 1.94 |
| Adjusted net income and diluted EPS | \$ 1,151 | \$ 2.48 | \$ 1,008 | \$ 2.15 |

Reconciliation of Certain Non-GAAP Measures

The Company also discusses free cash flow and provides a projection of free cash flow, which is a non-GAAP measure, because it believes that it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace "Net cash provided by operating activities," which is the most comparable GAAP measure. However, we believe free cash flow gives investors useful insight into how we view our liquidity. Nonetheless, the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as declared dividend payments and debt service requirements. The Company's definition of free cash flow may not be comparable to similarly titled measures presented by other companies, and therefore not subject to comparison.

The Company defines free cash flow as:

- Net cash provided by operating activities
- Less, capital expenditures
- Plus, proceeds from divestitures of businesses (net of cash divested), and other sales of assets.

The following reconciliation presents two scenarios that illustrate our projected free cash flow for 2015. The amounts used in the reconciliation are subject to many variables, some of which are not under our control and, therefore, are not necessarily indicative of actual results.

2015 Projected Free Cash Flow Reconciliation

| | Scenario 1 | Scenario 2 |
|--|-------------------|-------------------|
| Net cash provided by operating activities | \$ 2,600 | \$ 2,800 |
| Capital expenditures | (1,200) | (1,300) |
| Proceeds from divestitures of businesses (net of cash divested) and other sales of assets | 50 | 100 |
| Free cash flow | \$ 1,450 | \$ 1,600 |
| Less proceeds from divestitures of businesses (net of cash divested) and other sales of assets | (50) | (100) |
| Free cash flow (excl. proceeds from divestiture) | \$ 1,400 | \$ 1,500 |



Waste Management, Inc.

Raymond James Institutional Investors Conference

March 3, 2015

THINK GREEN.®

