



Waste Management Announces Plan to Increase its Quarterly Dividend Rate and a Refreshed Share Repurchase Authorization

Dec 14, 2020

Per Share Dividend to Increase from \$2.18 to \$2.30 on an Annual Basis

HOUSTON--(BUSINESS WIRE)--Dec. 14, 2020-- Waste Management, Inc. (NYSE: WM) today announced that its Board of Directors has approved a 5.5% increase in the planned quarterly dividend rate for 2021, from \$0.545 to \$0.575 per share. On an annual basis, the per share dividend rate increases from \$2.18 to \$2.30. The Company also received authorization from its Board of Directors to repurchase up to \$1.35 billion of the Company's common stock, superseding the authority remaining under the \$1.5 billion authorization announced in 2018.

"For eighteen consecutive years we have been able to increase our dividends due to the strength of our business and the growth in our free cash flow generation. We have a resilient business model and expect to continue to perform well in the coming years, positioning us to confidently increase our 2021 dividend rate," said Jim Fish, President and Chief Executive Officer of Waste Management, Inc. "We are pleased to be able to return this cash to our shareholders, as dividends remain a top priority in utilizing our free cash flow."^(a)

"Now that we have closed the acquisition of Advanced Disposal, our remaining capital allocation plan, after paying our dividend, will initially focus on strengthening our balance sheet to quickly return to our targeted leverage ratio of 2.5 times to 3 times. We anticipate achieving that level in 2021. Our capital allocation framework has not changed, we remain focused on maximizing long-term value through growth and optimization investments and returning excess cash to shareholders," concluded Fish.^(b)

Waste Management's Board of Directors must declare each future quarterly dividend prior to payment. The Board of Directors intends to declare the first quarter 2021 dividend in February, at which time the Company will announce the record and payment dates for this dividend. It is expected that the first increased dividend will be paid in March of 2021.

The Company, from time to time, provides estimates of financial and other data, comments on expectations relating to future periods and makes statements of opinion, view or belief about current and future events. This press release contains such forward-looking statements, including statements regarding the amount, declaration, timing and payment of dividends in 2021, future share repurchases, future capital allocation, future debt reduction, debt levels or leverage ratio, future balance sheet strength and future business performance and free cash flow. You should view these statements with caution. They are based on the facts and circumstances known to the Company as of the date the statements are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to, increased competition; pricing actions; failure to implement our optimization, growth, and cost savings initiatives and overall business strategy; failure to identify acquisition targets and negotiate attractive terms; failure to consummate or integrate acquisitions; failure to obtain the results anticipated from acquisitions; failure to successfully integrate the acquisition of Advanced Disposal, realize anticipated synergies or obtain the results anticipated from such acquisition; environmental and other regulations, including developments related to emerging contaminants and renewable fuel; commodity price fluctuations; international trade restrictions; weakness in general economic conditions and capital markets; public health risk and other impacts of COVID-19 or similar pandemic conditions, including increased costs, social and commercial disruption, service reductions and other adverse effects on our business, financial condition, results of operations and cash flows; failure to obtain and maintain necessary permits; disposal alternatives and waste diversion; declining waste volumes; failure to develop and protect new technology; failure of technology to perform as expected, including implementation of a new enterprise resource planning system; failure to prevent, detect and address cybersecurity incidents or comply with privacy regulations; significant environmental or other incidents resulting in liabilities and brand damage; significant storms and destructive events influenced by climate change; labor disruptions; impairment charges; and negative outcomes of litigation or governmental proceedings. Please also see the Company's filings with the SEC, including Part I, Item 1A of the Company's most recently filed Annual Report on Form 10-K as updated by our subsequent Quarterly Reports on Form 10-Q, for additional information regarding these and other risks and uncertainties applicable to its business. The Company assumes no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

(a) Free cash flow is a non-GAAP measure. Free cash flow is not intended to replace "Net cash provided by operating activities," which is the most comparable U.S. GAAP measure. The Company defines free cash flow as net cash provided by operating activities, less capital expenditures, plus proceeds from divestitures of business (net of cash divested) and other sales of assets. This definition may not be comparable to similarly titled measures presented by other companies.

(b) The components of the Company's leverage ratio, or total debt to consolidated earnings before interest, taxes, depreciation and amortization, are defined in its \$3.5 billion revolving credit agreement filed with the SEC.

ABOUT WASTE MANAGEMENT

Waste Management, based in Houston, Texas, is the leading provider of comprehensive waste management environmental services in North America. Through its subsidiaries, the Company provides collection, transfer, disposal services, and recycling and resource recovery. It is also a leading developer, operator and owner of landfill gas-to-energy facilities in the United States. The Company's customers include residential, commercial, industrial, and municipal customers throughout North America. To learn more information about Waste Management, visit www.wm.com.

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