

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 30, 2019**

**Waste Management, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**1-12154**  
(Commission File Number)

**73-1309529**  
(IRS Employer  
Identification No.)

**1001 Fannin, Houston, Texas**  
(Address of Principal Executive Offices)

**77002**  
(Zip Code)

Registrant's Telephone number, including area code: **(713) 512-6200**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	WM	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01. Regulation FD Disclosure.**

On May 30, 2019, Waste Management, Inc. issued a press release providing additional information in connection with its previously-announced investor day at the New York Stock Exchange. The press release and the presentation may contain material information that has not been publicly disseminated before today. The presentation begins this morning at 8:30 am EDT, and a live webcast of the presentation will be available during the event and for replay from <http://investors.wm.com> under Events & Presentations. A copy of the press release and the presentation are also attached to this Form 8-K as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit Index**

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release issued May 30, 2019</a>
99.2	<a href="#">Waste Management Investor Day presentation dated May 30, 2019</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

WASTE MANAGEMENT, INC.

Date: May 30, 2019

By: /s/ Charles C. Boettcher  
Charles C. Boettcher  
Senior Vice President, Corporate Development and  
Chief Legal Officer

# Waste Management Hosts 2019 Investor Day in New York City

The Company Outlines Strategy to Accelerate Growth; Reaffirms 2019 Full-Year Guidance, Excluding Acquisition-Related Considerations; and Establishes 2021 Financial Growth Rates

## FOR MORE INFORMATION

### Waste Management

**Web site**  
[www.wm.com](http://www.wm.com)

**Analysts**  
 Ed Egl  
 713.265.1656  
[eeql@wm.com](mailto:eeql@wm.com)

**Media**  
 Andy Izquierdo  
 832.710.5287  
[aizquierdo@wm.com](mailto:aizquierdo@wm.com)

HOUSTON — May 30, 2019 — Waste Management, Inc. (NYSE: WM) will host its Investor Day at the New York Stock Exchange today beginning at 8:30 a.m. EDT to provide an in-depth review of the Company's long-term vision, growth strategies, capital allocation framework, and operational and financial objectives. The event will feature presentations and question and answer sessions with every member of the Company's senior leadership team.

"In recent years, we have extended our leadership position by executing several key strategic initiatives, including attracting top senior-level talent, optimizing our business, investing in technology and strengthening our balance sheet," said Jim Fish, President and Chief Executive Officer of Waste Management. "Today, Waste Management is better positioned than ever and our team is excited to use our Investor Day as a platform to outline the next phase of our strategy to create shareholder value. Our plan is grounded in cultivating a purpose-led culture and offering differentiated service through our integrated use of technology and data analytics to provide a better experience for our customers," added Fish.

Today, the Company reaffirms its 2019 financial outlook, excluding Advanced Disposal Services, Inc. ("Advanced Disposal") acquisition-related financing costs and revisions in outlook for capital allocated to share repurchases. The Company will also announce long-term growth targets that reflect confidence in its ability to execute on strategic priorities to grow the business. These long-term growth targets, which are outlined below, also exclude the expected revenue, earnings and free cash flow contributions expected from the acquisition of Advanced Disposal.

## 2019 — 2021 LONG-TERM AVERAGE ANNUAL GROWTH TARGETS

- Revenue growth in the collection and disposal business of between 4% and 6%.
- Adjusted Operating EBITDA growth of between 5% and 7%.<sup>(a)</sup>
- Free Cash Flow growth of between 5% and 7%.<sup>(a)</sup>

## EVENT WEBCAST DETAILS

The live webcast of Waste Management's Investor Day, including question and answer sessions, will begin at 8:30 a.m. EDT and conclude at approximately 12:30 p.m. The presentations and webcast can be accessed from Waste Management's Investor Relations website at <http://investors.wm.com/events/event-details/2019-investor-day> and will be available for replay following the event.

- (a) Adjusted operating EBITDA and free cash flow are non-GAAP measures. Please see the May 30, 2019 Investor Day presentation, available at the website identified in the prior paragraph, for definitions of these terms and additional information about the Company's use of non-GAAP measures. Due to the uncertainty of the likelihood, amount and timing of future items that may impact these measures, the Company is unable to provide a quantitative reconciliation of long-term projected adjusted operating EBITDA growth or long-term projected free cash flow growth to the comparable GAAP measures.
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**FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements that involve risks and uncertainties, including all statements about future performance, 2019 financial outlook, achievement of long-term growth targets and the acquisition of Advanced Disposal. 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 the company as of the date the statements are made. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this press release are discussed in our Annual Report on Form 10-K for the year ended December 31, 2018, and our Quarterly Report on Form 10-Q for the period ended March 31, 2019. 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.

**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, recycling and resource recovery, and disposal services. 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](http://www.wm.com) or [www.thinkgreen.com](http://www.thinkgreen.com).

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# WASTE MANAGEMENT

## INVESTOR DAY

May 30, 2019



## 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. Such forward-looking statements also include statements about Advanced Disposal, Inc. (“ADS”) and the proposed acquisition, including but not limited to all statements about the timing and approvals of the proposed acquisition; ability to consummate and finance the acquisition; integration of the acquisition; future operations; future capital allocation; future business and financial performance of Waste Management, Inc. and its subsidiaries (“Waste Management”) and ADS and the ability to achieve future financial guidance; future leverage ratio; and all outcomes of the proposed acquisition, including synergies, cost savings, and impact on earnings, cash flow and margin, return on capital, strength of the balance sheet and credit ratings.

You should view these statements with caution. These statements are not a guaranty of future performance, circumstances or events. They are based on information known to us as of the date the statements are made. Our business is subject to risks and uncertainties, many of which we do not control, that 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. Some of these risks and uncertainties are described in greater detail in Waste Management’s Annual Report on Form 10-K for the year ended December 31, 2018, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, each as filed with the Securities and Exchange Commission. 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.

## 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 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 Appendix at the end of this presentation and under the Investor Relations tab on our website: [www.wm.com](http://www.wm.com).



# AGENDA

8:30 am	<b>WELCOME &amp; OPENING REMARKS</b> Ed Egl Sr. Dir., IR and Field Finance	10:25 am	<b>PEOPLE</b> Tamla Oates-Forney SVP, Chief Human Resources Officer
	<b>COMPANY OVERVIEW</b> Jim Fish President and Chief Executive Officer		<b>CUSTOMER</b> Mike Watson SVP, Chief Customer Officer
	<b>OPERATIONS</b> John Morris EVP and Chief Operating Officer		<b>DIGITAL</b> Nikolaj Sjoqvist SVP, Chief Digital Officer
	<b>Collection</b> Steve Batchelor SVP, Field Operations		<b>CORPORATE DEVELOPMENT &amp; INNOVATION</b> Chuck Boettcher SVP, Corporate Development and Chief Legal Officer
	<b>Post-Collection</b> Tara Hemmer SVP, Field Operations		<b>FINANCIAL OVERVIEW</b> Devina Rankin SVP, Chief Financial Officer
9:55 am	Q&A		<b>CLOSING REMARKS</b> Jim Fish President and Chief Executive Officer
10:15 am	Break		
		11:45 am	Q&A
		12:30 pm	Leadership Luncheon

# COMPANY OVERVIEW

**Jim Fish**  
President and Chief Executive Officer



## KEY MESSAGES

Passionate, Experienced Management Team Leading a Culture of “People First” and Innovation

Leveraging the Industry-leading Asset Network that Cannot be Replicated Resulting in an Advantaged Position

Driving Growth in the Core by Providing a Differentiated Service Offering through an Integrated Use of Technology and Advanced Data Analytics

Positioning Our Premier Brand to be Recognized as a World-class Leader in Sustainability

Stable, Robust Cash Flow Combined with Disciplined Deployment and Commitment to Returning Cash to Shareholders; Organic Growth Complemented by Strategic M&A

# WASTE MANAGEMENT AT A GLANCE

## COMPANY STATISTICS<sup>1</sup>

**1971**

FOUNDED

**\$46B**

MARKET-CAP<sup>2</sup>

**HOUSTON, TX**

HEADQUARTERS

**~43,700**

EMPLOYEES

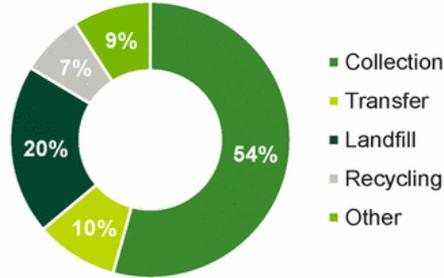
**OVER 20M**

CUSTOMERS

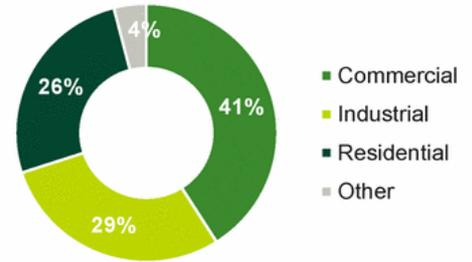
### 2018 FINANCIAL STATS<sup>1</sup>

Sales	<b>\$14.9B</b>
Adj. Operating EBITDA <sup>3,4</sup>	<b>\$4.2B</b>
Adjusted EPS <sup>3</sup>	<b>\$4.20</b>
Cash Flow from Ops	<b>\$3.6B</b>

### 2018 REVENUE MIX



### REVENUE BY COLLECTION



## The Leader in Environmental Services and Solutions

# STRONG COLLECTION CUSTOMER BASE ACROSS THREE VERTICALS

## RESIDENTIAL

~18.3M

In densely populated areas with broad reach

Individual subscription and Municipal customers typically on 3- to 10-year service agreement

65% of residential pricing is index-driven



## COMMERCIAL

~1.0M

Mid-sized businesses including retail, hospitality and light industrial

Typically 3-year service agreements

Dynamic fee determined by collection frequency, type and volume of waste collected, as well as cost of disposal



## INDUSTRIAL

~0.2M

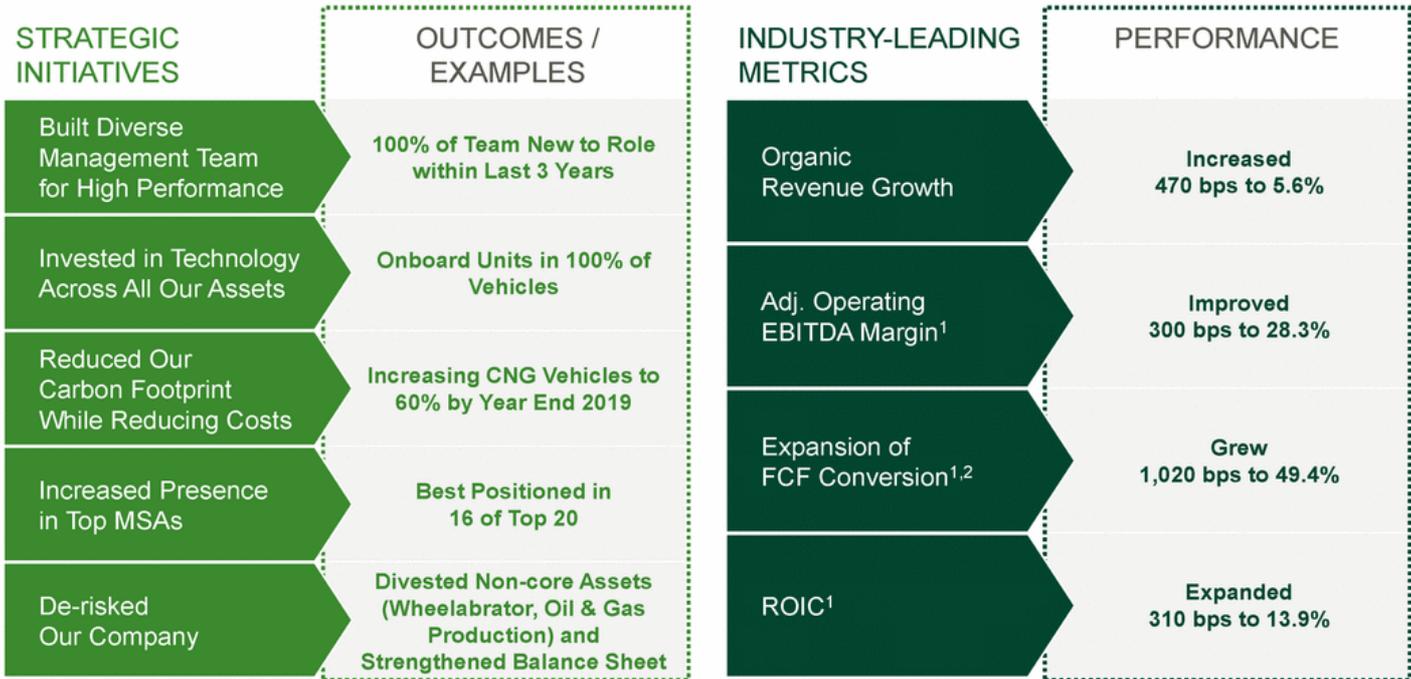
Either permanent (manufacturing plant) or temporary (construction)

Monthly rental and per-haul fees

Strategic focus on prioritizing permanent customers



OVER THE PAST FOUR YEARS, WE HAVE EXECUTED ON KEY STRATEGIC INITIATIVES



# WE ARE NURTURING A PURPOSE-DRIVEN CULTURE: IT STARTS WITH US



**Jim Fish**  
President and  
Chief Executive Officer  
Joined: 2001  
Current Role: 2016



**John Morris**  
EVP and  
Chief Operating Officer  
Joined: 2004  
Current Role: 2019



**Devina Rankin**  
SVP,  
Chief Financial Officer  
Joined: 2002  
Current Role: 2017



**Chuck Boettcher**  
SVP, Corp. Dev. and  
Chief Legal Officer  
Joined: 2016  
Current Role: 2019



**Tamla Oates-Forney**  
SVP,  
Chief Human Resources Officer  
Joined: 2018  
Current Role: 2018



**Nikolaj Sjoqvist**  
SVP, Chief Digital Officer  
Joined: 2012  
Current Role: 2017



**Mike Watson**  
SVP, Chief Customer Officer  
Joined: 1992  
Current Role: 2018



**Steve Batchelor**  
SVP, Field Operations  
Joined: 1997  
Current Role: 2019



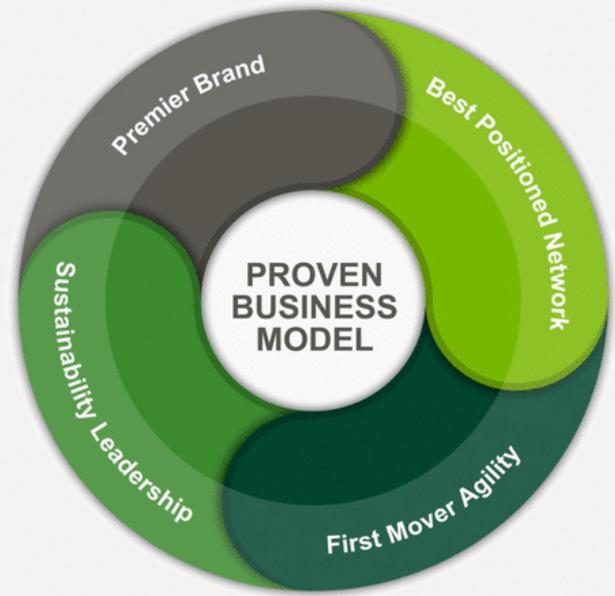
**Tara Hemmer**  
SVP, Field Operations  
Joined: 1999  
Current Role: 2019

NEW TO WM WITHIN  
THE LAST 3 YRS

NEW TO POSITION  
WITHIN THE LAST 3 YRS

NEWLY CREATED  
POSITION

# OUR BUSINESS MODEL IS OUR KEY ENABLER TO MARKET OUTPERFORMANCE



**ADVANTAGED POSITION**

# PREMIER BRAND: TREMENDOUS VALUE AND GROWING

## Brand Equity Is Proven to Drive Value Across an Organization



### STRONGER ADVOCACY

7% increase in positive mentions for every 10% improvement



### INCREASED SALES

8% increase in purchase probability for every 10% improvement



### EMPLOYER OF CHOICE

57% of the general public would work for a company with a favorable public image



### MORE ASSURANCE

63% of the general public gives the benefit of the doubt to companies with an excellent reputation



WM Continues to Strengthen its  
Brand Reputation; More Room to Go

**\$2B, or ~5% of  
Market-Cap**

Estimated Value of Brand<sup>1</sup>

**\$6B - \$8B**

Potential Brand Value

**More Purposeful Investment in Brand and Markets Should Result in Increased Brand Equity**



LANDFILLS

TRANSFER STATIONS

MATERIALS RECOVERY FACILITY (MRF)

FLEET

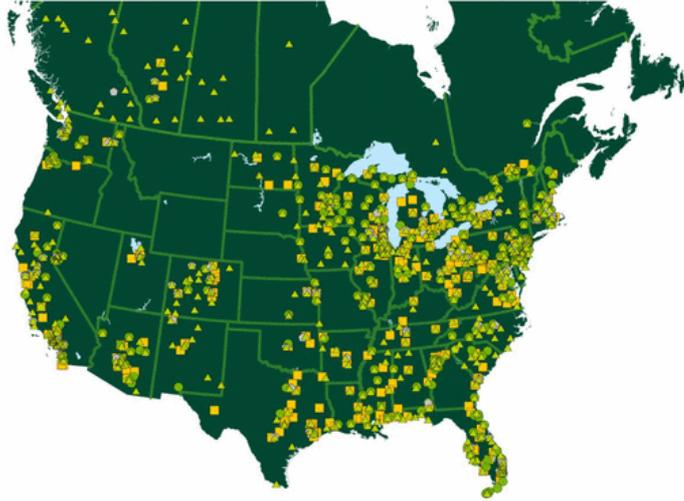
**247** locations  
**130** renewable energy plants

**314** stations  
strategically positioned

**103** total facilities  
**44** single stream

**14,500** routed trucks  
**60%** CNG-fueled<sup>1</sup>

WM LOCATIONS ACROSS NORTH AMERICA

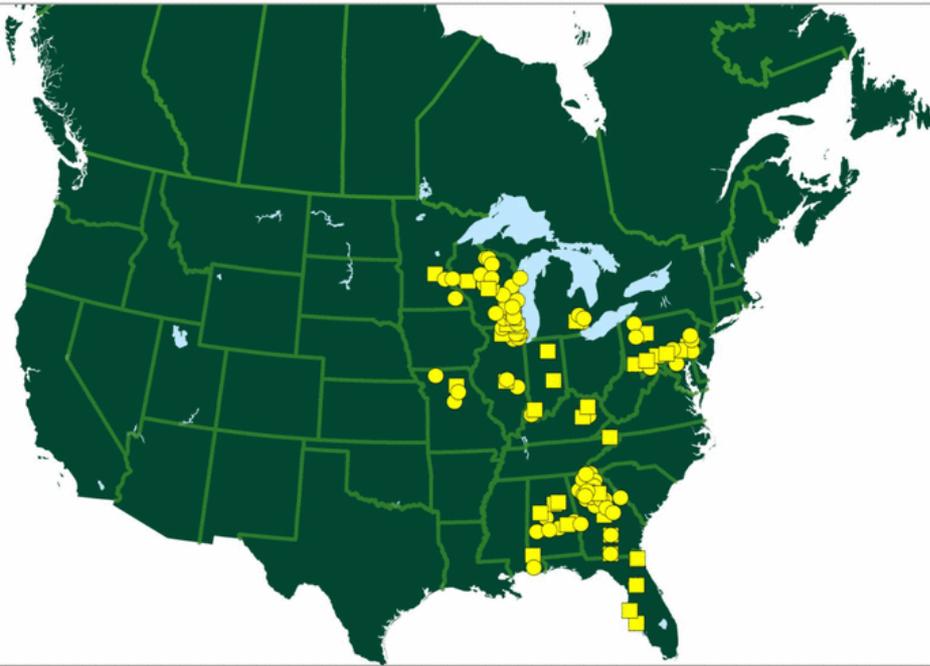


Legend

- Landfill
- Transfer
- ⬠ MRF
- ▲ Hauling



# ACQUISITION OF ADVANCED DISPOSAL SERVICES (ADS) WILL ADD 3 MILLION NEW CUSTOMERS



**Legend**

- Landfill
- ☆ MRF
- Transfer

# AUSTIN CONTINUES TO EXPERIENCE STRONG POPULATION GROWTH

## 2019 Estimates<sup>1</sup>

	Austin MSA	U.S. Average
Population Growth	2.4%	<1.0%
CPI	2.3%	1.8%
Housing Start Growth	1.7%	0.7%
Labor Force Growth	2.3%	3-4%
Unemployment Rate	2.7%	3.7%

## Stronghold Positioning

- Over past five years, acquired 11 assets and over past two years, acquired two hauling companies, further strengthening our position
- Post-collection assets are well-placed to capitalize on future growth

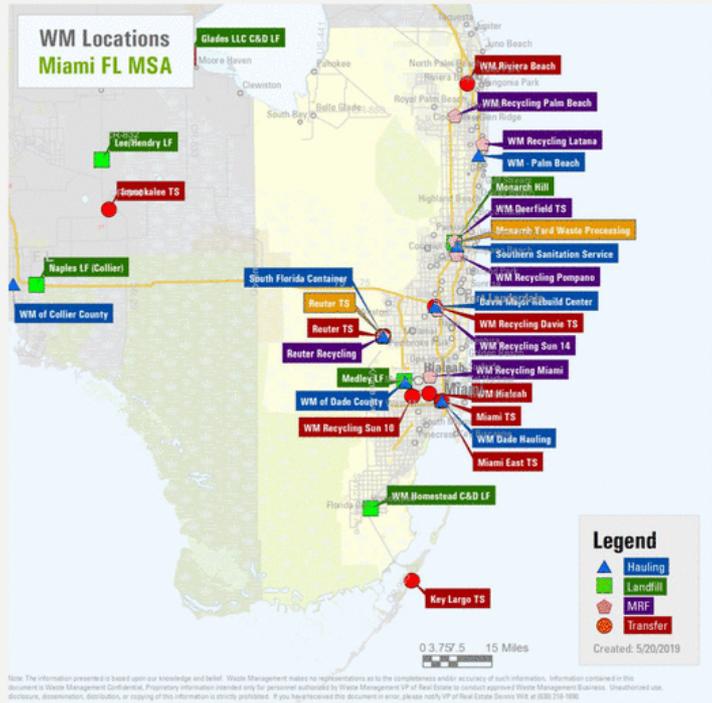


# MIAMI REMAINS A TOP 10 MSA BASED ON POPULATION OVER PAST 10 YEARS

2019 Estimates <sup>1</sup>	Miami MSA	U.S. Average
Population Growth	1.1%	<1.0%
CPI	2.3%	1.8%
Housing Start Growth	7.2%	0.7%
Labor Force Growth	1.7%	3-4%
Unemployment Rate	3.6%	3.7%

## Stronghold Positioning

- Taking advantage of strong housing growth
- Looking for tuck-in acquisition opportunities
- Continuing to expand and develop our post-collection network (e.g., C&D transfer station in downtown Miami)





- ✓ Disciplined Approach
- ✓ Agile Innovation
- ✓ Build Partnerships
- ✓ Leverage Industry Leadership
- ✓ Think Sustainably
- ✓ Targeted, Strategic M&A

### SELECTED EXAMPLES

- Safety technology
- Onboard computers
- Driver training centers
- Closed-loop RNG
- CNG trucks and infrastructure
- Zero Waste large scale event
- Positive sort, robotics in material recovery facility
- State-of-the-art organics processing
- E-commerce sales channels



**15.3M Tons**

Recycled in 2017, a 91% increase since 2007



**460,000**

Homes that could be powered each year by equivalent production from our **landfill gas-to-energy** projects



**60%**

Routed collection trucks that are natural-gas vehicles



**90,000 Tons**

Materials recycled by auto manufacturers with Waste Management Sustainability Services



**1,795 Tons**

Consumer electronics, paint and hazardous materials collected from consumer homes in the *At Your Door Special Collection Service*



**117 Million**

Equivalent trees saved per year from Waste Management's recycling volume



**4,000+**

Community Events Hosted or Attended

**~4.5 Million**

Equivalent Megawatt-Hours Saved per Year

**\$110 Million**

2018 Investment in Recycling Processing Infrastructure

**>4 Million**

Tons of Organic Materials Estimated for 2019

# WASTE MANAGEMENT STRATEGY FOR SUSTAINABLE FUTURE GROWTH



## PEOPLE

Make WM an **employer of choice** by being a great place to work and build a career

## CUSTOMERS

**Delight our customers** through a differentiated experience that fuels sustainable competitive advantage

## COMMUNITY

**Drive exceptional reputation** which underpins ongoing relationship building and positively influences regulations, policies and thought leadership

## ENVIRONMENT

**Lead in sustainability** by preserving and protecting the environment

## SHAREHOLDERS

Deliver strong and predictable long-term **financial performance** that rewards investors

**Enable a People-first, Technology-led Focus, that Leverages and Sustains the Strongest Asset Network in the Business to Drive Best-in-class Customer Experiences and Growth**

# OPERATIONS

**John Morris**  
EVP & COO



**Tara Hemmer**  
SVP, Field Operations



**Steve Batchelor**  
SVP, Field Operations



## KEY MESSAGES

Executing Our Business Model by Deeply Understanding Our Customers' Needs, Continuously Improving Our Operating Platforms, and Focusing on Our Greatest Asset – Our People

Leveraging Our Highly Sophisticated Geographic Network of Assets and Logistics Management Capabilities

Integrating the Use of Technology to Enhance Safety, Service, Savings and Sustainability

Optimizing Post-collection Assets to Expand Margins and Drive Competitive Advantage

Redefining the Recycling Business Model; Building Capabilities for the Future



# EVOLVING OUR OPERATIONS TO ENABLE TRANSFORMATION

Safety	Pursuing Mission to Zero™ Program
Strategic Pricing	Evolving from a pricing excellence focus to disciplined growth, pursuing price & volume
Operational Excellence	Driving operating efficiencies through continuous improvement and increasing development and adoption of new technologies
Sustainable Solutions	Embedding sustainability throughout organization (e.g., renewable natural gas production, reimagining recycling)

**Greater Emphasis on Strategic Pricing, Operational Excellence, Safety and Sustainability**



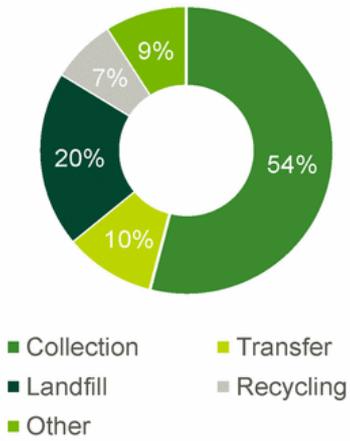
# KEY METRICS THAT DEFINE OPERATIONAL EXCELLENCE

	FOUNDATION		RECENT ENHANCEMENTS
Collection	<ul style="list-style-type: none"> <li>• Safety: TRIR / VARR</li> <li>• Missed Pick-ups (MPUs)</li> <li>• Maintenance Cost/Hour (MCPH)</li> <li>• Efficiency</li> <li>• Cost per Hour</li> </ul>	+	<ul style="list-style-type: none"> <li>+ Risk Scoring and Coaching Effectiveness</li> <li>+ Quality of Service (QoS)</li> <li>+ Fleet Availability and Uptime</li> <li>+ LOB Op. Expense Breakdown (Cost per Unit)</li> </ul>
Landfill & Transfer	<ul style="list-style-type: none"> <li>• Gross Operating Expense (GOE)</li> <li>• Airspace Utilization Factor (AUF)</li> <li>• Transportation Cost</li> <li>• Volume and Revenue per Ton</li> </ul>	+	<ul style="list-style-type: none"> <li>+ Cost per Unit</li> <li>+ Strategic Pricing Model</li> <li>+ Integrated Network Returns</li> </ul>
Recycling	<ul style="list-style-type: none"> <li>• Outbound Revenue per Ton</li> <li>• GOE per Ton</li> <li>• EBIT and EBITDA per Ton</li> <li>• WM Risk for Capex, Opex and Commodities</li> </ul>	+	<ul style="list-style-type: none"> <li>+ Quality of Material Produced</li> <li>+ Contamination (Cost per Unit Impact)</li> <li>+ Fleet Uptime</li> <li>+ Shared Risk with Customers</li> <li>+ Well Established Fee for Service Model</li> </ul>

**Collection Savings, Higher Return for Landfill, Profitable Recycling Model**

# VERTICALLY INTEGRATED ASSET BASE FUELS CORE BUSINESS

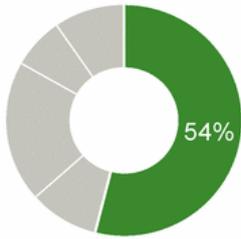
2018 REVENUE MIX



COLLECTION	TRANSFER	LANDFILL	RECYCLING
<p>Picking up waste and recyclables from where they were generated and transporting to:</p> <ul style="list-style-type: none"> <li>• Transfer station</li> <li>• Landfill</li> <li>• Material recovery facility (MRF)</li> <li>• Other outlets (e.g., composting)</li> </ul>	<p>Consolidating waste and material streams to be transported to disposal sites</p> <p>Network, consisting of 300+ transfer stations, allows us to leverage our landfill and recycling assets</p>	<p>Representing the largest landfill network with ~250 locations in the U.S. and Canada</p> <p>Well-positioned network represents critical North American infrastructure and provides significant barrier for new entrants</p>	<p>Processing materials for their next best and highest use through:</p> <ul style="list-style-type: none"> <li>• Materials processing</li> <li>• Recycling commodities</li> <li>• Recycling brokerage services</li> <li>• Advanced Diversion (organics)</li> </ul>

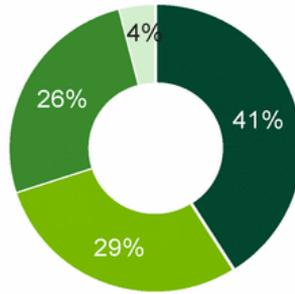
# BROAD SERVICE PORTFOLIO TO MEET CUSTOMER NEEDS

2018 REVENUE MIX



- Collection
- Landfill
- Other
- Transfer
- Recycling

BY COLLECTION



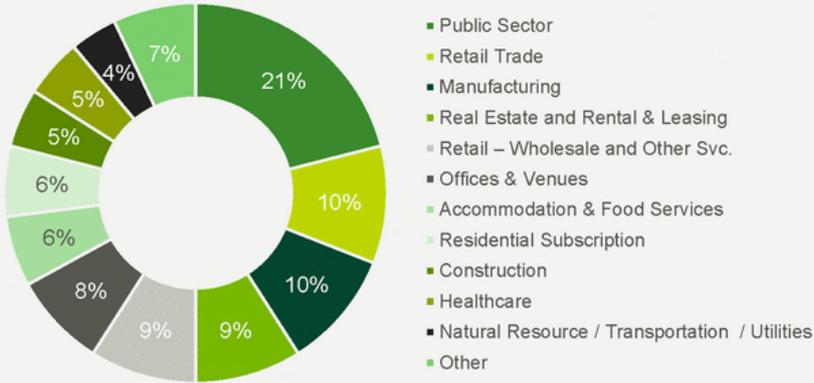
- Commercial
- Industrial
- Residential
- Other



COMMERCIAL	RESIDENTIAL	INDUSTRIAL
<p>Front-end loader: forks on front of truck fit into sleeves of a container</p> <p>Typical customers: restaurants, hotels and retail stores</p> <p>Containers range in size from 2 to 8 cubic yards</p>	<p>Largely automated side-loader fleet: side arm grabs small bin</p> <p>Trucks are used primarily to empty smaller containers at private homes</p> <p>Bins are 64- or 96-gallon toter</p>	<p>Roll-off flatbed truck: container rolls off the chassis</p> <p>One employee per truck, in general</p> <p>Typical customers: manufacturing facilities and construction sites</p> <p>Containers range from 10 to 40 cubic yards</p>

# DIVERSE CUSTOMER BASE DAMPENS EFFECT OF ECONOMIC DOWNTURNS

## 2018 REVENUE MIX<sup>1</sup>



Diversified Customer Base



Recurring Revenue

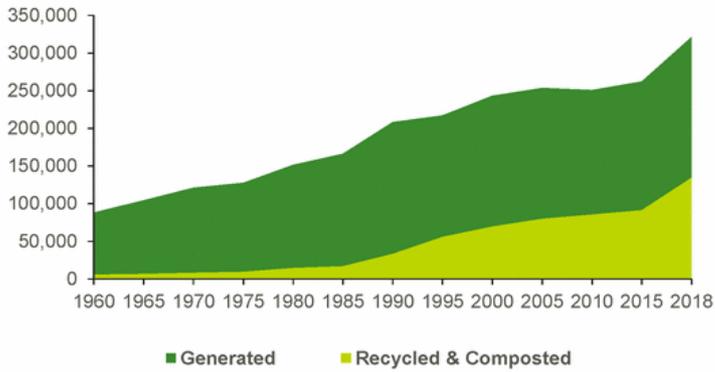


Recession Resistance

**Diverse and Largely Non-correlated Customer Base Creates Recession Resistance**

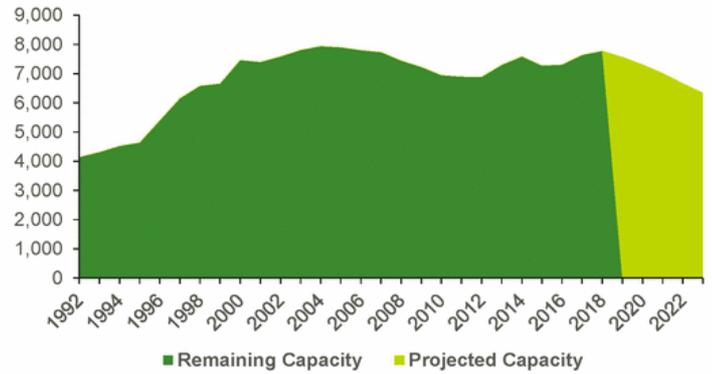
# VOLUME OF MUNICIPAL SOLID WASTE (MSW) GROWS WITH ECONOMY AND POPULATION

**MSW (million tons)**



- Total MSW volumes are ever-growing
- Recycled and composted volumes are growing with changing regulatory environments and investments in recycling infrastructure

**Landfill Capacity (million tons)**



- Remaining landfill capacity is projected to decline over the next 5 years
- While waste generation is expected to continue to increase, there could be capacity constraints in the future, which would create a competitive advantage for Waste Management

# UNIQUELY POSITIONED TO CAPITALIZE ON EVOLVING TRENDS

## MACRO FACTORS

- Volumes >2% expected in 2019
- GDP and housing starts expected to moderate, but remain positive
- Millennials beginning household formation

## SOCIAL TRENDS

- Increasing focus on recycling / sustainability
- Employees and customers seeking purpose-driven brands
- ESG focus for public companies

## BEHAVIORAL SHIFT

- Millennials driving sustainability and purpose driven brands
- Increased packaging driven by online purchases
- Public need for education on process

**WE ARE UNIQUELY POSITIONED**  
to capture fair share of volume  
increases generated by macro trends

- **Broad geographic footprint** covering high growth and emerging growth markets
- **Unparalleled sustainability efforts** through investments in near zero emissions fleet, recycling plants of the future and renewable energy plants
- **Vast capabilities to meet customer needs** through traditional services (collection, recycling and disposal), other sustainability services, and best-in-class talent

# COLLECTION



## COLLECTIONS NETWORK: WE DO COMPLEX

**19,000**  
Collections  
Drivers

**14,500**  
Avg. Daily  
Routes



**450M+**  
Miles Driven  
Annually

**5.5M**  
Customers  
Served Daily

**3,300**  
Technicians



**200,000**  
Tons of  
Material Moved  
Daily



**Strength of Logistics Management Capability**



Integrating greater use of technology to improve **Safety, Service, Savings and Sustainability**

**PEOPLE**

- Increasing driver and technician retention
- Investing in WM-managed driver training schools

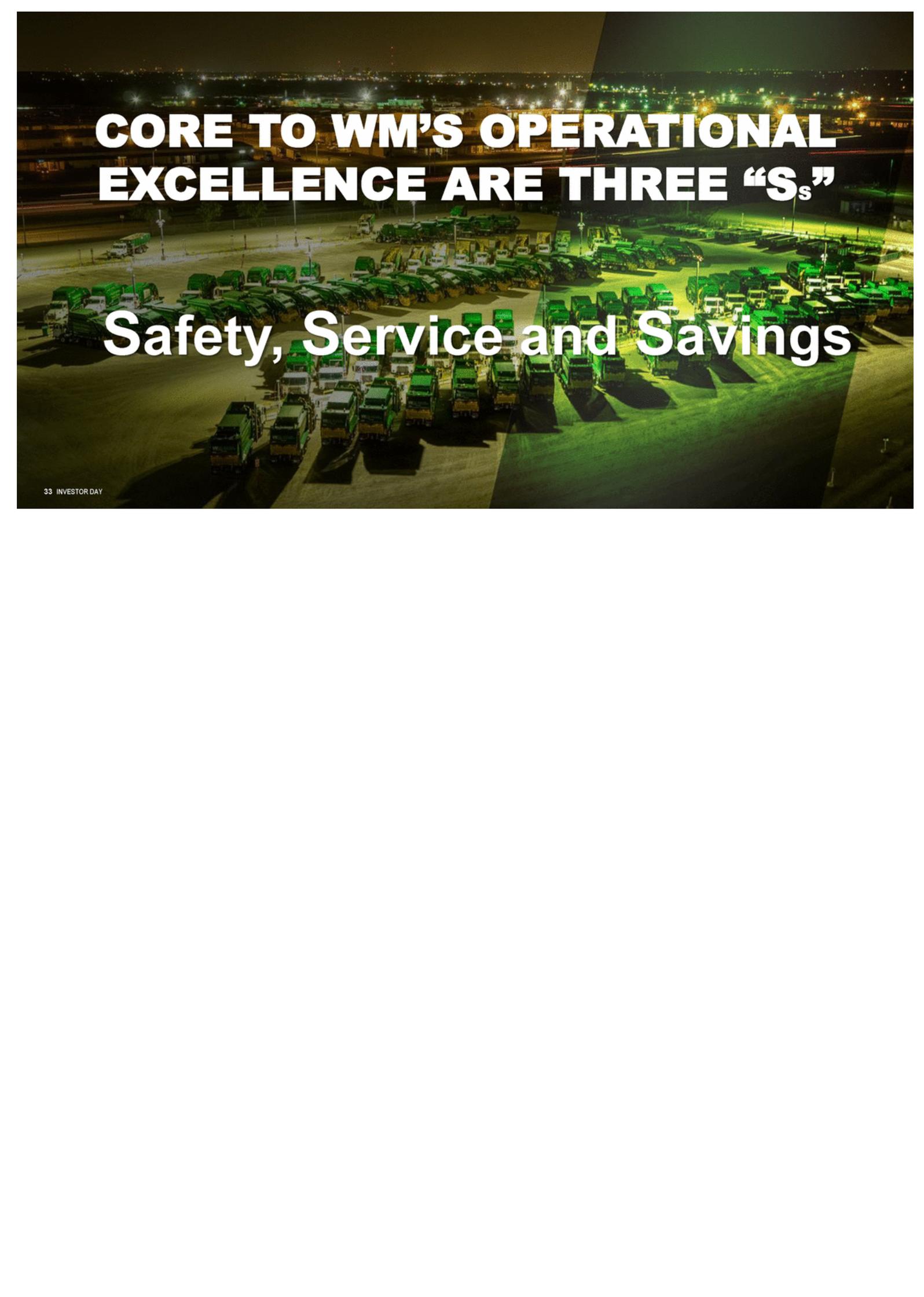
**FLEET**

- Upgrading fleet to automated loading
- Increasing use of natural gas vehicles
- Predicting time to failure to better maintain fleet

**ANALYTICS**

- Gathering data in real-time through onboard systems to improve the customer experience
- Optimizing routes to improve cost to serve

Building on Strengths of Our Network to Improve Customer Service and Operational Efficiency



**CORE TO WM'S OPERATIONAL  
EXCELLENCE ARE THREE "S<sub>s</sub>"**

**Safety, Service and Savings**



## Continuous Improvement on Our Mission to Zero

- Safety is a core value of our culture
- Proven safety framework and process incorporating grassroots initiatives
- Accelerated use of technology to ensure safety of our people and communities we serve

- Onboard Cameras
- Truck Automation
- Driver and Tech Training Centers (FL, AZ)
- On the Job Training / Mentoring Programs
- Technician Apprenticeship Program
- Daily Driver Huddles
- WM-produced Safety Videos

**56% Improvement in Safe Behavior (since 2013)**  
**\$33M Savings from Reduced Auto Claims (since 2013)**





## SERVICE: CONTINUOUSLY IMPROVING COMPETITIVE ADVANTAGE

### Service Excellence

- “We do it right the first time”
- Sophisticated logistics execution
- Driver-identified customer needs, community partnerships
- Enhancements to continue the technology evolution

- Tracking Quality of Service (QoS)
- Planned route sequencing and centralized dispatch supported by real-time communication through onboard technology
- Uptime improvement on our routes
- Reporting capabilities for on-time pick-up
- Estimated “Time of Arrival” tool

**99.3% On-Time Service;  
We Are Focused on the 0.7% (QOS)**

**WM**  
**WASTE MANAGEMENT**

**\$ SAVINGS: OPERATIONAL EXCELLENCE  
DRIVING DOWN COST**

**Optimizing the  
Collection Network**

- Service Delivery Optimization (SDO) is the foundation for continuous improvement; building on strength through:
  - Maintenance Service Delivery Optimization (MSDO)
  - Optimizing fleet availability
  - Managing 100% of the Day, 100% of the Time (M100)
  - Dynamic routing

**Efficiency Gains of 3-4% from 2014 to 2017, with  
Benefits Totaling \$100M**

**JOURNEY AROUND SAVINGS DELIVERED**

**2014 - 2017**

Service Delivery Optimization (SDO) places focused efforts on pre- and post-trip processes

**\$100M  
in savings**

**2018 - 2021**

Middle of the Day; 100% of the time by using technology to assist our front-line leaders achieve better performance management (M100)

*Every 1% efficiency gain = \$25M*  
**\$75M  
in savings**

**2017 - 2019**

Uptime improvement  
**\$10M  
in savings**

**2020 - 2025**

Continuing to optimize our routes to be more efficient with daily re-routes and optimization

**Additional \$75M  
in projected  
savings**





...AND OUR FOURTH “S”

Sustainability



## SUSTAINABILITY: LEADING THE CHARGE IN ENVIRONMENTAL RESPONSIBILITY

- Conversion of our fleet to natural gas delivers real benefits
- GHG emissions significantly reduced while creating fuel and maintenance savings
- By year-end 2019, 60% of our routed vehicles will be natural gas; on the path to exceed 80% by year-end 2023

### GOALS

- Offset 4x the GHG emissions generated through operations by 2038
- Emit fewer emissions by transitioning to alternative fuel vehicles in 90% of fleet
- Purchase more than 90% Near Zero Vehicles (NZVs) for fleet
- Use renewable fuel in over 90% of vehicles
- Reduce emissions associated with our fleet 45% by 2038, against a 2010 baseline

**Annual Fuel Savings per Truck of 8,000 Gallons**  
**8.9 Million Fewer Total Miles Driven per Year**  
**16% Reduction in GHG Emissions**



# POST-COLLECTION



# POST-COLLECTIONS: A COMPETITIVE ADVANTAGE

**247**  
Landfills

**314**  
Transfer  
Stations



**15.2M**  
Total Tons  
Recycled /  
Composted

**5.2M**  
Total Tons  
Processed at  
Our MRFs

**103**  
Recycling  
Facilities



**130**  
LFGTE & RNG  
Plants in Operation  
or Under  
Construction

**4,946**  
Post  
Collection  
Employees



**Complex & Sustainable Network with an Eye on the Future**

# MACRO TRENDS DRIVE SHIFTS IN OUR POST COLLECTION STRATEGY



## DEMOGRAPHICS

*Growing population in key markets and increased transportation stresses are shaping market dynamics*

*Example: Truck vs. Rail*

## REGULATORY

*Changing regulations and growing focus on our environment are driving constant change*

*Example: Organics*

## TECHNOLOGY

*Technology innovations will pave a long-term path for transformation in the space*

*Example: Material Recovery Facilities of the Future*

### **Hard-to-Replicate Infrastructure**

Industry-leading post-collection network or industry-leading transfer station, landfill, and recycling network

### **Development and Expansion Track Record**

More landfills are closing than opening – expansions and transfer station network are key in mid-term

### **Sustainability as a Differentiator**

Leader in the recycling and renewable energy spaces with technological evolutions in recycling processing and landfill gas-to-energy plants

### **Deep Domain Expertise**

Vast internal technical capabilities and deep understanding of regulatory environment

### **Community Partnerships**

Deep relationships with the communities we serve to achieve mutual goals

1



### TRANSFER STATION & LANDFILL

- Local and long-haul transfer
- Landfills engineered to highest environmental protection standards

2



### TRADITIONAL RECYCLING

- Material recovery facilities (MRF)
- Processing improvement
- Waste reduction

3



### TECHNOLOGIES OF THE FUTURE

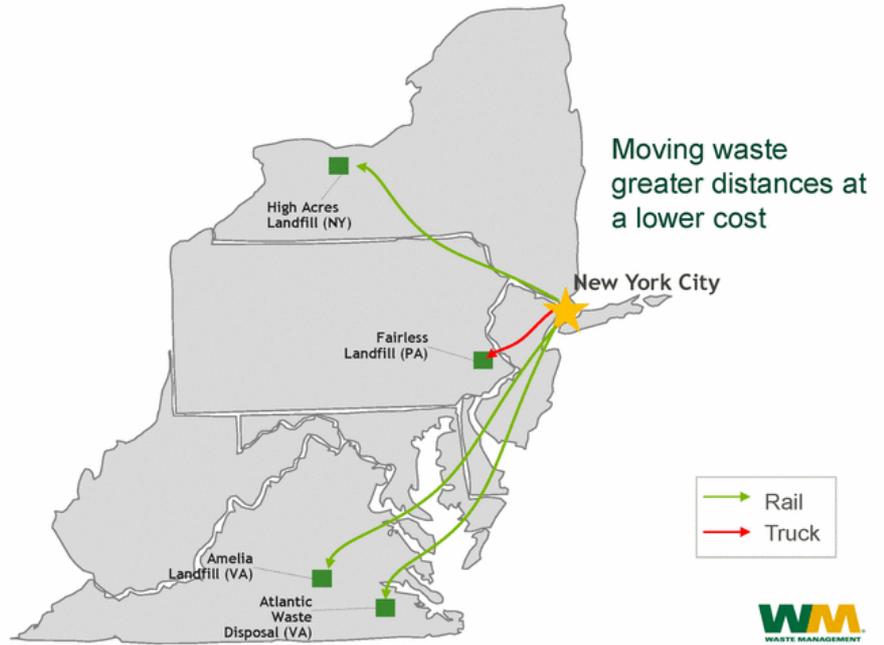
- Conversion technologies
- Materials to new products

Well-placed assets in key markets fortify our sustainable competitive advantage

- Identifying different transportation combinations to reduce cost (e.g., examining the ability to rail from new origins to new destinations)
- Diversifying transportation portfolio to address macro pressures (e.g., trucking labor constraints, higher costs)
- Accessing our network to widen our view of disposal options

### CASE STUDY

NYC & Long Island: 26,000 Tons per Day Wasteshed



Building connected landfills to achieve a higher level of environmental performance while reducing costs

- Utilizing data analytics and science to maximize lifetime value of airspace
- Improving quality of life and safety for employees
- Deploying proactive environmental monitoring and risk solutions
- Building community relations through operational excellence and best-in-class compliance

Four  
Pilots  
Underway

### Harnessing the Power of Connected Equipment

*Scales, heavy equipment, landfill sensors, pumps and energy generators*



1

## HARNESSING ENERGY FROM OUR LANDFILLS TO ADVANCE SUSTAINABILITY GOALS

### HISTORY

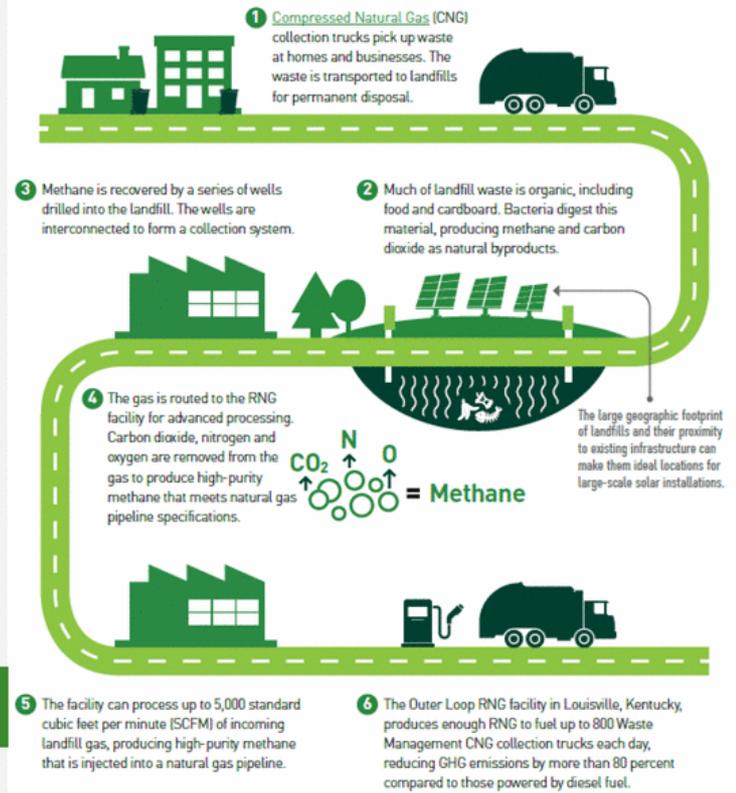
- Our plants generate the equivalent to ~4.5M kWh/year of energy to power 460,000 homes or replacing ~2.5M tons of coal
- 55% of gas collected is used for beneficial use projects with established runway to improve yield

### FUTURE

- Build renewable natural gas (RNG) plants to convert landfill gas into pipeline quality, which can be used to fuel our trucks
  - Provide competitive benefits as municipalities push for environmentally-friendly options
  - Quick payback and high returns

## Extracting Additional Value from Our Existing Assets

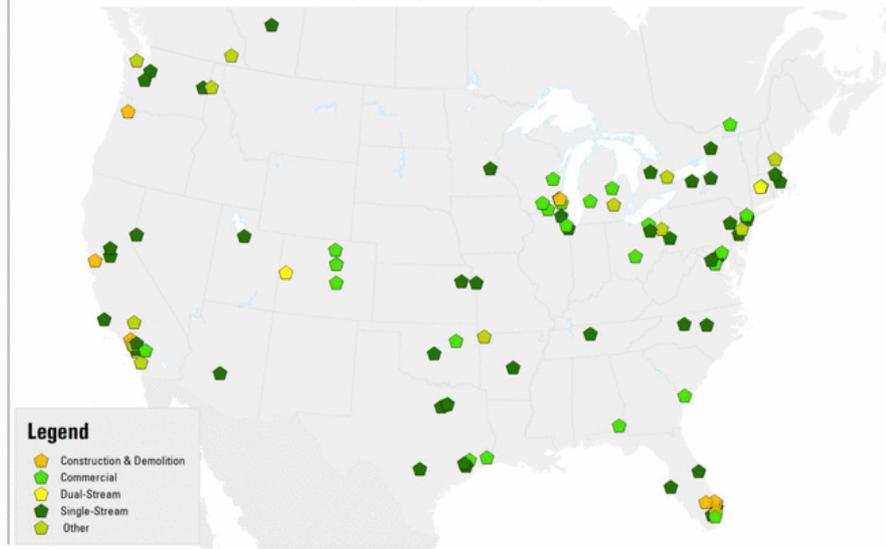
46 INVESTOR DAY



Our customers desire recycling as a service and we will deliver offering as long as we can achieve appropriate economic returns:

- Largest residential recycler in North America
- Manage over 10.8M tons per year, with 4M tons running through our brokerage group
- Strong relationships with public sector, (communities we serve) and consumer products organizations to drive change
- Dedicated global export group sources domestic and international customers for recycled materials

### RECYCLING FOOTPRINT MATERIAL RECOVERY FACILITIES



## Changing the Business Model

- Creating a shared model where customers pay based on price as well as processing costs (i.e., fee-for-service model)
- Proactively consulting with customers on the recycling cost/benefit analysis; we will provide recycling if customers pay for the service
- Deepening capabilities to purify our material streams

## Partnering with Our Customers, Communities and Stakeholders

- Improving recycling streams through customer education programs like "Recycle Often, Recycle Right" ([www.rorr.com](http://www.rorr.com))
- Creating demand for recycled content (e.g., collaborating with The Recycling Partnership)
- Strengthening our internal brokerage services model to deepen relationships with end users for our products

## Using Technology to Reimagine the Material Recovery Facility (MRF)

- Differentiate our recycling service offerings
- Drive the lowest processing cost in the industry
- Positively sort materials based on end markets

**As Largest Residential Recycler, We are Uniquely Positioned to Transform the Future of Recycling**

## DIFFERENTIATING RECYCLING THROUGH USE OF TECHNOLOGY

### MRF OF THE FUTURE

Optical Sorters + Advanced Screening Technology + Robotics

- Arranges proven technologies in a unique and thoughtful progression, maximizing outbound quality and minimizing operating expenses
- Chicago MRF of the Future to open late 2019
- Design will lay the framework for future investments and further expand our competitive advantage
- Over the next 3-5 years, projects are targeted in 8-10 markets, accounting for ~30% of total recycling volumes

### The MRF of the Future

Significant Potential

✓ **40% Lower Labor Costs**

✓ **Source and Select** Additional Value-Added Materials

✓ **Improved Materials Purity** Enables Increased Marketability

**Economically Viable and Sustainable Recycling Platform**

***Building for the future  
where our customers  
demand the service***

- Up to 30% of the waste stream is food
- Cities and states with zero waste goals are looking to tap into this stream
- Expanding our organics processing footprint in key markets (CA, NY, NJ and Boston)



50 INVESTOR DAY

**RECOVERY COMPLEX & TRANSFER STATION | OAKLAND, CA**

*With mandated 100% landfill diversion of green waste and food waste in Alameda County, the Oakland MRF will divert 60,000 tons for composting, resulting in an estimated 37,000 tons of soil amendment a year*



## DEPLOYING TECHNOLOGIES OF THE FUTURE

- Our WM Corporate Development and Innovation Group is charged with identifying next generation technologies that could transform our post-collection network
- Technologies to convert waste into its next best use (e.g., energy, building materials, etc.)

### MUST MEET THREE CRITICAL CRITERIA

1. Handle Our Heterogeneous Waste Stream
2. Work at a Larger Scale
3. Economics are at Least as Favorable as Traditional Options

**Poised to Capture Long-term Opportunity; Focused on Transfer, Landfill and Recycling Today**



# Q&A SESSION

Focused on Above Topics



**BREAK**



# PEOPLE

**Tamla Oates-Forney**  
**SVP, Chief Human Resources Officer**



## KEY MESSAGES

Journey to  
“People First” to  
Make Us an  
Employer of  
Choice and a  
Great Place to  
Work and Build a  
Career

Transforming  
Human  
Resources to  
Drive  
Organizational  
Effectiveness

Enabling WM to  
build a Culture of  
Inclusion and  
Innovation

Thinking  
Differently to  
Attract, Hire, and  
Retain Top Talent

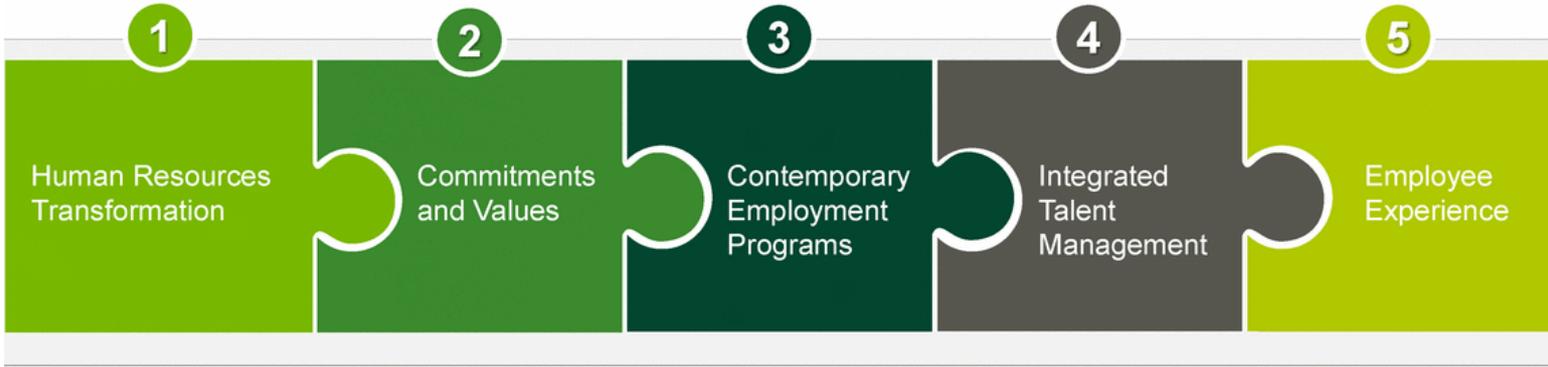
Harnessing  
Tenured  
Workforce to  
Share Domain  
Expertise for  
Talent  
Sustainability

# EVOLVING OUR HUMAN RESOURCES TO ENABLE TRANSFORMATION

Alignment of Roles	Eliminating duplicative responsibilities and creating clear ownership and accountability that align to skillsets and internal business partners
Breadth of Expertise	Developing full-service HR subject matter expertise
Solutions Approach	Focusing on proactively providing solutions instead of reactively taking orders



**World-class, Highly-skilled and Solutions-focused Team Responsive to Needs of All Stakeholders**



Emphasis on a “People First” Strategy Positions Us as an Employer of Choice

**HR Centers of Excellence**



- Subject matter experts
- Develop and drive HR enterprise standards

**HR Strategic Business Partners**



- Primary point-of-contact for functional and field leadership
- Execute HR strategy in support of business and functional objectives

Partnering to Ensure Governance, Implementation and Success of the Overall WM Human Resources Strategy

**Enabling Better Alignment of Skills and Service Offerings**

## Our Commitments

### Our People First

The proud, caring and resilient members of the WM family are the foundation for our success. We commit to taking care of each other, our customers, our communities and the environment.

### Success with Integrity

Our success is based not only on the results we achieve but how we achieve them. We commit to being accountable, honest, trustworthy, ethical and compliant in all we do.

## Our Values

### Inclusion & Diversity

We embrace and cultivate respect, trust, open communications and diversity of thought and people.

### Customers

We place our customers at the center of what we do and aspire to delight them every day.

### Safety

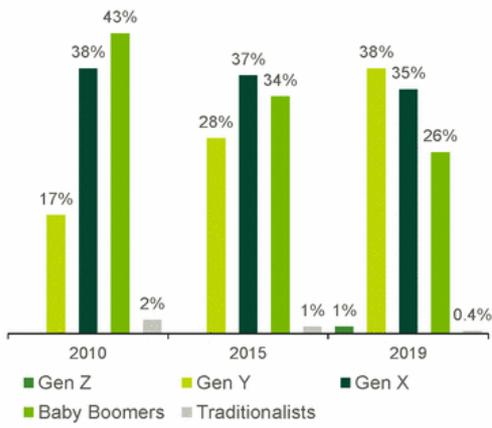
We have zero tolerance for unsafe actions and conditions and make safety a core value without compromise.

### Environment

We are responsible stewards of the environment and champions for sustainability.

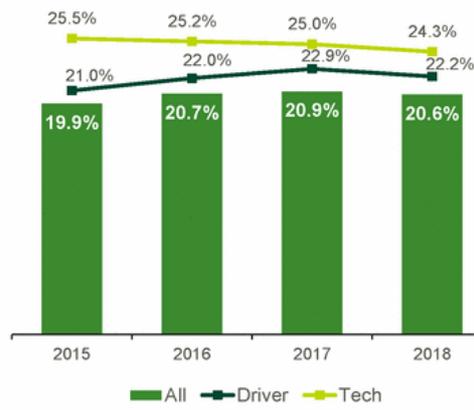
**Do the Right Thing. The Right Way.**

**GENERATION PROFILE**



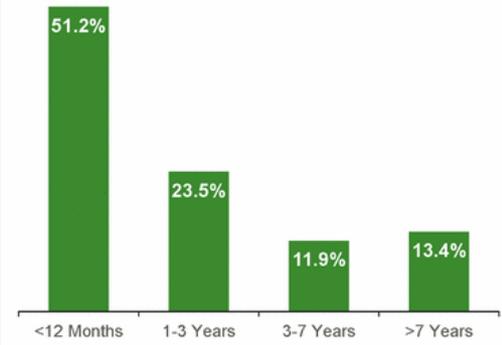
**Workforce Comprises Five Generations; Focus On Retention and Knowledge Transfer to New Generations**

**TURNOVER RATES**



**Addressing Turnover with Drivers and Technicians is Priority**

**TURNOVER BY TENURE**



**New Hire Retention is Critical**

## Expanding Presence of Women

- Focused recruiting
- Infusion of technology is making WM more attractive
- Progress
  - Senior Leadership Team: 33%
  - Executives: 22%
  - Managers: 19%
  - Total Workforce: 18%
- Recognition: 2019 Women's Choice Award – Best Place to Work for Millennials

## Supporting Veterans

- Veteran hires comprised ~9% of total U.S. hires in 2018; over 4,000 hired in the past 4 years
- Recognition:
  - 2019 G.I. Jobs Top Military Friendly employer (10<sup>th</sup> year)
  - 2019 Military Times best for Vets employer (10<sup>th</sup> year)

## Innovative Employment Pathways Program (IEP)

- Strategic partnerships (local and national)
- Casting a wider net for applicants – employing the overlooked and underserved
- Implementing steps to improve success – Assess. Train. Convert.
- Pilot before scaling; win/win for the community and WM



**Creating a Competitive Advantage through Programs and Partnerships**



• **Strong talent pipeline**

- Make work more attractive
- More deliberate with knowledge transfer and building intergenerational teams

• **Infuse data and technology**

- Strategic workforce planning
- Remote equipment operation, automated trucks

• **More intentional about competency development**

- Lattice vs. ladder
- Build transferrable competencies

• **Consistency in approach**

- Assess, develop, promote

**Managing Talent to Ensure the Right People are in the Right Roles at the Right Time**

## IMPROVING EMPLOYEE EXPERIENCE

- **Work environment**
  - Facility upgrades
  - Tools and resource investments
- **Inclusion and diversity**
  - Multigenerational workforce
  - Gender and ethnicity progress
- **Better hiring tools**
  - Mobile application
  - Applicant concierge services
- **Talent**
  - Training and career development
  - Stay interviews

## MEASURES OF SUCCESS

- ✓ **Employee Retention**
- ✓ **Leadership Diversity**
- ✓ **External Recognition**

**Improving the Employee Experience Improves Our Service to Customers and Reduces Costs**

# CUSTOMER

**Mike Watson**  
SVP, Chief Customer Officer



## KEY MESSAGES

Building a Comprehensive Understanding of the Customer to Fuel Growth

Using Analytics to Enhance Our Go-to-Market Strategy and Revenue Growth Discipline

Clear Growth Plan in Place with Significant Opportunity Ahead

Building Upon Our Industry-Leading Brand and Moving Toward a Purpose-Driven Brand

# NEWLY CREATED POSITION DRIVES DISCIPLINED GROWTH STRATEGY THROUGH CUSTOMER CENTRICITY

## Key Functions



## Connected Go-to-Market Approach to Drive Growth



1

**Recharge Focus on Customer Strategy**

- Enrich voice of our customers approach
- Engage in customer journey mapping
- Make technology and process investments
- Provide customer channel of choice options

2

**Achieve Growth through Disciplined Actions**

- Integrate advanced analytics
  - Optimize sales coverage and distribution modelling
- Disciplined volume and maintain pricing
- Bolster strategic segment value propositions

3

**Build Brand Equity and Deliver Marketing ROI**

- Manage brand as an asset and position WM as beacon brand
  - Use data-driven approach to grow brand
  - Reinforce strong brand purpose
- Elevate sustainability leader position

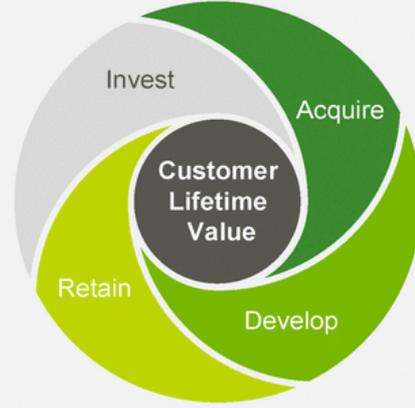
**Customer Strategy Evolution**



Macro-level approach to customer experience



Journey-based customer lifetime value analytics



**Increase Customer Lifetime Value**

- Targeted marketing
- Channel effectiveness
- Customer-facing technology
- Pricing optimization
- Customer experience triggers
- Retention prioritization

**VoC and Customer Lifetime Value Analytics Define Our Customer Experience Strategy**

01

Completed in-home interviews and online surveys

1:1 Interviews

- 57 participants
- 40+ Cities

Online Survey

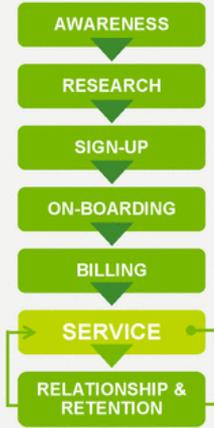
- 1,478 participants



● CONTEXTUAL ● MOBILE  
● ONLINE SURVEY

02

Developed the customer journey



03

Defined/prioritized common themes and opportunities for delighting customers

Focusing first on e-Comm and customer acquisition to make it:

- Faster
- Better
- Create a connection



04

Drafted customer profiles

Serve as a human-centered foundation for customer experience, thus allowing for future tailoring



**Customer Experience Case Study: Smart Trucks**

<b>CHALLENGE</b>	<ul style="list-style-type: none"> <li>• Inconsistent revenue capture / missed revenue and cost savings opportunity to address container overages</li> <li>• Reliance on manual / time-consuming processes:             <ul style="list-style-type: none"> <li>• Driver must exit truck to take picture of over-filled/damaged container</li> <li>• Inefficient method to manage picture processing and match with customer</li> </ul> </li> <li>• Customer frustration with low image quality and inconclusive service verification</li> </ul>
<b>TECHNOLOGY-ENABLED SOLUTION</b>	<ul style="list-style-type: none"> <li>• Installed cameras on trucks connected to GPS; now able to:             <ul style="list-style-type: none"> <li>• Efficiently and effectively capture images/service verification</li> <li>• Assess container conditions (e.g., damage, service needs, etc.)</li> <li>• Consistently detect opportunities to capture additional revenue</li> <li>• Automatically and accurately links customer records to image</li> </ul> </li> </ul>
<b>OUTCOMES</b>	<ul style="list-style-type: none"> <li>• Enhanced customer experience by addressing container condition</li> <li>• Improved customer retention through proactive service adjustments</li> <li>• Increased revenue through increases in service/capturing overages</li> <li>• Cost savings as drivers focus on efficiently servicing customers</li> <li>• Improved safety of driver avoiding unnecessary exits of the truck</li> </ul>

OPPORTUNITY



Currently, 340 trucks outfitted with cameras and trained drivers

Additional revenue per truck per month of \$400 to \$800

Seeking to equip 5,000 trucks with technology and training

**Total projected incremental revenue capture: \$100M - \$115M by 2022**

Onboard Cameras Identify Customer Experience and Revenue Growth Opportunities

**Disciplined Volume Growth in All LOBs while Maintaining Pricing**



- Data driven approach enables market planning
- Economic indicators and internal performance measured across 384 Business Units

**Using Advanced Analytics to Target and Drive Improvements**



- Predictive defection modelling influencing PI models and prioritizing retention activity
- Customer Lifetime Value (CLV) approach to relationship management

**Optimize Sales Coverage with Advanced Workforce Planning Analytics**



- Optimize sales model to maximize ROI and customer coverage
- Sales Service Delivery Optimization (SSDO) drives continuous improvement through KPIs and standard procedures

**RESULTS**

- Q1 Core Price:<sup>1</sup> **+74 bps** YoY to **5.8%**
- Volume: **+45 bps** YoY; **+36 bps** vs. GDP

- Positive **1.7%** Net Customers
- Defection of **8.1%**; Equals **70 bps** better YoY; Lowest defection in 3 years

- Flat sales expense YoY with **+11%** FTE sales productivity

1. Core price consists of price increases net of rollbacks and fees, excluding the Company's fuel surcharge. It is a performance metric used by management to evaluate the effectiveness of our pricing strategies; it is not derived from our financial statements and may not be comparable to measures presented by other companies. Core price is based on certain historical assumptions, which may differ from actual results, to allow for comparability between reporting periods and to reveal trends in results over time.

Our Customers Are Seeking a Partner to Help Them Meet Their Environmental, Regulatory, Financial and Sustainability Goals

**SUSTAINABILITY SERVICES OVERVIEW**

**ONSITE PROGRAMS**

- ✓ Deploying personnel and equipment on customers' sites bring us closer to our customers and the waste they generate

**REMOTE SERVICES**

- ✓ Enterprise-wide offering provides WM access to all waste streams in exchange for a streamlined solution to the customer's waste disposal needs

**INDUSTRIAL WASTE PROCESSING**

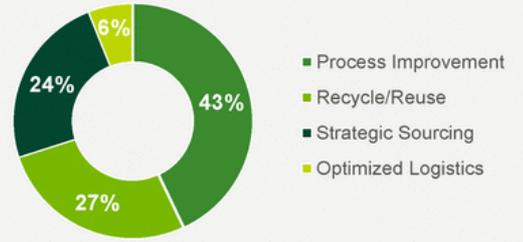
- ✓ Dewatering wet waste streams reduces volume and cost for customers while expanding WMs disposal market

**CONSULTING SERVICES**

- ✓ Partnership platform combines in-depth assessments and advisory services to drive customer solutions while providing WM valuable insights to design future service offerings

**CUSTOMER IMPACT**

Total Customer Savings in 2018: \$12M  
Cost Savings by Solutions Type



**\$211M+**  
Total Customer Savings To-Date<sup>1</sup>

2018 Revenue of \$252M; 3-Year CAGR of 25%

Comprehensive Offerings to Service Differentiated Needs of the Manufacturing and Industrial Customer Base;  
Enabling Preferred Access to Large Volume Waste Streams

## ELECTRIC UTILITY SEGMENT, A \$50B ADDRESSABLE MARKET<sup>1</sup>

WM is the only provider whose portfolio of services covers all potential options for Coal Combustion Residuals (CCR), including

- ✓ Beneficial reuse of marketable materials
- ✓ Construction and operation of customer-owned disposal facilities
- ✓ Excavation, loading and transportation for disposal at WM post-collection facilities

Since 2010, we have managed 33M tons of CCR for our electric utility customers, including

Beneficial reuse of  
**6M** tons of material

Management and/or disposal of  
**18M** tons of CCR at customer sites

Specialized disposal of  
**9M** tons of CCR at our facility

**Building Long-term Customer Relationships Positions Us to Capture Greater Market Share**

WE ARE THE LEADER IN THE INDUSTRY WITH OPPORTUNITY TO ENHANCE BRAND VALUE, BUILD BRAND EQUITY AND DELIVER MARKETING ROI



## How We Grow Brand Equity

- ✓ Establish strong brand purpose
- ✓ Be recognized as a leader in sustainability
- ✓ Connect our brand with ESG principles
- ✓ Make sophisticated marketing investments
- ✓ Align brand purpose with strategic business planning
- ✓ Be an employer of choice

According to Third-party Research, Brand Equity is Directly Correlated to Market Value



- WM Phoenix Open is the largest **ZERO WASTE** event in the world
- **\$100M+** Earned Media



# DIGITAL

**Nikolaj Sjoqvist**  
SVP, Chief Digital Officer



# KEY MESSAGES

WM Undergoing  
Digital  
Transformation

Accelerate  
Organic Growth  
and Reduce Cost

3 Big Levers Will  
Drive Impact

Changing "What"  
We Focus On  
and "How" We  
Do It

This is Just the  
Beginning

New Day, New Way

# DIGITAL AT WASTE MANAGEMENT DEFINED



The WM Strategy is Enabled by Digital in Collaboration with the Business

# EVOLVING OUR APPROACH TO DRIVE IMPACT

	<b>PRIOR – IT</b> <i>Manage the IT Infrastructure</i>	<b>NEW – Digital</b> <i>Impact the Bottom Line</i>
Focus	Deploy hardware and software	Value-added experiences
Execution	High # of projects; long deployment cycle	Fewer projects; agile / frequent releases
Measurement	Project milestones	Impact / value creation
Engagement	Siloed; 'black box'	Collaborative partnership with business

**New Role Observations: Evolving How We Work is a Critical Enabler of Impact and Value Creation**

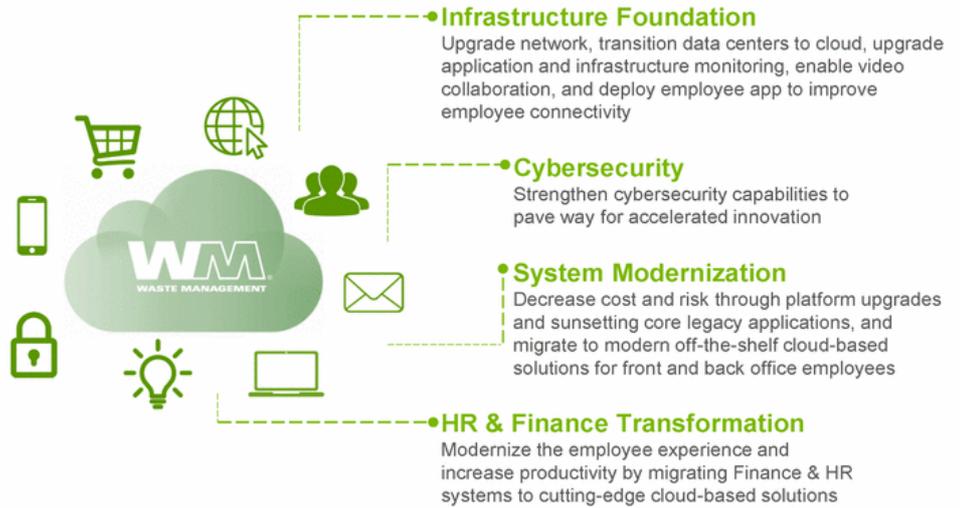
# DRIVING VALUE THROUGH 3 'BIG LEVERS' & ENABLING TECHNOLOGIES



Artificial Intelligence   Image Recognition   Machine Learning   IoT   Natural Language Processing   Chat Bots  
Robotic Process Automation   Cloud   Mobile   Remote-Controlled Vehicles   Advanced Threat Detection  
Predictive Analytics   Geolocation Analytics   Optimization Modeling   Advanced Authentication  
Edge Computing   Voice Assistance   Blockchain   Augmented Reality   5G

## Risk Mitigation & Business Enablement

Strengthen and secure our technology foundation to **safeguard the enterprise** from online threats, and make it **easy for our employees to do their jobs**. Technology investments in this area help ensure that our network is safe, reliable and secure, but also aim to improve **morale and productivity** by providing employees with the tools they need to deliver **delightful experiences to customers**.



IMPROVE EMPLOYEE EXPERIENCE



ENSURE BUSINESS CONTINUITY



FUTURE-PROOF AND SECURE WM

## Operational Improvements

Make operations more effective and efficient by implementing digital tools that **accelerate operational excellence** and **enable our employees to deliver** on commitments to customers. Drive cost reduction and **margin expansion** through improvements in efficiency, capital allocation and maintenance. **Strengthen differentiation** in the industry and enable **organic growth**.



- **M100**  
Increase collection labor efficiency by managing 100% of the day [Every 1% efficiency = \$25M]

- **Smart Truck**  
Leverage real-time video technology on collection fleet to right-size customer service, reduce contamination, and create platform for further differentiation

- **Future Fleet**  
Maximize return on fleet assets by optimizing the mix, maintenance and asset uptime

- **Post-Collection Automation**  
Improve post collections ops through real-time monitoring, automation and decision models



MAXIMIZE ASSET UTILIZATION



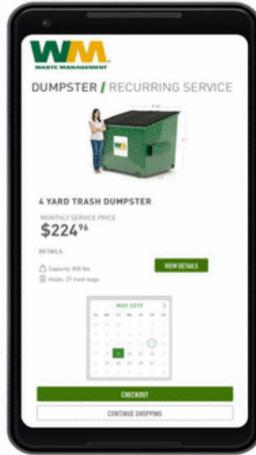
REDUCE COSTS



ENABLE DIFFERENTIATED SERVICE & GROWTH

## Customer Experience

Delight customers across their life cycles through industry leading **digitally-powered experiences** that set us apart from the pack, and **provide our employees with the tools** to exceed customer expectations. Targeted outcomes include **accelerated volume growth** (organic customer acquisition and retention), **improved pricing** and **reduced cost-to-serve**.



### E-Commerce

Increase acquisition with fast, easy, differentiated online buying experience for core collection lines of business [9-10B total addressable market for Collection]

### Digital Self-Service

Improve customer stickiness and cost-to-serve through capabilities tailored to the varied needs of our customer segments, ranging from simple ETA and pick-up requests to complex spend analytics [Opportunity to reduce 12M calls at \$8/call]

### Sales & Service Agent Experience

Transform the customer-facing employee experience through a seamlessly integrated and intuitive experience that fuels customer acquisition and retention



FUEL ORGANIC GROWTH



INCREASE CUSTOMER LIFETIME VALUE



REDUCE COST-TO-SERVE

# DIGITAL STRATEGY IN ACTION: E-COMMERCE FOR COLLECTION CUSTOMERS

**PILOT:** Deployed new e-Commerce experience to Open Market Residential (OMR) mid-2018

## WHAT WE DID

- Spent time with customers in their homes to deeply understand needs
- Designed new experience through agile 2 week sprints with customers
- Launched in 3 months

## OUTCOME

- Reduced time-to-buy by 50% by simplifying experience
- Saw 70% adoption of new monthly bill pay, fueling 96% autopay rate
- Realized 40% overnight revenue increase with steady ongoing growth

**GROWING:** Expanded new e-Commerce to other Collection lines of business in Q1'19

- Digitized the buying experience, incorporating lessons learned from OMR
- Early results are promising, consistent with OMR
- Paving the way to meet customers in their channel of choice, and continuing to improve the buying experience (still plenty of headroom)



# FUNDAMENTALLY CHANGING HOW WE MEASURE SUCCESS

## METRICS-BASED AND IMPACT-ORIENTED

Leveraging data & analytics to quickly identify opportunities for improved customer experience and growth

e-Commerce Dashboard



## TRANSPARENCY LIKE NEVER BEFORE

Holding ourselves accountable through data-driven metrics that track our collective progress

Operational Improvements Dashboard



# CORPORATE DEVELOPMENT AND INNOVATION

**Chuck Boettcher**  
SVP, Corporate Development and Chief Legal Officer



## KEY MESSAGES

Evolved Approach to Corporate Development; New Management and Greater Discipline

Identifying and Cultivating Innovative Ideas and Opportunities with High Return Potential

Focused on Three Distinct Development Tools: Innovation, Venturing and Incubation

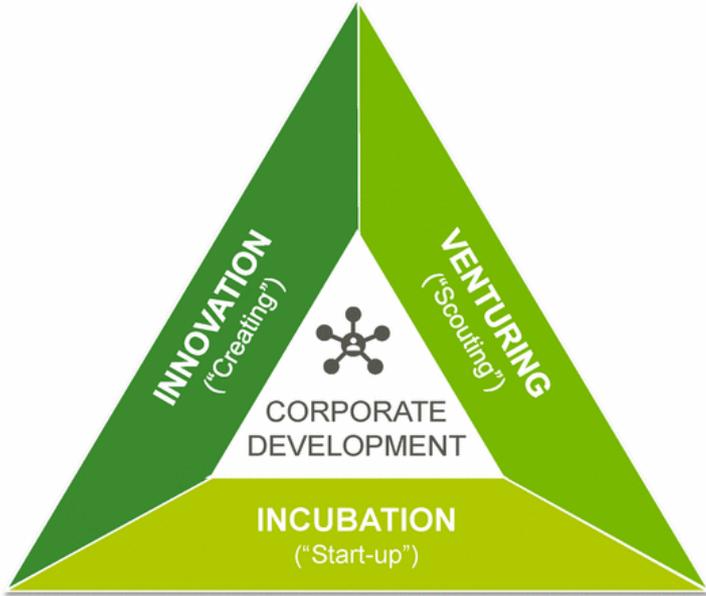
Rigorous Governance for New Investments: Limited to Enhancing Existing Services or Starting New Lines of Business Close to Core

# NEW CORPORATE DEVELOPMENT AND INNOVATION STRUCTURE

	PRIOR Structure	NEW Structure
Investment Scope	Bias toward larger investments in early-stage companies	Invest in Venture Funds and make smaller, targeted direct investments in <b>proven</b> growth companies or ideas
Investment Goal	Lacking clear connection to core business and exit strategy	Connection to core business and clear investment objectives
Investment Process	Diversified/scattered portfolio approach	Rigorous ideation, market scoping, and governance structure with close SLT oversight
Focus	Research and investment	Research, innovation, development and licensing

**New Corp Dev and Innovation Group Targets Incremental Growth with Lower Risk Profile**

Three Distinct Development Tools



KEY METRICS

**6** WM Employees

**~12** Direct Investments

**~\$15M** Committed to Three Externally-managed Venture Funds

**15%+** IRR Threshold



## INNOVATION (“CREATING”)

### Stay at the Forefront of Emerging Technology and Innovative Processes

- Creating an Innovation Lab / Maker Space (close to the core – innovating around tools and core processes)
- Developing ecosystem partnerships to co-collaborate and quickly innovate; selected examples include:
  - Remote operation of landfill vehicles
  - Autonomous vehicles
- Long-term focus is on organically developing
- Protecting inventions and potentially licensing to third-parties as additional revenue stream

### CASE STUDY: DADS LANDFILL (CAT PARTNERSHIP)

*Use Remote Operation Technology to Improve Operations and Employee Satisfaction/Availability*

#### Our Goals

- Deploy remote operations of heavy equipment at landfills
- Improve safety and efficiency
- Enhance the available labor pool of employee operators beyond traditional sources; improve job satisfaction

#### Outcome

- ✓ While still early, initial results demonstrate increased efficiency and safety, as well as lower costs



### EXTERNAL INSIGHT

~\$15M in Capital Commitment in Externally Managed Funds

- Scout globally for potential disruptive technologies, innovative processes and immediately deployable customer solutions

### INTERNAL INSIGHT

- Internally review 100+ companies per year with disruptive technologies or innovative processes in the waste and recycling industry

### INTERNAL & EXTERNAL INSIGHT

- Early identification of potential breakthrough technologies and processes
- Global ecosystem; comprises entrepreneurs and early-stage companies
- Relationships inform our view on emerging technologies and innovative processes and relevant market applications

## OVERVIEW OF INVESTMENT FUNDS

### KEY STATS



Fund Size  
(by commitments)

\$118.5M

€71M

€218.6M

# of Investments

10

8

6

Focus Areas

Early to midstage cleantech, oil and gas innovation, utility and water efficiency companies

Early to expansion stage emerging energy, water and industrial technology and process innovation companies

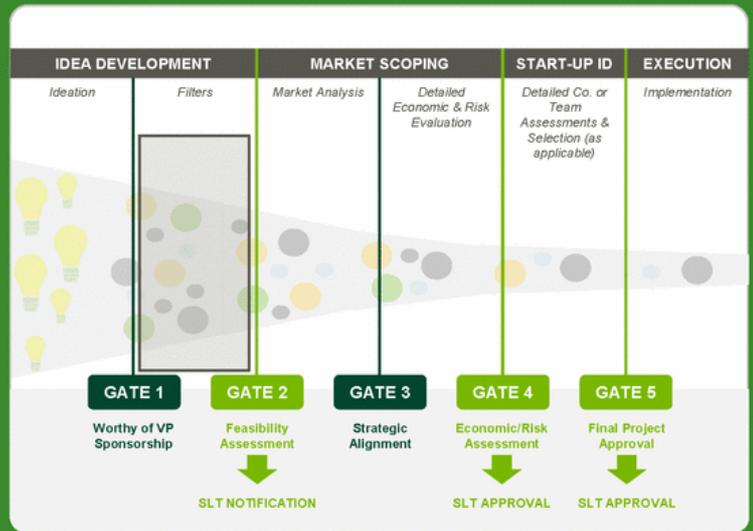
Permitted renewable energy and efficiency projects in Europe

# INCUBATION (“START-UP”)

## Vertical Start-ups

- Universe of opportunity to enter new and **closely adjacent** lines of business to better serve existing customers with enhanced offerings
- Rigorous internal process created over the last 18 months; stage/phase gate process managed by Corporate Development and Innovation Group with involvement of WM business owners and internal expertise, as applicable, and oversight by Senior Leadership Team
- Currently focusing on markets that provide solutions to customer problems and have potential to grow quickly as scaled; e.g., wastewater, biosolid management, and plastics and packaging solutions
- Execute quickly and fail fast
- Transition into core business quickly or exit

## IDEA TO EXECUTION PROCESS – “PHASES & GATES”



# FINANCIAL OVERVIEW

Devina Rankin  
SVP, Chief Financial Officer



## KEY MESSAGES

Evolving Finance Organization to be Increasingly Focused on Partnering with Business

Industry-Leading Organic Revenue Growth Driven by Customer Focus and Disciplined Market Strategy

Substantial Margin Expansion and FCF Conversion Achieved through Continuous Improvement Mindset and Efficiency Focus

Balance Sheet Strength and Deliberate Capital Allocation Have Increased ROIC; Successful M&A Track Record Will Continue to Be a Contributor

Consistently Robust Cash Generation and Disciplined Execution Have Enabled Outsized Total Shareholder Returns

**Enhancing and Leveraging WM's Finance Talent to Move Beyond Traditional Compliance Focuses**

- Ensuring our people are at the center of all we do, empowering them to engage beyond standard role definitions
- Moving beyond data and reporting toward insight
- Recognizing the value of approaching traditional back-office functions with a commitment to customer service
- Engaging beyond the function to better understand the business and the macro-environment to ensure our focuses establish more purposeful connection to WM strategic priorities and shareholder objectives
- Appropriately challenging standard practices to deliver more; knowing when excellence should be the goal

**Positioning WM Finance and other corporate support functions to amplify our best-in-class asset network and customer base**



**Increasingly Effective Team Focused on Enhancing Value Creation**

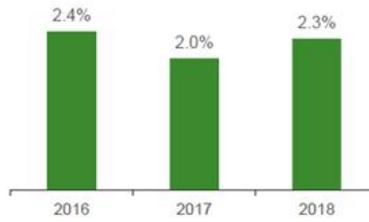
# CUSTOMER FOCUS AND DISCIPLINED MARKET STRATEGY HAVE PRODUCED INDUSTRY-LEADING ORGANIC REVENUE GROWTH

TOTAL REVENUE (\$B)

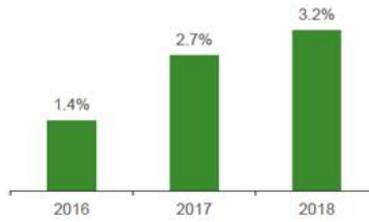


The 2017 to 2018 Revenue Comparisons are negatively impacted by the adoption of the revenue recognition standard, ASU 2014-09.

Collection & Disposal Yield



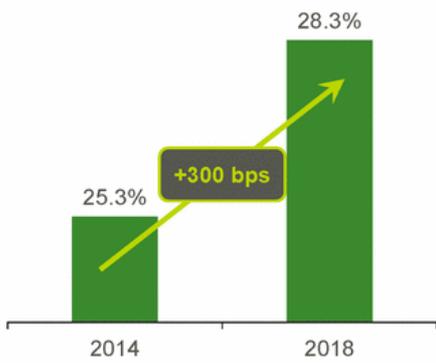
Collection & Disposal Volume



- Continuing to focus on customer offering; differentiated service, technology to communicate with us through their channel of choice, and improving the quality of our service
- Customer focus has produced a meaningful reduction in churn, from a high of close to 12% in 2014 to about 8% today
- Leveraging data and analytics to appropriately price new and existing customers based on cost
- Proactively working with customers to right-size their service levels and address their needs

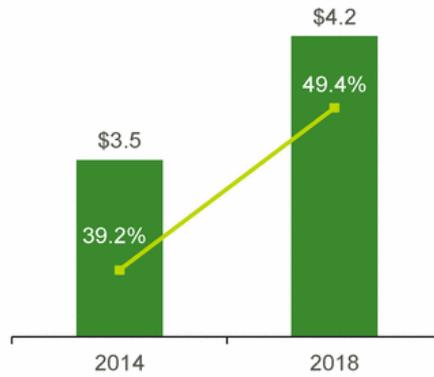
# CONTINUOUS IMPROVEMENT MINDSET DRIVES MARGIN EXPANSION AND FCF CONVERSION

## ADJ. OPERATING EBITDA MARGIN<sup>1</sup>



- Disciplined revenue growth, operating efficiency and discretionary cost control have improved operating expenses as a percentage of revenue by over 200 bps
- Incremental margin expansion achieved by optimizing SG&A spending

## ADJ. OPERATING EBITDA<sup>1</sup> (\$B) % FCF CONVERSION<sup>1</sup>



- Strong organic revenue growth and a continuous improvement mindset to managing costs have translated into a 20% increase in Operating EBITDA over the four-year period
- FCF conversion improvement driven by disciplined capital spending, working capital optimization efforts and reduced cost of funds

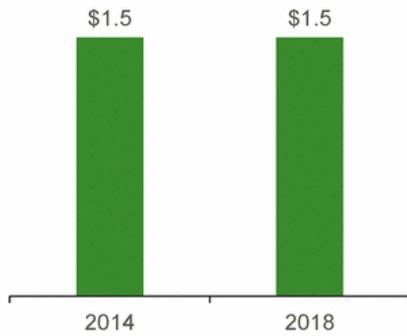
## CASH FROM OPERATIONS (\$B) % REVENUE CONVERSION



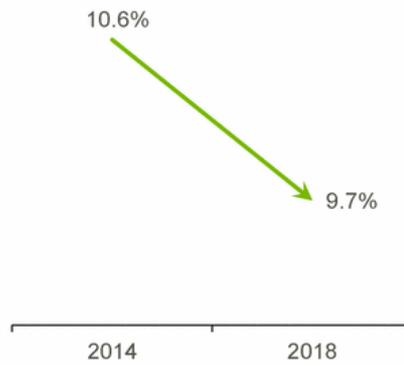
- Converting more of every revenue dollar to Operating EBITDA, reducing interest costs with opportunistic refinancings, increasing our focus on working capital and lower cash taxes have driven a 50% increase in Cash Provided By Operations

# DELIVERING ON SG&A COST REDUCTION GOALS FROM CONTINUED EFFICIENCY FOCUS

SG&A (\$B)



SG&A % OF REVENUE



Our disciplined approach to SG&A has kept spending flat, which will allow us to invest in people and technology in the future

- Committed to SG&A as a percentage of revenue of ~10% over the long-term
- Demonstrated ability to manage discretionary SG&A spending in a changing business environment
- Purposeful investments in people and technology to position ourselves for continued growth
- Leveraging technology to drive efficiency and reduce costs

**Discipline Demonstrated in Operating Expense and Capital Management Also Applied to SG&A**

# STRONG FINANCIAL POSITION PROVIDES STRATEGIC FLEXIBILITY

## CREDIT RATINGS

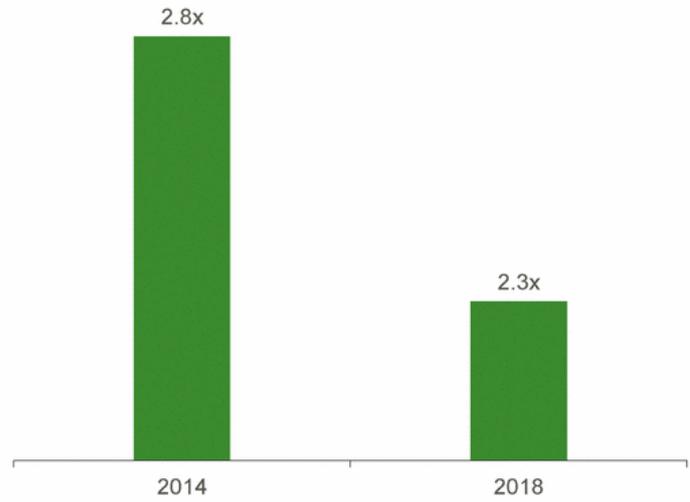
<b>S&amp;P</b>	<b>A- (Stable)</b>
<b>Moody's</b>	<b>Baa1 (Stable)</b>
<b>Fitch</b>	<b>BBB+ (Stable)</b>

- **Committed to maintaining investment grade credit rating**

- Deep access to capital markets
- Competitive advantage, particularly with municipal and large M&I customers
- Strategic flexibility

- **~\$2.75B revolver borrowing capacity**

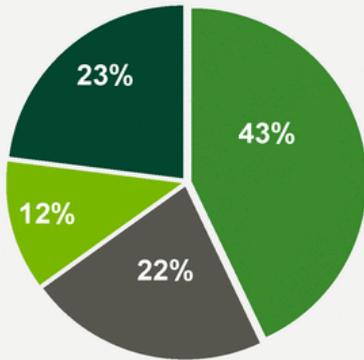
## NET DEBT TO EBITDA<sup>1</sup>



**Strong Liquidity, Modest Leverage, a Balanced Debt Maturity Profile and Industry Leadership**

## THOUGHTFUL, DELIBERATE APPROACH TO CAPITAL ALLOCATION

3-Year History  
**\$10.6B Deployed**



■ Reinvest ■ Dividends ■ M&A ■ Buybacks

### Reinvest

- 3-year average Capex of \$1.5B, or 10.6% of sales
- Recent increase driven by volume growth; long-term target range of between 9.5% and 10.5%

### Dividends

- Target 40% - 50% payout of free cash flow
- 16 years of consecutive dividend increases

### M&A

- Disciplined approach focused on the traditional solid waste business
- \$1.3B invested in 86 acquisitions over the past 3 years

### Buybacks

- Current authorization of \$1.5B
- After reinvestment and M&A, remaining free cash flow is allocated to opportunistic buybacks; in the near-term, WM limiting share repurchases to bolster liquidity in support of ADS acquisition

## Robust Cash Generation Translates into Consistent Capital Allocation

# LONG-STANDING COMMITMENT TO SHAREHOLDER RETURNS, PRIORITIZING DIVIDEND GROWTH

## DIVIDEND PER SHARE, PAYOUT RATIO<sup>1</sup> HISTORY



**BoD Approved Increase in Quarterly Dividend for 16<sup>th</sup> Consecutive Year, Up 10.2% in 2019**

1. Payout ratio consists of full-year dividends paid divided by full-year free cash flow; 2014 payout ratio excludes proceeds from sale of Wheelabrator Technologies Inc. 2. Projected, based upon current dividend rate. All future dividends must be declared by the Board of Directors.



## STRATEGIC CRITERIA

- ✓ Extension of Asset Network in Key Markets
- ✓ Cultural Fit – Safety and Customer Focused
- ✓ High Return Lines of Business
- ✓ Quality Revenue Stream
- ✓ Operating and Cost Synergies Create Incremental Value

## FINANCIAL CRITERIA

- ✓ Positive Operating EBITDA in First Full Year
- ✓ Premium to WACC of 200 – 500 bps Adjusted for Risk Profile
- ✓ Post-Synergy Multiple Below WM's Trading Value

# M&A SCORECARD: TRANSACTIONS > \$150M IN PURCHASE PRICE

M&A FILTERS					Announced & Pending Close 
	2015	2016	2018	2019	2019
Extension of Asset Network	✓	✓	✓	✓	✓
Cultural Fit	✓	✓	✓	✓	✓
High Return Lines of Business	✓	✓	✓	✓	✓
Quality Revenue Stream	✓	✓	✓	✓	✓
Operating & Cost Synergies		✓	✓		✓
Positive Operating EBITDA in First Full Year	✓	✓	✓	✓	✓
Achieves Expected Return Profile	✓	✓	✓	✓	✓
Multiple Below WM	✓	✓	✓	✓	✓

✓ MET    ✓ IN-PROGRESS TO MEET

# ADVANCED DISPOSAL SERVICES ACQUISITION EXTENDS OUR INDUSTRY LEADERSHIP<sup>1</sup>

Transaction Announced April 15, 2019

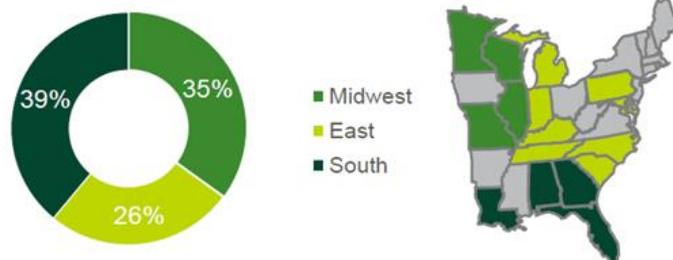
## KEY FACTS

EMPLOYEES	~6,000
MUNICIPALITIES	>800
CUSTOMERS	>3M
FY18 REVENUE	\$1.6B
FY18 ADJ. EBITDA	\$427M <sup>2</sup>

## HIGHLY STRATEGIC

- Complementary assets and customer base
- Compelling financial benefits that align with our long-term financial goals, including delivering strong ROIC and growth in EPS, margins and cash flows

## BALANCED GEOGRAPHIC AND REVENUE MIX



## FINANCIALLY COMPELLING

- Expected to be immediately accretive to earnings and cash flow
- Identified more than \$100M in potential annual cost and capital expenditure synergies
- Net Debt to EBITDA projected to remain below 3.0x, at 2.9x; long-term commitment to 2.0 – 3.0x target

## Shared Commitments to Safety, Customer Service and Operating Excellence

# ADVANCED DISPOSAL TRANSACTION UPDATE

## Financing Process

- Announced successful pricing of \$4B aggregate public offering of senior notes on May 14, 2019
- Completed cash tender offer for \$257M of high-coupon senior notes
- Successful completion of these financing activities combined with WM's strong liquidity position the company to close

## Integration Planning

- Established a Waste Management integration team to ensure that the time prior to closing is efficiently spent preparing for transaction close and a streamlined integration process

## Regulatory Update

- Initial HSR filing on May 9, 2019
- Working closely with the DOJ
- Have received significant inbound interest in any potential assets to be divested
- Confident in ability to achieve attractive valuation on any divestitures given level of interest and quality of assets

## Next Steps / Timing

- Advanced Disposal's definitive proxy filed on May 23, 2019
- Anticipate Advanced Disposal's shareholder vote on June 28, 2019
- Continue to expect the transaction to close by Q1 2020
- Subject to the satisfaction of customary closing conditions, including regulatory approvals and approval by a majority of the holders of Advanced Disposal's outstanding common shares

# SUCCESSFUL EXECUTION OF WM'S LARGEST BOND DEAL EVER

- ✓ **May 14: WM opportunistically priced \$4B in Senior Notes across five tranches to fund the ADS acquisition, as well as for general corporate purposes**
- ✓ **Successfully de-risked the acquisition financing and captured Treasury rates that were near the lows of 2019**
  - Executed at a weighted average coupon of 3.55%
  - Improved weighted average coupon of Senior Notes by 38 bps from 4.32% to 3.94%<sup>1</sup>
  - Extended weighted average maturity by 2.2 years from 9.4 years to 11.6 years<sup>1</sup>
- ✓ **Bond deal was very well received by the market**
  - 4.7x oversubscribed with an orderbook of ~\$19B
  - Bonds allocated across ~300 Investors
  - Priced 12.5-20 bps tighter from Initial Price Talk (“IPT”)
  - Orderbook dominated by high-quality, buy-and-hold asset managers, insurance companies and pension funds
- ✓ **Concurrent with the new issue, an “any-and-all” tender offer for higher-coupon 2026-2039 notes was executed in order to realize interest expense savings**

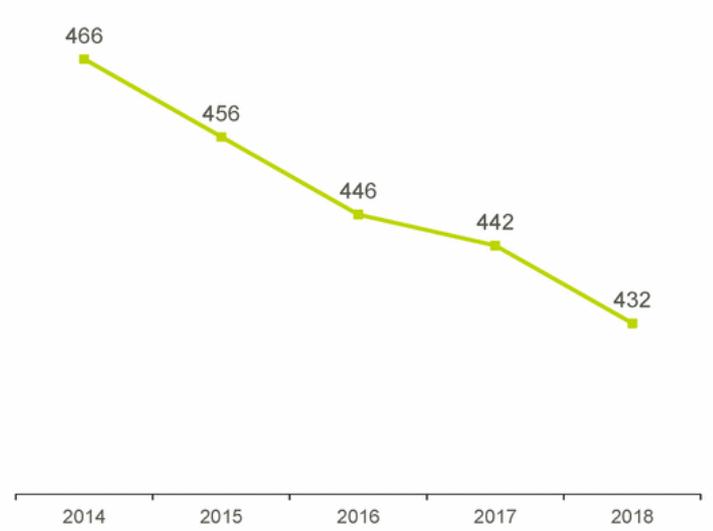
	5 YEAR	7 YEAR	10 YEAR	20 YEAR	30 YEAR
<b>Size (\$M)</b>	\$750	\$750	\$1,000	\$500	\$1,000
<b>Treasury Yield</b>	2.20%	2.30%	2.42%	2.86%	2.86%
<b>Credit Spread (bps)</b>	T + 75	T + 90	T + 105	T + 115	T + 130
<b>Bond Coupon</b>	2.95%	3.20%	3.45%	4.00%	4.15%

# CREATING ADDITIONAL VALUE THROUGH OPPORTUNISTIC SHARE REPURCHASE PROGRAM<sup>1</sup>

### SHARE BUYBACK HISTORY (\$M)



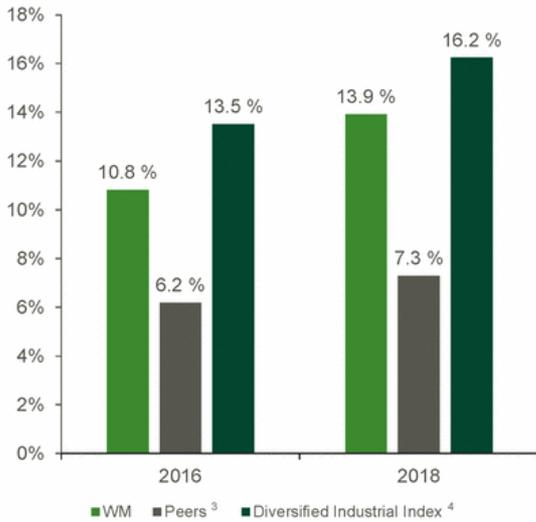
### SHARES OUTSTANDING (M)



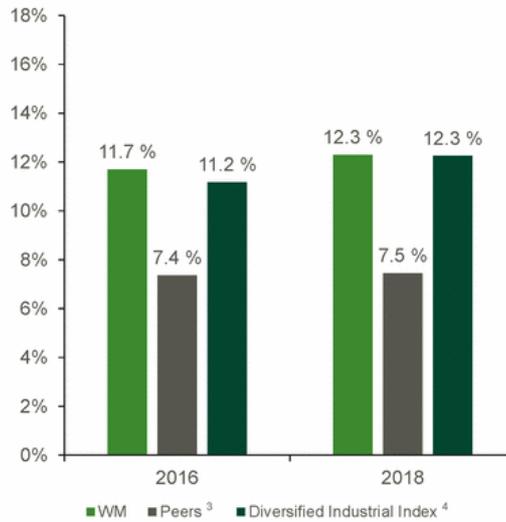
**Long History of Share Repurchase Has Been Accretive: 7% Reduction in Outstanding Shares Since 2014**

# ACHIEVING INDUSTRY-LEADING RETURNS

## RETURN ON INVESTED CAPITAL<sup>1,2</sup>



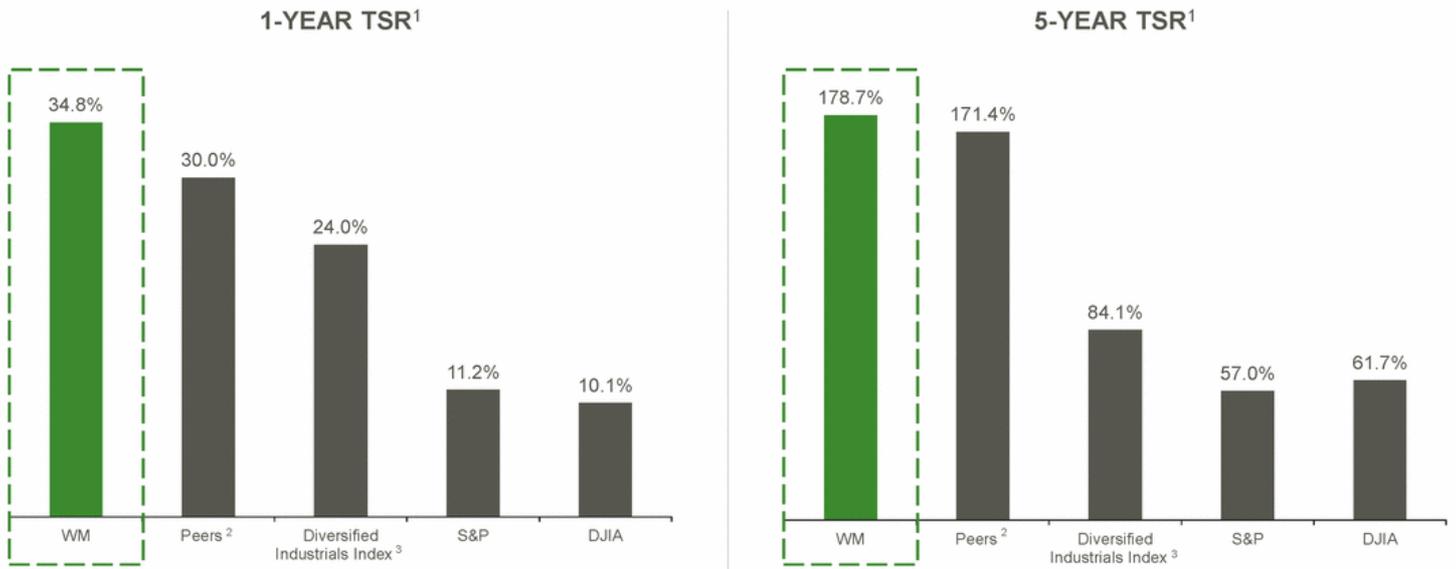
## RETURN ON ASSETS<sup>1</sup>



- Disciplined allocation of capital to execute on organic growth is a key contributor to strong return profile
- Focused on high-quality acquisitions and investments to leverage our best-in-class asset network and expand returns
- Continuously improving our return profile and driving toward world class

## Returns Driven by Earnings Quality and Disciplined Investment

# GENERATING THE HIGHEST TOTAL SHAREHOLDER RETURN IN BOTH THE SHORT-TERM AND LONG-TERM



**Our Deliberate Focus on Increasing Returns has Generated Impressive Shareholder Returns**



# REAFFIRMING 2019 FINANCIAL OUTLOOK

	FY18 RESULTS	2019 GUIDANCE <sup>1</sup>
ADJ. OPERATING EBITDA <sup>2</sup>	\$4.216B	\$4.40B to \$4.45B <sup>3</sup>
ADJ. EPS <sup>2</sup>	\$4.20	\$4.28 to \$4.38 <sup>3</sup>
FREE CASH FLOW <sup>2</sup>	\$2.084B	\$2.025B to \$2.075B
DIVIDEND PER SHARE	\$1.86	\$2.05

## Assumptions

- Core price >4.0%
- Revenue growth from yield on collection and disposal business >2.0%
- Revenue growth from volume ~2.0%
- Annual tax rate of 24.0%

## Impacts to Guidance Related to Advanced Disposal Acquisition

- Suspension of share repurchase ~(\$0.06) impact to EPS
- Incremental interest expense from transaction-related financing activities ~(\$0.03)
- SG&A integration and advisory costs impact are to be determined
- Immaterial impact to FCF due to timing of interest payments

1. Guidance as of May 30, 2019 excluding impacts from Advanced Disposal acquisition. 2. See the appendix at the end of this presentation for reconciliation of this non-GAAP financial measure. 3. Projected 2019 operating EBITDA and EPS are anticipated to exclude the effects of events that are not currently determinable, but may be significant, such as asset impairments and one-time items, charges, gains or losses from divestitures or litigation, or other items. Due to the uncertainty of the likelihood, amount and timing of such items, the Company is unable to provide a quantitative reconciliation of adjusted projected operating EBITDA or EPS to the comparable GAAP measures.

# EXPECTED LONG-TERM ANNUAL GROWTH TARGETS THROUGH 2021

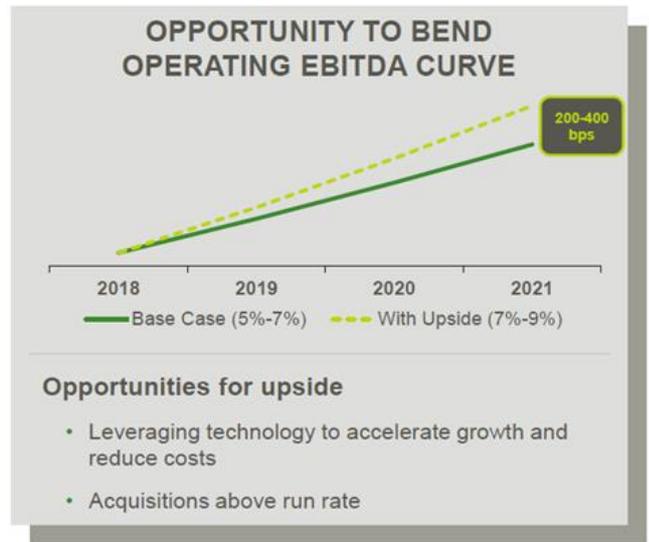
## 2019 – 2021 LONG-TERM GROWTH TARGETS

Excluding Future Acquisitions

Collection and Disposal Revenue Growth	4% – 6%
Adj. Operating EBITDA <sup>1</sup>	5% – 7%
Free Cash Flow <sup>1</sup>	5% – 7%

### ASSUMPTIONS

- Revenue growth from yield of ~2%+ and volume of ~2%+
- Tuck-in acquisitions of ~\$100M – \$200M annually; however, excludes any incremental large scale M&A
- Cost inflation around 3% – 4%, annually



**Culture + Leadership + Strategy + Skills + Capital = Ability to Achieve Our Long-term Targets**

# CLOSING REMARKS

**Jim Fish**  
President and Chief Executive Officer



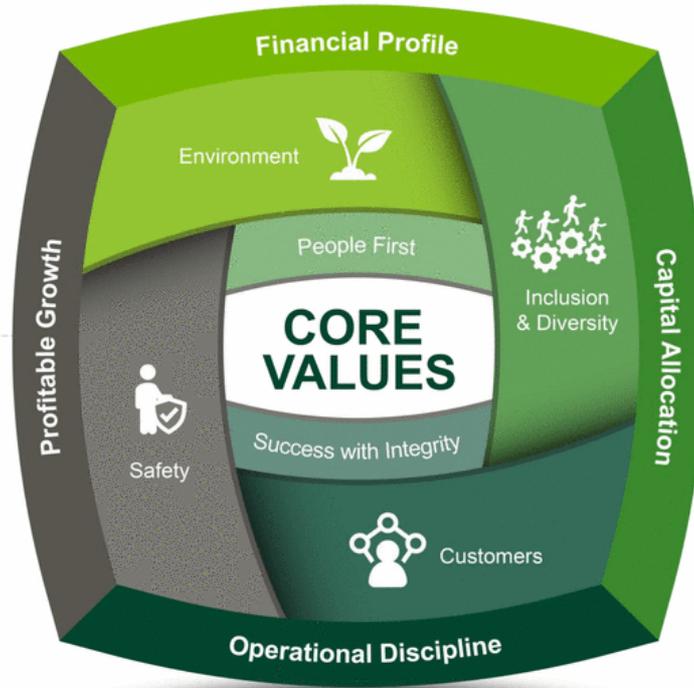
# PROVEN BUSINESS MODEL WILL ENABLE STEP-CHANGE STRATEGY EXECUTION

## FINANCIAL PROFILE

- Recurring revenue and stable cash flow
- Leveraging scale
- Margin focus
- Maintain strong credit profile
- Recession resilient

## PROFITABLE GROWTH

- Customer focus
- Technology enabled solutions
- Market focus
- Asset network
- Sustained leadership



## CAPITAL ALLOCATION

- Industry leading ROIC
- Greater discipline in the use of capital
- Focus on maintaining strategic flexibility
- Shareholder-friendly returns

## OPERATIONAL DISCIPLINE

- Use of technology to enable greater efficiency
- Continuous improvement
- Focus on talent/people

# Q&A SESSION



# APPENDIX



## RECONCILIATION OF NON-GAAP MEASURES

### ADJUSTED INCOME FROM OPERATIONS

(\$M)	2018	2016	2014
Income from operations (as reported)	\$2,789	\$2,296	\$2,299
<b>Adjustments</b>			
(Income)/expense from divestitures, asset impairments and unusual items, net	\$(55)	\$108	\$(162)
Restructuring	\$2	\$2	\$81
Legal Reserve	-	-	\$31
Multiemployer pension withdrawal costs	\$3	-	\$3
<b>Adjusted income from operations<sup>1</sup></b>	<b>\$2,739</b>	<b>\$2,406</b>	<b>\$2,252</b>

### EARNINGS PER SHARE

	2018
As Reported	\$4.45
Primarily tax related adjustments and gains from divestitures	\$(0.25)
<b>As Adjusted</b>	<b>\$4.20</b>

### 2019 PROJECTED FREE CASH FLOW RECONCILIATION<sup>2</sup>

	Scenario 1	Scenario 2
Net cash provided by operating activities	\$3,625	\$3,725
Capital expenditures	(1,650)	(1,750)
Proceeds from divestitures of businesses and other assets (net of cash divested)	50	100
<b>Free cash flow</b>	<b>\$2,025</b>	<b>\$2,075</b>

# RECONCILIATION OF NON-GAAP MEASURES

## OPERATING EBITDA

(\$M, except margins)	2018	2014
Income from operations	\$2,789	\$2,299
Depreciation and amortization	\$1,477	\$1,292
Legal reserves		\$31
Multiemployer pension withdrawal costs	\$3	\$3
Restructuring	\$2	\$81
(Income) expense from divestitures, asset impairments and unusual items, net	\$(55)	\$(162)
<b>Adjusted Operating EBITDA</b>	<b>\$4,216</b>	<b>\$3,544</b>
Revenue	\$14,914	\$13,996
<b>Adjusted Operating EBITDA Margin</b>	<b>28.3%</b>	<b>25.3%</b>

## FREE CASH FLOW

(\$M, except margins)	2018	2014
Net cash provided by operations	\$3,570	\$2,331
Capital expenditures	\$(1,694)	\$(1,151)
Proceeds from divestitures of businesses (net of cash divested) and other sale of assets	\$208	\$2,253
<b>Free Cash Flow</b>	<b>\$2,084</b>	<b>\$3,433</b>
Less proceeds from divestitures of businesses (net of cash divested) and other sale of assets	-	\$(2,253)
2014 tax overpayments	-	\$210
<b>Adjusted Free Cash Flow</b>	<b>\$2,084</b>	<b>\$1,390</b>
Operating EBITDA <sup>1</sup>	\$4,216	\$3,544
<b>Operating EBITDA % of Free Cash Flow</b>	<b>49.4%</b>	<b>39.2%</b>

# RECONCILIATION OF NON-GAAP MEASURES

## NET DEBT / EBITDA

(\$M)	2018	2014
Balance sheet debt	\$10,026	\$9,435
Adjustments for accounting for fair value hedges and discounts	\$52	\$(31)
Guarantees of indebtedness of others	\$4	\$8
<b>Numerator<sup>1</sup></b>	<b>\$10,082</b>	<b>\$9,413</b>
Operating EBITDA <sup>2</sup>	\$4,216	\$3,544
Less: Restructuring cost	-	\$82
Less: Net income attributable to noncontrolling interests	-	\$40
Other	\$92	\$(9)
<b>Denominator - EBITDA<sup>1</sup></b>	<b>\$4,308</b>	<b>\$3,413</b>
<b>Net Debt / EBITDA<sup>1</sup></b>	<b>2.3x</b>	<b>2.8x</b>

## RETURN ON INVESTED CAPITAL

(\$M, except margins)	2018	2016	2014
Adjusted income from operations <sup>3</sup>	\$2,739	\$2,406	\$2,252
Less: Provision for income tax	\$(521)	\$(850)	\$(531)
<b>NOPAT</b>	<b>\$2,218</b>	<b>\$1,556</b>	<b>\$1,721</b>
Total debt	\$9,759	\$9,120	\$9,957
Stockholders' equity	\$6,147	\$5,321	\$6,018
<b>Total Invested Capital<sup>4</sup></b>	<b>\$15,906</b>	<b>\$14,441</b>	<b>\$15,975</b>
<b>Return on Invested Capital</b>	<b>13.9%</b>	<b>10.8%</b>	<b>10.8%</b>

## RETURN ON ASSETS

(\$M, except margins)	2018	2016
Income from operations	\$2,735	\$2,412
<b>Total Assets<sup>4</sup></b>	<b>\$22,240</b>	<b>\$20,613</b>
<b>Return on Assets</b>	<b>12.3%</b>	<b>11.7%</b>

## RECONCILIATION OF NON-GAAP MEASURES

### ADVANCED DISPOSAL ADJUSTED EBITDA

(\$M, except margins)	2018
Net income	\$9.4
Depreciation and amortization	\$270.5
Interest expense	\$95.9
Accretion on landfill retirement obligations	\$17.0
Income tax benefit	\$4.6
Other	\$0.5
<b>EBITDA</b>	<b>\$397.9</b>
Stock based compensation	\$11.2
Landfill remediation expenses and related impacts	\$23.8
Loss on debt extinguishments and modifications	\$0.9
Greentree expenses, net of estimated insurance recoveries	-
Loss (gain) on disposal of assets and asset impairments	\$(2.5)
Other	\$(4.2)
<b>Adjusted EBITDA</b>	<b>\$427.1</b>
Revenue	\$1,558.2
<b>Adjusted EBITDA Margin</b>	<b>27.4%</b>

# PRESENTER BIOGRAPHIES





Jim Fish is president and chief executive officer for Waste Management. He is also a member of the Board of Directors.

Prior to becoming CFO in 2012 and his promotion to president in July 2016, he held several key positions with the Company, including senior vice president for the Company's Eastern Group, area vice president for Pennsylvania and West Virginia, market area general manager for Massachusetts and Rhode Island, vice president of price management and director of financial planning and analysis. He joined Waste Management in 2001.

Before joining Waste Management, Fish held finance and revenue management positions at Westex, a Yellow-Roadway subsidiary; Trans World Airlines; and America West Airlines. He began his professional career at KPMG Peat Marwick.

Fish earned a Bachelor of Science in accounting from Arizona State University and an MBA in finance from the University of Chicago.



As executive vice president and chief operating officer (COO) for Waste Management, John Morris has responsibility for all field operations which includes oversight of collections, disposal, recycling, and landfills. He is a member of the Company's senior leadership team and reports to Jim Fish, president and chief executive officer.

Morris has held several positions in his 20-plus years with the company including market area general manager of NYC, area vice president of Greater Mid-Atlantic Area, chief strategy officer, and most recently senior vice president, field operations.

John is a graduate of Rutgers University.



As the senior vice president and chief financial officer for Waste Management, Devina is responsible for all finance functions for the Company. She also has executive responsibility for the internal audit, investor relations, supply chain functions and business development. She is a member of the Company's senior leadership team and reports to Waste Management president and chief executive officer, Jim Fish.

Rankin joined the company in 2002 and has held several corporate finance positions of increasing responsibility including assistant treasurer and treasurer.

Prior to joining Waste Management, Rankin was a member of the assurance practices of Ernst & Young and Arthur Andersen.

Rankin has a Bachelor of Business Administration and Master of Science in Accounting from Texas A&M University and is a certified public accountant licensed in Texas.



As senior vice president and chief human resources officer, Tamla has primary responsibility for the Company's human resources strategy including HR operations, employee relations, labor relations, HR information systems, compensation, benefits, culture, learning, talent acquisition, leadership and talent development. She is a member of the Company's senior leadership team and reports to Jim Fish, president and chief executive officer.

Prior to joining Waste Management, she served in numerous positions during her 20 year career at General Electric including Human Resources Director for GE Africa, Chief Diversity Officer for GE Appliances and Lighting, and most recently, Vice President of Human Resources for GE Energy Connections.

Forney is a graduate of the University of North Carolina at Chapel Hill where she earned her Bachelor of Science in Business Administration.



As senior vice president and chief customer officer (CCO) for Waste Management, Mike Watson leads the customer experience, sales, marketing, revenue management, and sustainability services organizations of the company. Responsible for the Company's profitable growth strategy across all sales channels, Watson ensures the delivery of exceptional experiences across the customer's journey. He is a member of the Company's senior leadership team and reports to Waste Management president and chief executive officer, Jim Fish.

Prior to his role as CCO, Watson served as area vice president of the Illinois-Missouri Valley market area encompassing six states across the Midwest. Watson joined the company in 1992 and progressed through various leadership roles across North America including corporate and field-based positions.

Watson received an undergraduate degree in Economics from Indiana University and an MBA from The University of Chicago – Booth School of Business.



As senior vice president and chief digital officer for Waste Management, Nikolaj is responsible for all digital and technology functions for the Company. This includes eCommerce and online self-service (wm.com), information technology, and advanced analytics and data management. He is a member of the Company's senior leadership team and reports to Waste Management president and chief executive officer, Jim Fish.

Sjoqvist joined the company in 2012 and was previously vice president of revenue management with responsibility for pricing, disciplined growth planning, marketing and advanced revenue analytics. Prior to joining Waste Management, Sjoqvist was a consultant with McKinsey & Company's marketing & sales practice, and he previously held a number of finance, pricing and technology positions with Hewlett-Packard and Compaq Computer in Europe and North America.

Sjoqvist earned a Bachelors in Business Studies from Oxford Brookes University in the UK, and an MBA from Kellogg School of Management at Northwestern University.



As senior vice president, corporate development and chief legal officer of Waste Management, Chuck is responsible for all legal, corporate secretary, ethics and compliance, government affairs, security and real estate functions and, as of 2019, corporate development and innovation, as well as oilfield services. He is a member of the Company's senior leadership team and reports to Jim Fish, president and chief executive officer.

Immediately prior to joining Waste Management, he was executive vice president, chief financial officer and general counsel of Dallas-based Oilfield Water Logistics, a produced water gathering, transportation and disposal company backed by private equity sponsor Natural Gas Partners.

Prior to that, Boettcher served for eight years as senior vice president, general counsel, chief compliance officer and corporate secretary of Houston-based Eagle Rock Energy Partners and, before that, was a Partner in the Dallas office of Thompson & Knight.

Boettcher received a Bachelor of Science in Business Administration from the University of South Dakota and a Juris Doctor from Texas Tech University School of Law.



As senior vice president, field operations for Waste Management, Tara has responsibility for all operations in the southern part of North America, including oversight of collection, disposal, recycling and landfills. She is a member of the Company's senior leadership team, led by Jim Fish, president and chief executive officer.

Hemmer joined the company in 1999 and progressed through various leadership roles across North America including vice president of disposal operations, area vice president for the Greater Mid-Atlantic Area, and most recently senior vice president operations, safety and environmental compliance. She serves on the board of the Environmental Education and Research Foundation.

Hemmer graduated from Cornell University with a Bachelor of Science in Civil and Environmental Engineering.



As senior vice president, field operations for Waste Management, Steve has responsibility for all operations in the northern part of North America, including oversight of collection, disposal, recycling and landfills. He is a member of the Company's senior leadership team, led by Jim Fish, president and chief executive officer.

He started at the company in 1997 and has held multiple field and corporate leadership roles including area vice president of Minnesota-Iowa Area, Illinois-Missouri Valley Area and most recently the vice president of collection and fleet operations. Before joining Waste Management Batchelor held leadership roles at Browning Ferris Industries, Inc.

Batchelor has a Bachelor of Science degree in business management from the University of Phoenix.