

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): July 24, 2024

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.)

800 Capitol Street, Suite 3000, 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 2.02. Results of Operations and Financial Condition.

Waste Management, Inc. (the “Company”) issued a press release today announcing its financial results for the second quarter of 2024, a copy of which is furnished as Exhibit 99.1 to this Form 8-K. The Company is conducting an audio webcast to discuss these results beginning at 9:00 a.m. Central Time on July 25, 2024. Listeners can access the live audio webcast by visiting investors.wm.com and selecting “Events & Presentations” from the website menu. A replay of the audio webcast will be available at the same location.

On the webcast, management of the Company is expected to discuss certain non-GAAP financial measures. The Company has provided information regarding its use of non-GAAP measures and reconciliations of such measures to their most comparable GAAP measures in the notes and tables that accompany the press release.

Item 7.01. Regulation FD Disclosure.

In addition to the financial results press release issued today, the Company also published a supplemental presentation on its website at investors.wm.com to provide additional information about the strategic rationale for its planned acquisition of Stericycle, Inc., a copy of which is furnished as Exhibit 99.2 to this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated July 24, 2024
99.2	Supplemental Presentation dated July 24, 2024
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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: July 24, 2024

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

WM Announces Second Quarter 2024 Earnings

Robust Growth in the Collection and Disposal Business Powers Strong Operating EBITDA and Margin

The Company Closed More than \$750 Million of Solid Waste Acquisitions Through July

HOUSTON — Jul. 24, 2024 — WM (NYSE: WM) today announced financial results for the quarter ended June 30, 2024.

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023	
	(in millions, except per share amounts)		(in millions, except per share amounts)	
	As Reported	As Adjusted ^(a)	As Reported	As Adjusted ^(a)
Revenue	\$5,402	\$5,402	\$5,119	\$5,119
Income from Operations	\$1,009	\$1,075	\$944	\$946
Operating EBITDA ^(b)	\$1,552	\$1,618	\$1,465	\$1,467
Operating EBITDA Margin	28.7%	30.0%	28.6%	28.7%
Net Income ^(c)	\$680	\$732	\$615	\$617
Diluted EPS	\$1.69	\$1.82	\$1.51	\$1.51

"Based on our great performance to start 2024 and our confidence in the strength of our business, after the first quarter we raised our full-year outlook for adjusted operating EBITDA and free cash flow by \$100 million. Our second quarter results are tracking to this higher trajectory and reflect continued momentum on our pricing programs and cost optimization efforts in our collection and disposal business," said Jim Fish, WM's President and Chief Executive Officer. "Revenue grew by 5.5% this quarter, and our disciplined focus on leveraging our people, technology and processes to reduce our cost to serve continued to drive margin expansion. Our adjusted operating EBITDA increased by 10.3%, and margin expanded by 130 basis points resulting in quarterly margin of 30.0% for the first time ever."^(a)

Fish continued, "We continue to strategically expand our core collection and disposal operations in North America through targeted acquisitions in new geographies like Long Island, New York and through tuck-in acquisitions in growth markets in Florida, North Carolina, and Arizona. Looking forward, we are excited about our planned acquisition of Stericycle, and we are progressing through the customary regulatory reviews. At the same time, we are making significant strides on our sustainability investments, having opened two upgraded recycling facilities this quarter. In our renewable energy business, we are scheduled to complete a total of five projects in 2024, with an additional nine projects currently under construction. The momentum is strong, and we remain focused on execution."

FOR MORE
INFORMATION

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KEY HIGHLIGHTS FOR THE SECOND QUARTER OF 2024

- Total Company revenue grew 5.5%, driven primarily by core price of 6.8% and increases in the value of the recycled commodities the Company sells.^(d)
- Collection and Disposal yield was 4.6%, and Collection and Disposal volume declined 0.3%.^(e)
- Operating expenses as a percentage of revenue improved 130 basis points to 60.9% compared to prior year. This improvement was driven by benefits from price and cost optimization efforts.
- SG&A expenses were 9.3% of revenue, or 9.1% of revenue on an adjusted basis and flat with the prior year.^(a)
- Total Company adjusted operating EBITDA grew 10.3% to \$1.62 billion, and margin expanded 130 basis points to 30.0% on an adjusted basis.^(a)
- Operating EBITDA in the Company's Collection and Disposal business grew \$200 million to \$1.83 billion, and margin expanded to 37.3%. Adjusted operating EBITDA in the Company's Collection and Disposal business grew \$203 million to \$1.84 billion, and margin expanded to 37.3%.^(a)
- Operating EBITDA in the Recycling Processing & Sales and WM Renewable Energy businesses grew 20.8%, in line with expectations, driven by higher market prices for recycled and renewable energy commodities, partially offset by temporary shutdown costs associated with recycling facility upgrades.^{(e)(f)}
- In the first half of the year, net cash provided by operating activities increased 21.6% to \$2.52 billion compared to the same period in 2023 driven by the Company's strong operating EBITDA growth combined with working capital benefits.
- In the first half of the year, free cash flow before investments in high-return sustainability projects grew 41.1% to \$1.63 billion. The Company continues to progress its sustainability growth portfolio with investments in an industry-leading network of renewable natural gas projects and recycling assets. Total Company free cash flow in the first half of the year, including these investments, grew 32.3% to \$1.24 billion.^(a)
- The Company's strong first half performance is on track to achieve the increased full-year outlook provided in April for adjusted operating EBITDA of between \$6.375 and \$6.525 billion and for free cash flow including sustainability growth investments of between \$2.0 and \$2.15 billion.^{(a)(g)}
- In conjunction with its second quarter earnings materials, the Company has published additional information elaborating on the strategic rationale and expected financial benefits from its planned acquisition of Stericycle in a supplemental presentation on our investor website.^(h)

Fish concluded, "We are pleased with the progress we've made on our strategic priorities so far in 2024. Our team continues to exceed the high expectations we have set. With our strong performance in the first half of the year, we are confident that we are on track to meet or exceed the midpoint of our full-year financial outlook that we provided in April."

(a) The information labeled as adjusted in this press release, as well as free cash flow, are non-GAAP measures. Please see "Non-GAAP Financial Measures" below and the reconciliations in the accompanying schedules for more information.

(b) Management defines operating EBITDA as GAAP income from operations before depreciation and amortization; this measure may not be comparable to similarly titled measures reported by other companies.

(c) For purposes of this press release, all references to "Net income" refer to the financial statement line item "Net income attributable to Waste Management, Inc."

- (d) Core price 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.
- (e) In the fourth quarter of 2023, the Company updated its reportable segments to enhance transparency regarding its financial performance and underscore its commitment to sustainability through substantial planned and ongoing investments in its Recycling Processing and Sales and WM Renewable Energy businesses. The Company reports through four segments, referred to as (i) Collection and Disposal – East Tier; (ii) Collection and Disposal – West Tier; (iii) Recycling Processing and Sales and (iv) WM Renewable Energy. The Company's East and West Tiers along with certain ancillary services not managed through our Tier segments form its "Collection and Disposal" business.
- (f) The Company's blended average single stream recycled commodity price was about \$96 per ton compared to about \$61 per ton in the prior year period, and the full-year expectation for pricing has increased to approximately \$90 per ton from approximately \$80 per ton. The average value of Renewable Fuel Standard credits was \$3.11 compared to \$2.03 in the prior year period, and the average natural gas price was \$1.64 per MMBtu compared to \$2.20 per MMBtu in the prior year period. The average electricity price was about \$64 per megawatt hour compared to about \$62 per megawatt hour in the prior year period.
- (g) The Company's financial outlook includes the impact of the \$750 million of closed acquisitions but excludes any potential impact from its planned acquisition of Stericycle.
- (h) The Company may announce information using SEC filings, press releases, public conference calls, webcasts, and the investors.wm.com page of its website. It is possible that information posted on such website (including the supplemental presentation referenced in this press release) could be deemed to be material information, and management encourages investors, other stakeholders and the media to review the information posted to its website. Except to the extent explicitly stated otherwise, documents and information on the Company's website are not incorporated herein by reference.

The Company will host a conference call at 10 a.m. ET on July 25, 2024 to discuss the second quarter 2024 results. Information contained within this press release will be referenced and should be considered in conjunction with the call.

Listeners can access a live audio webcast of the conference call by visiting investors.wm.com and selecting "Events & Presentations" from the website menu. A replay of the audio webcast will be available at the same location following the conclusion of the call.

Conference call participants should register to obtain their dial in and passcode details. This streamlined process improves security and eliminates wait times when joining the call.

ABOUT WM

WM (WM.com) is North America's leading provider of comprehensive environmental solutions. Previously known as Waste Management and based in Houston, Texas, WM is driven by commitments to put people first and achieve success with integrity. The company, through its subsidiaries, provides collection, recycling and disposal services to millions of residential, commercial, industrial and municipal customers throughout the U.S. and Canada. With innovative infrastructure and capabilities in recycling, organics and renewable energy, WM provides environmental solutions to and collaborates with its customers in helping them achieve their sustainability goals. WM has the largest disposal network and collection fleet in North America, is the largest recycler of post-consumer materials and is the leader in beneficial use of landfill gas, with a growing network of renewable natural gas plants and the most landfill gas-to-electricity plants in North America. WM's fleet includes more than 12,000 natural gas trucks – the largest heavy-duty natural gas truck fleet of its kind in North America. To learn more about WM and the company's sustainability progress and solutions, visit Sustainability.WM.com.

FORWARD-LOOKING STATEMENTS

The Company, from time to time, provides estimates or projections of financial and other data, comments on expectations relating to future periods and makes statements of opinion, view or belief about current and future events, circumstances or performance. This press release contains a number of such forward-looking statements, including all statements regarding future performance or financial results of our business; achievement of financial outlook; growth and margin expansion; drivers of performance, including pricing, cost optimization and cost reduction and other initiatives; results from acquisitions; consummation of the Stericycle acquisition and obtaining regulatory approvals; and timing of sustainability investments and project completions and related results. You should view these statements with caution. They are based on the facts and circumstances known to the Company as of the date the statements are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to failure to implement our optimization, automation, growth, and cost savings initiatives and overall business strategy; failure to obtain the results anticipated from strategic initiatives, investments, acquisitions, including the planned Stericycle acquisition, or new lines of business; failure to identify acquisition targets, consummate and integrate acquisitions, including our planned integration of Stericycle; our ability to consummate and finance the Stericycle acquisition and achieve the anticipated benefits therefrom, including cost synergies; legal, regulatory and other matters that may affect the costs and timing of our ability to complete, integrate and deliver all of the expected benefits of the planned Stericycle acquisition; environmental and other regulations, including developments related to emerging contaminants, gas emissions, renewable energy, extended producer responsibility and our natural gas fleet; significant environmental, safety or other incidents resulting in liabilities or brand damage; failure to obtain and maintain necessary permits due to land scarcity, public opposition or otherwise; diminishing landfill capacity, resulting in increased costs and the need for disposal alternatives; failure to attract, hire and retain key team members and a high quality workforce; increases in labor costs due to union organizing activities or changes in wage and labor related regulations; disruption and costs resulting from severe weather and destructive climate events; failure to achieve our sustainability goals or execute on our sustainability-related strategy and initiatives, including within planned timelines or anticipated budgets due to disruptions, delays, cost increases or changes in environmental or tax regulations; focus on, and regulation of, environmental and sustainability-related disclosures, which could lead to increased costs, risk of non-compliance, brand damage and litigation risk related to our sustainability efforts; macroeconomic conditions, geopolitical conflict and large-scale market disruption resulting in labor, supply chain and transportation constraints, inflationary cost pressures and fluctuations in commodity prices, fuel and other energy costs; increased competition; pricing actions; impacts from international trade restrictions; competitive disposal alternatives, diversion of waste from landfills and declining waste volumes; weakness in general economic conditions and capital markets, including potential for an economic recession; instability of financial institutions; adoption of new tax legislation; fuel shortages; failure to develop and protect new technology; failure of technology to perform as expected; failure to prevent, detect and address cybersecurity incidents or comply with privacy regulations; inability to adapt and manage the benefits and risks of artificial intelligence; negative outcomes of litigation or governmental proceedings; and decisions or developments that result in impairment charges. Please also see the Company's filings with the SEC, including Part I, Item 1A of the Company's most recently filed Annual Report on Form 10-K, as updated by subsequent Quarterly Reports on Form 10-Q, for additional information regarding these and other risks and uncertainties applicable to its business. The Company assumes no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

NON-GAAP FINANCIAL MEASURES

To supplement its financial information, the Company has presented, and/or may discuss on the conference call, adjusted earnings per diluted share, adjusted net income, adjusted income from operations, adjusted operating EBITDA and margin, adjusted SG&A expenses and free cash flow. All of these items are non-GAAP financial measures, as defined in Regulation G of the Securities Exchange Act of 1934, as amended. The Company reports its financial results in compliance with GAAP but believes that also discussing non-GAAP measures provides investors with (i) financial measures the Company uses in the management of its business and (ii) additional, meaningful comparisons of current results to prior periods' results by excluding items that the Company does not believe reflect its fundamental business performance and are not representative or indicative of its results of operations.

In addition, the Company's projected future operating EBITDA and margin is anticipated to exclude the effects of other events or circumstances that are not representative or indicative of the Company's results of operations. Such excluded items are not currently determinable, but may be significant, such as asset impairments and one-time items, charges, gains or losses from divestitures or litigation, and other items. Due to the uncertainty of the likelihood, amount and timing of any such items, the Company does not have

information available to provide a quantitative reconciliation of such projection to the comparable GAAP measure.

The Company discusses free cash flow and provides a projection of free cash flow because the Company believes that it is indicative of its ability to pay its quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay its debt obligations. Free cash flow is not intended to replace "Net cash provided by operating activities," which is the most comparable GAAP measure. The Company believes free cash flow gives investors useful insight into how the Company views its liquidity, but the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that the Company has committed to, such as declared dividend payments and debt service requirements. The Company defines free cash flow as net cash provided by operating activities, less capital expenditures, plus proceeds from divestitures of businesses and other assets (net of cash divested); this definition may not be comparable to similarly-titled measures reported by other companies.

The quantitative reconciliations of non-GAAP measures to the most comparable GAAP measures are included in the accompanying schedules, with the exception of projected adjusted operating EBITDA and margin. Non-GAAP measures should not be considered a substitute for financial measures presented in accordance with GAAP.

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WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except per Share Amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Operating revenues	\$ 5,402	\$ 5,119	\$ 10,561	\$ 10,011
Costs and expenses:				
Operating	3,291	3,186	6,431	6,272
Selling, general and administrative	501	467	992	943
Depreciation, depletion and amortization	543	521	1,057	1,026
Restructuring	—	1	—	4
(Gain) loss from divestitures, asset impairments and unusual items, net	58	—	56	(3)
Income from operations	4,393	4,175	8,536	8,242
Other income (expense):				
Interest expense, net	(136)	(125)	(266)	(245)
Equity in net income (losses) of unconsolidated entities	22	(12)	3	(23)
Other, net	(1)	2	1	4
Income before income taxes	(115)	(135)	(262)	(264)
Income tax expense	894	809	1,763	1,505
Consolidated net income	214	196	376	360
Less: Net income (loss) attributable to noncontrolling interests	680	613	1,387	1,145
Net income attributable to Waste Management, Inc.	—	(2)	(1)	(3)
Basic earnings per common share	\$ 680	\$ 615	\$ 1,388	\$ 1,148
Diluted earnings per common share	\$ 1.70	\$ 1.52	\$ 3.46	\$ 2.82
Weighted average basic common shares outstanding	\$ 1.69	\$ 1.51	\$ 3.44	\$ 2.81
Weighted average diluted common shares outstanding	401.3	405.9	401.5	407.4
	403.2	407.7	403.3	409.1

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Millions)
(Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 172	\$ 458
Receivables, net	2,980	2,870
Other	1,287	476
Total current assets	4,439	3,804
Property and equipment, net	17,420	16,968
Goodwill	9,363	9,254
Other intangible assets, net	753	759
Other	2,024	2,038
Total assets	<u>\$ 33,999</u>	<u>\$ 32,823</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable, accrued liabilities and deferred revenues	\$ 3,894	\$ 3,892
Current portion of long-term debt	242	334
Total current liabilities	4,136	4,226
Long-term debt, less current portion	16,501	15,895
Other	5,911	5,806
Total liabilities	<u>26,548</u>	<u>25,927</u>
Equity:		
Waste Management, Inc. stockholders' equity	7,457	6,903
Noncontrolling interests	(6)	(7)
Total equity	<u>7,451</u>	<u>6,896</u>
Total liabilities and equity	<u>\$ 33,999</u>	<u>\$ 32,823</u>

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)
(Unaudited)

	Six Months Ended	
	June 30,	
	2024	2023
Cash flows from operating activities:		
Consolidated net income	\$ 1,387	\$ 1,145
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,057	1,026
Other	166	163
Change in operating assets and liabilities, net of effects of acquisitions and divestitures	(89)	(260)
Net cash provided by operating activities	2,521	2,074
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(243)	(118)
Capital expenditures	(1,335)	(1,180)
Proceeds from divestitures of businesses and other assets, net of cash divested	58	46
Other, net	(839)	(87)
Net cash used in investing activities	(2,359)	(1,339)
Cash flows from financing activities:		
New borrowings	9,180	11,356
Debt repayments	(8,752)	(11,074)
Common stock repurchase program	(262)	(620)
Cash dividends	(608)	(572)
Exercise of common stock options	36	25
Tax payments associated with equity-based compensation transactions	(48)	(28)
Other, net	(10)	(6)
Net cash used in financing activities	(464)	(919)
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(4)	2
(Decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(306)	(182)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	552	445
Cash, cash equivalents and restricted cash and cash equivalents at end of period	\$ 246	\$ 263

WASTE MANAGEMENT, INC.

SUMMARY DATA SHEET
(In Millions)
(Unaudited)

Operating Revenues by Line of Business

Three Months Ended
June 30,

	2024			2023		
	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues
Commercial	\$ 1,526	\$ (196)	\$ 1,330	\$ 1,424	\$ (168)	\$ 1,256
Industrial	978	(199)	779	974	(192)	782
Residential	886	(23)	863	866	(25)	841
Other collection	781	(52)	729	745	(56)	689
Total collection	4,171	(470)	3,701	4,009	(441)	3,568
Landfill	1,291	(418)	873	1,263	(417)	846
Transfer	618	(270)	348	585	(265)	320
Total Collection and Disposal	6,080	(1,158)	4,922	5,857	(1,123)	4,734
Recycling Processing and Sales	475	(70)	405	394	(78)	316
WM Renewable Energy	70	(1)	69	63	(1)	62
Corporate and Other	12	(6)	6	14	(7)	7
Total	\$ 6,637	\$ (1,235)	\$ 5,402	\$ 6,328	\$ (1,209)	\$ 5,119

Six Months Ended
June 30,

	2024			2023		
	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues
Commercial	\$ 3,027	\$ (381)	\$ 2,646	\$ 2,836	\$ (329)	\$ 2,507
Industrial	1,912	(386)	1,526	1,907	(369)	1,538
Residential	1,762	(45)	1,717	1,720	(50)	1,670
Other collection	1,532	(105)	1,427	1,434	(106)	1,328
Total collection	8,233	(917)	7,316	7,897	(854)	7,043
Landfill	2,468	(803)	1,665	2,413	(808)	1,605
Transfer	1,178	(521)	657	1,125	(516)	609
Total Collection and Disposal	11,879	(2,241)	9,638	11,435	(2,178)	9,257
Recycling Processing and Sales	911	(138)	773	768	(158)	610
WM Renewable Energy	140	(2)	138	133	(2)	131
Corporate and Other	24	(12)	12	26	(13)	13
Total	\$ 12,954	\$ (2,393)	\$ 10,561	\$ 12,362	\$ (2,351)	\$ 10,011

WASTE MANAGEMENT, INC.

SUMMARY DATA SHEET
(In Millions)
(Unaudited)

Internal Revenue Growth

	Period-to-Period Change for the Three Months Ended June 30, 2024 vs. 2023				Period-to-Period Change for the Six Months Ended June 30, 2024 vs. 2023			
	Amount	As a % of Related Business ^(a)	Amount	As a % of Total Company ^(b)	Amount	As a % of Related Business ^(a)	Amount	As a % of Total Company ^(b)
Collection and Disposal	\$ 205	4.6%			\$ 424	4.8%		
Recycling Processing and Sales and WM Renewable Energy ^(c)	67	17.3			127	16.6		
Energy surcharge and mandated fees ^(d)	(8)	(3.2)			(36)	(7.4)		
Total average yield ^(e)			\$ 264	5.2%			\$ 515	5.1%
Volume ^(f)			5	0.1			3	—
Internal revenue growth			269	5.3			518	5.1
Acquisitions			18	0.3			37	0.4
Divestitures			—	—			(1)	—
Foreign currency translation			(4)	(0.1)			(4)	—
Total	\$ 283	5.5%	\$ 550	5.5%				

	Period-to-Period Change for the Three Months Ended June 30, 2024 vs. 2023			Period-to-Period Change for the Six Months Ended June 30, 2024 vs. 2023		
	As a % of Related Business ^(a)			As a % of Related Business ^(a)		
	Yield	Volume		Yield	Volume ^(g)	
Commercial	6.5%	1.3%		6.6%	1.0%	
Industrial	4.8	(4.3)		5.3	(4.1)	
Residential	6.5	(3.3)		6.4	(3.1)	
Total collection	5.7	(1.7)		5.9	(1.7)	
Landfill	1.4	2.6		1.9	3.0	
Transfer	4.9	3.6		5.2	3.3	
Total collection and disposal	4.6%	(0.3)%		4.8%	—%	

(a) Calculated by dividing the increase or decrease for the current year period by the prior year period's related business revenue adjusted to exclude the impacts of divestitures for the current year period.

(b) Calculated by dividing the increase or decrease for the current year period by the prior year period's total Company revenue adjusted to exclude the impacts of divestitures for the current year period.

(c) Includes combined impact of commodity price variability in both our Recycling Processing and Sales and WM Renewable Energy segments, as well as changes in certain recycling fees charged by our collection and disposal operations.

(d) Our energy surcharge was revised in the second quarter of 2023 to incorporate market prices for both diesel and compressed natural gas ("CNG").

(e) The amounts reported herein represent the changes in our revenue attributable to average yield for the total Company.

(f) Includes activities from our Corporate and Other businesses.

(g) Workday adjusted volume impact.

WASTE MANAGEMENT, INC.

SUMMARY DATA SHEET
(In Millions)
(Unaudited)

Free Cash Flow^(a)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 1,154	\$ 1,030	\$ 2,521	\$ 2,074
Capital expenditures, excluding sustainability growth investments	(445)	(459)	(947)	(963)
Proceeds from divestitures of businesses and other assets, net of cash divested	43	35	58	46
Free cash flow without sustainability growth investments	752	606	1,632	1,157
Capital expenditures - sustainability growth investments	(222)	(61)	(388)	(217)
Free cash flow	\$ 530	\$ 545	\$ 1,244	\$ 940

Supplemental Data	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Internalization of waste, based on disposal costs	69.5%	68.8%	68.9%	68.6%
Landfill depletable tons (in millions)	32.0	31.8	61.0	61.1

Acquisition Summary^(b)

Gross annualized revenue acquired	\$ 77	\$ 93	\$ 78	\$ 111
Total consideration, net of cash acquired	237	84	240	118
Cash paid for acquisitions consummated during the period, net of cash acquired	231	80	233	111
Cash paid for acquisitions including contingent consideration and other items from prior periods, net of cash acquired	232	84	250	118

Landfill Depletion and Accretion Expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Landfill depletion expense:				
Cost basis of landfill assets	\$ 162	\$ 156	\$ 308	\$ 298
Asset retirement costs	39	32	69	68
Total landfill depletion expense ^(c)	201	188	377	366
Accretion expense	33	33	66	65
Landfill depletion and accretion expense	\$ 234	\$ 221	\$ 443	\$ 431

(a) The summary of free cash flow has been prepared to highlight and facilitate understanding of the principal cash flow elements. Free cash flow is not a measure of financial performance under generally accepted accounting principles and is not intended to replace the consolidated statement of cash flows that was prepared in accordance with generally accepted accounting principles.

(b) Represents amounts associated with business acquisitions consummated during the applicable period except where noted.

(c) For both the second quarter of 2024 and the six months ended June 30, 2024, the increase in landfill depletion expense was primarily driven by changes in landfill cost estimates at our landfills, partially offset by the permanent closing of a previously reopened landfill in our East Tier.

WASTE MANAGEMENT, INC.

RECONCILIATION OF CERTAIN NON-GAAP MEASURES
(In Millions, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30, 2024				
	Income from Operations	Pre-tax Income	Tax Expense	Net Income ^(a)	Diluted Per Share Amount
As reported amounts	\$ 1,009	\$ 894	\$ 214	\$ 680	\$ 1.69
Adjustments:					
Stericycle transaction costs	7	7	1	6	0.01
Collective bargaining agreement costs	1	1	—	1	—
Loss from divestitures, asset impairments and unusual items, net ^(c)	58	58	13	45	0.12
As adjusted amounts	\$ 1,075	\$ 960	\$ 228 ^(b)	\$ 732	\$ 1.82
Depreciation, depletion and amortization	543				
Adjusted operating EBITDA	\$ 1,618				
Adjusted operating EBITDA margin		30.0%			

	Three Months Ended June 30, 2023				
	Income from Operations	Pre-tax Income	Tax Expense	Net Income ^(a)	Diluted Per Share Amount
As reported amounts	\$ 944	\$ 809	\$ 196	\$ 615	\$ 1.51
Adjustments:					
Collective bargaining agreement costs	1	1	—	1	—
Restructuring	1	1	—	1	—
As adjusted amounts	\$ 946	\$ 811	\$ 196 ^(b)	\$ 617	\$ 1.51
Depreciation, depletion and amortization	521				
Adjusted operating EBITDA	\$ 1,467				
Adjusted operating EBITDA margin		28.7%			

(a) For purposes of this press release table, all references to "Net income" refer to the financial statement line item "Net income attributable to Waste Management, Inc."

(b) The Company calculates its effective tax rate based on actual dollars. When the effective tax rate is calculated by dividing the Tax Expense amount in the table above by the Pre-tax Income amount, differences occur due to rounding, as these items have been rounded in millions. The second quarter 2024 and 2023 adjusted effective tax rates were 23.9% and 24.2%, respectively.

(c) Includes net charges primarily relating to an investment in a waste diversion technology business.

WASTE MANAGEMENT, INC.

RECONCILIATION OF CERTAIN NON-GAAP MEASURES
(In Millions)
(Unaudited)

	Three Months Ended June 30, 2024				
	Collection and Disposal	Recycling Processing and Sales	WM Renewable Energy	Corporate and Other	Total
Operating revenues, as reported	\$ 4,922	\$ 405	\$ 69	\$ 6	\$ 5,402
Income from operations, as reported	\$ 1,359	\$ 29	\$ 18	\$ (397)	\$ 1,009
Depreciation, depletion and amortization	475	31	9	28	543
Operating EBITDA, as reported	\$ 1,834	\$ 60	\$ 27	\$ (369)	\$ 1,552
Adjustments:					
Stericycle transaction costs	—	—	—	7	7
Collective bargaining agreement costs	1	—	—	—	1
Loss from divestitures, asset impairments and unusual items, net ^(a)	3	—	—	55	58
	4	—	—	62	66
Adjusted operating EBITDA	\$ 1,838	\$ 60	\$ 27	\$ (307)	\$ 1,618
Operating EBITDA margin, as reported	37.3%	14.8%	39.1%	N/A	28.7%
Adjusted operating EBITDA margin	37.3%	14.8%	39.1%	N/A	30.0%
	Three Months Ended June 30, 2023				
	Collection and Disposal	Recycling Processing and Sales	WM Renewable Energy	Corporate and Other	Total
Operating revenues, as reported	\$ 4,734	\$ 316	\$ 62	\$ 7	\$ 5,119
Income from operations, as reported	\$ 1,173	\$ 24	\$ 14	\$ (267)	\$ 944
Depreciation, depletion and amortization	461	25	9	26	521
Operating EBITDA, as reported	\$ 1,634	\$ 49	\$ 23	\$ (241)	\$ 1,465
Adjustments:					
Collective bargaining agreement costs	1	—	—	—	1
Restructuring	—	—	—	1	1
	1	—	—	1	2
Adjusted operating EBITDA	\$ 1,635	\$ 49	\$ 23	\$ (240)	\$ 1,467
Operating EBITDA margin, as reported	34.5%	15.5%	37.1%	N/A	28.6%
Adjusted operating EBITDA margin	34.5%	15.5%	37.1%	N/A	28.7%

(a) Includes net charges primarily relating to an investment in a waste diversion technology business.

WASTE MANAGEMENT, INC.

RECONCILIATION OF CERTAIN NON-GAAP MEASURES
(In Millions)
(Unaudited)

	Three Months Ended			
	June 30, 2024		June 30, 2023	
	Amount	As a % of Revenues	Amount	As a % of Revenues
Adjusted Operating Expenses and Adjusted Operating Expenses Margin				
Operating revenues, as reported	\$ 5,402		\$ 5,119	
Operating expenses, as reported	\$ 3,291	60.9%	\$ 3,186	62.2%
Adjustment:				
Collective bargaining agreement costs	(1)		(1)	
Operating expenses, as adjusted	\$ 3,290	60.9%	\$ 3,185	62.2%
Adjusted SG&A Expenses and Adjusted SG&A Expenses Margin				
Three Months Ended				
	June 30, 2024		June 30, 2023	
	Amount	As a % of Revenues	Amount	As a % of Revenues
Operating revenues, as reported	\$ 5,402		\$ 5,119	
SG&A expenses, as reported	\$ 501	9.3%	\$ 467	9.1%
Adjustment:				
Stericycle transaction costs	(7)		—	
SG&A expenses, as adjusted	\$ 494	9.1%	\$ 467	9.1%
2024 Projected Free Cash Flow Reconciliation^(a)				
	Scenario 1	Scenario 2		
Net cash provided by operating activities	\$ 5,000	\$ 5,250		
Capital expenditures to support the business	(2,200)	(2,300)		
Proceeds from divestitures of businesses and other assets, net of cash divested	50	100		
Free cash flow without sustainability growth investments	\$ 2,850	\$ 3,050		
Capital expenditures - sustainability growth investments	(850)	(900)		
Free cash flow	\$ 2,000	\$ 2,150		

(a) The reconciliation includes two scenarios that illustrate our projected free cash flow range for 2024. The amounts used in the reconciliation are subject to many variables, some of which are not under our control and, therefore, are not necessarily indicative of actual results.

WASTE MANAGEMENT, INC.

SUPPLEMENTAL INFORMATION PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY

(In Millions)

(Unaudited)

Diversity in the structure of recycling contracts results in different accounting treatment for commodity rebates. In accordance with revenue recognition guidance, our Company records gross recycling revenue and records rebates paid to customers as cost of goods sold. Other contract structures allow for netting of rebates against revenue.

Additionally, there are differences in whether companies adjust for accretion expense in their calculation of EBITDA. Our Company does not adjust for landfill accretion expenses when calculating operating EBITDA, while other companies do adjust it for the calculation of their EBITDA measure.

The table below illustrates the impact that differing contract structures and treatment of accretion expense has on the Company's adjusted operating EBITDA margin results. This information has been provided to enhance comparability and is not intended to replace or adjust GAAP reported results.

	Three Months Ended			
	June 30, 2024		June 30, 2023	
	Amount	Change in Adjusted Operating EBITDA Margin	Amount	Change in Adjusted Operating EBITDA Margin
Recycling commodity rebates	\$ 212	1.2%	\$ 149	0.8%
Accretion expense	\$ 33	0.6%	\$ 33	0.7%

	Six Months Ended			
	June 30, 2024		June 30, 2023	
	Amount	Change in Adjusted Operating EBITDA Margin	Amount	Change in Adjusted Operating EBITDA Margin
Recycling commodity rebates	\$ 403	1.2%	\$ 290	0.8%
Accretion expense	\$ 66	0.6%	\$ 65	0.7%



WM's Acquisition of Stericycle – Framing the Strategic Rationale

Supplemental Presentation
July 24, 2024



Cautionary Statement - Forward-Looking Statements and Projections

This presentation contains a number of forward-looking statements related to WM's planned acquisition of Stericycle, Inc., including but not limited to all statements regarding timing of the planned acquisition; ability to consummate and finance the acquisition; method of financing the acquisition; integration of the acquisition; future operations or benefit allocation; future business and financial performance of WM and Stericycle and the ability of each company to achieve financial guidance and operational targets; future leveraged outcomes of the proposed acquisition, including synergies, cost savings, impact on earnings, cash flow growth, free cash flow, rate of return on capital, shareholder returns, strength of balance sheet and credit ratings. You should view these statements with caution. They are based on the facts and circumstances known to the WM as of the date the statements are made and generally include words such as "expects," "intends," "targets," "estimates," "will" or similar expressions. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different. Such risks and uncertainties include, but are not limited to, general economic and capital markets conditions; inability to obtain required government approvals or to obtain such approvals on satisfactory conditions; inability to obtain stockholder approval or satisfy other closing conditions; inability to obtain financing for any event, change or other circumstance that could give rise to the termination of the merger agreement; unexpected costs, charges or expenses; failure to successfully integrate and realize anticipated benefits and synergies or obtain any other results anticipated; legal, regulatory and other matters that may affect the costs and timing of WM's ability to complete the acquisition; impacts of the announcement of the acquisition on Stericycle's personnel and business; and other factors that could cause Stericycle's business and financial results to be materially different than WM has anticipated, such as, without limitation, changes in volume of wastes streams managed; disruptions resulting from deployment of systems; changing market conditions in the healthcare industry; competition and demand for service in waste and secure information destruction industries; commodity price volatility; changes in governmental regulation of the collection, transportation, treatment and disposal of waste; the proper handling and protection of personal and confidential information; the level of government enforcement of regulations governing regulated waste collection and treatment; handling and protection of personal and confidential information; and the outcome of pending, future or settled litigation or investigations. For further discussion of risks applicable to WM and Stericycle, please see WM's and Stericycle's filings with the SEC, including Part I, Item 1A of each company's most recently filed Annual Report on Form 10-K and reports on Form 10-Q, which are incorporated herein by reference, and in other documents that WM or Stericycle file or furnish with the SEC. **Unless otherwise specified, WM's estimates and projections are as of July 24, 2024, the date of this presentation, and are subject to change. As noted herein, certain projections are based on Stericycle's first quarter financial results presented in its Investor Presentation dated April 25, 2024. Stericycle has not updated or confirmed its financial outlook since that date. Additional information and cautionary statements about projections is also included in such Investor Presentation and available at investors.stericycle.com.** Except as required by applicable law, WM assumes no obligation to update any forward-looking statement.

Cautionary Statement - Non-GAAP Financial Measures

WM's Operating EBITDA and Adjusted Operating EBITDA: This presentation refers to operating EBITDA of WM. WM defines operating EBITDA as GAAP income from depreciation, depletion, and amortization. WM's operating EBITDA has been, and in the future is expected to be, adjusted to exclude the effects of events or circumstances not representative or indicative of the Company's results of operations. Adjusted operating EBITDA is a non-GAAP measure.

Stericycle's EBITDA and Adjusted EBITDA: This presentation refers to EBITDA and adjusted EBITDA of Stericycle. Stericycle defines EBITDA as GAAP income from depreciation and intangible amortization. Adjusted EBITDA, which excludes the impact of certain items, is a non-GAAP measure.

Stericycle's Free Cash Flow Conversion: This presentation includes free cash flow conversion of Stericycle. Stericycle defines free cash flow as net cash from operating expenditures. Free cash flow is a non-GAAP measure. Free cash flow conversion of Stericycle is calculated as free cash flow as a percentage of adjusted EBITDA.

Leverage Ratio: All terms used in the calculation of leverage ratio in this presentation are defined in WM's \$3.5 billion Revolving Credit Agreement filed with the SEC on 2024.

Each of the definitions provided above may not be comparable to similarly titled measures reported by other companies. Non-GAAP measures are meant to supplement comparable GAAP measures.

For additional information about WM's and Stericycle's use of non-GAAP measures and reconciliations to the most comparable GAAP measures for prior financial results, see quarterly earnings results press releases and tables thereto, available at investors.wm.com, and Stericycle's quarterly earnings results press releases and tables thereto, available at investors.stericycle.com, and the 2024 Investor Presentation dated April 25, 2024, available at investors.stericycle.com.

Projected future non-GAAP results are expected to exclude the effects of events or circumstances that management believes are not representative or indicative of future results. Such excluded items are not currently determinable, but may be significant, such as asset impairments and one-time items, charges, gains or losses from divestitures or acquisitions. Due to the uncertainty of the likelihood, amount and timing of any such items, WM does not have information available to provide a quantitative reconciliation of non-GAAP measures to the comparable GAAP measure.

WM's Strategic Rationale for its Planned Acquisition of Stericycle



Stericycle is a leading player in a growing market segment supported by attractive secular trends

- With an aging population and broader healthcare trends, the medical waste sector is expected to experience volume growth that could outpace the factors that drive traditional solid waste volume trends (population growth)
- Stericycle has a leading medical waste disposal and transfer network and long-standing customer relationships as a clear market leader in the medical waste and compliance business in North America



Complementary business platforms extend WM's suite of comprehensive waste and environmental solutions

- The planned acquisition will position WM to offer customers an increasingly comprehensive suite of services as an environmental solutions provider in North America
- Stericycle's business functions include waste collection, management, and disposal, all of which are well-established core business and capabilities
- Stericycle builds on WM's sustainability commitments with leading, comprehensive service offerings for healthy and safe communities



WM's ability to leverage technology to both grow customer lifetime value and to enable an optimized cost-to-serve are expected to accelerate earnings growth of this business

- WM's data-driven approach to understand customers' needs is expected to identify opportunities for additional volume growth through strong customer relationships
- WM expects additional upside potential from cross-selling opportunities to non-overlapping customers
- WM has a proven track-record of providing customers with valuable data and insights about their waste management; WM expects to leverage this expertise to provide additional value to customers in the healthcare sector
- WM's expertise in using technology to enable process optimization and continuous improvement is expected to be enhanced by Stericycle's ERP adoption, which is key to the execution of its Long-Range Plan



Projected synergies and the expected growth profile of medical waste make this a financially attractive transaction

- Attractive post-synergy transaction multiple compared to WM's current trading multiple
- Expected low double-digit IRR that provides a healthy premium to WM's cost of capital
- >\$125 million of projected annual run-rate cost synergies expected from WM's keen focus on optimizing operating costs through its expertise in logistics and technology-enabled operating cost optimization, and the ability to internalize costs through WM's leading waste disposal network

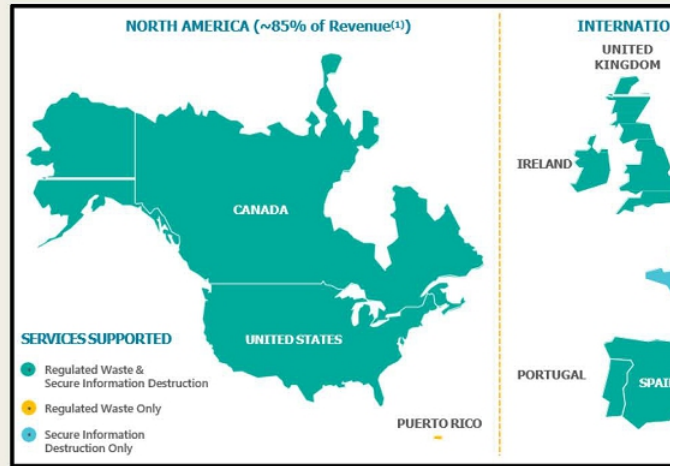
WM Investment Rationale: Why Acquire Stericycle Now?

Stericycle is at a strategic inflection point

- A leading player in an industry with attractive current and future secular trends
- Poised for growth with streamlined operations and technology enablement for process improvement

Stericycle is now a more streamlined and rationalized business with tools and technologies in place that can facilitate business execution and growth

- Targeted divestitures have been completed to rationalize the business footprint to concentrate on North American and European markets
- Lines of business reduced to core services in Regulated Medical Waste and Secure Information Destruction
- Significant investment has been made to implement a modern and integrated ERP platform that can drive process standardization, accountability for business results, and identification of efficiency gains



And, as a result, Stericycle's projected financial outlook is strong¹

- Revenue growth is now expected to be indicative of healthcare industry trends and is targeted at a CAGR of 3% to 5% from 2023-2027
- Earnings and cash flow growth will benefit from the combination of strong top-line growth and the ability to leverage technology and process to optimize costs



~13-17%¹
Adjusted EBITDA Growth
Target Expected through 2027

1. Projections are based on Stericycle's first quarter 2024 Investor Presentation dated April 25, 2024 and available at investors.stericycle.com. Please see page 2 for information about reliance on forward looking statements and page 3 for the definition and additional information about adjusted EBITDA.

Transaction Summary

Financial Terms

- WM to pay \$62 per share in cash
- 24% premium over 60-day volume weighted average price as of May 23, 2024
- Represents a total enterprise value of \$7.2bn, reflecting a post-synergy EBITDA multiple of about 13x

Financial impact and benefits

- Strengthens WM's long-term growth potential and sustainability commitments
- Expected to be accretive to WM's operating EBITDA and cash flows within one year of close

Balance sheet and financing

- The transaction is not subject to a financing condition
- WM intends to finance the transaction using a combination of bank debt and senior notes
- In the near term, following completion of the transaction, WM expects a leverage ratio of approximately 3.6x
- WM expects to achieve a leverage ratio within its targeted range of 2.75x to 3.0x approximately 24 months after closing the t
- Upon achieving its targeted leverage ratio, WM expects to resume share repurchases

Timing and closing

- Expected to close as early as the fourth quarter of 2024
- Subject to the satisfaction of customary closing conditions, including regulatory approvals and approval by a majority of the f
outstanding common shares

Note: Please see page 3 for definitions and additional information about EBITDA, operating EBITDA, and leverage ratio. The revision in projected leverage from WM's press release announcing the planned acquisition on June 3, 2024, which indicated a post-close leverage of 3.4x and an 18-month return to the targeted leverage range, relates to incremental indebtedness incurred fund a solid waste acquisition completed in July 2024.

Overview of Stericycle

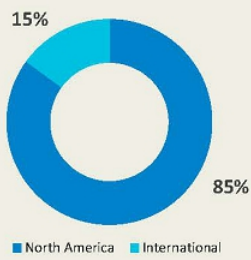
Based on Stericycle's 2023 Form 10-K and its first quarter 2024 Investor Presentation dated April 25, 2024. Items available at investors.stericycle.com. Additional information and cautionary statements about reliance on projections is included on page 2 and in the referenced Stericycle Investor Presentation.

Stericycle: A Leader in Specialized Waste Collection and Disposal

Revenue Mix¹



Geographic Mix¹



2027 Long-Term Outlook²

Organic Revenue Growth	3% to 5% Four-year Compounded
Average Annual Adjusted EBITDA Growth Rate	13% to 17%
Free Cash Flow Conversion	50% to 60% Based on Adjusted EBITDA

Strategic Assets¹

- Autoclave or Alternative Medical Treatment Facilities
- Medical Waste Incinerator Facilities
- Secure Information Destruction Processing Facilities
- Transfer Stations
- Other Locations and/or Administrative Facilities
- Global fleet of route trucks, tractor collection vans, and small duty vehicles

1. Revenue, Geographic Mix, and Strategic Asset information based on the Stericycle 2023 Form 10-K dated Feb. 28, 2024.
2. Outlook based on Stericycle's first quarter 2024 Investor Presentation dated April 25, 2024 and available at investors.stericycle.com. Please see page 2 for information related to reliance on forward looking statements and page 3 for definitions and additional information about adjusted EBITDA and free cash flow conversion.

Stericycle: A Leader in Regulated Waste and Secure Information Destruction

Regulated Waste and Compliance

	Leading brand
	Leader in reverse logistics
	Comprehensive industry expertise and regulatory relationships
	Serves hospitals, healthcare practices, laboratories and other business and government organizations
	Extensive treatment and transportation infrastructure in North America
	Breadth of medical waste and compliance services

Shred-it®

	A global leader in secure information destruction
	Extensive fleet and facility infrastructure
	National Association for Information Destruction
	Comprehensive industry expertise and thought leadership
	Serves healthcare practices, professional service institutions, manufacturers, government offices

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