REFINITIV

DELTA REPORT

10-Q

WASTE CONNECTIONS, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2324
CHANGES	523
DELETIONS	1211
ADDITIONS	590

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, March 31, 2023 2024

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 1-34370

WASTE CONNECTIONS, INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada

(State or other jurisdiction of incorporation or organization)

98-1202763

(I.R.S. Employer Identification No.)

6220 Hwy 7, Suite 600
Woodbridge
Ontario L4H 4G3
Canada

(Address of principal executive offices)

(905) 532-7510

(Registrant's telephone number, including area code)

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 Shares, no par value	WCN	New York Stock Exchange ("NYSE") Toronto Stock Exchange ("TSX")

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No ◻

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes þ No ◻

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

þ Large Accelerated Filer	◻ Accelerated Filer	◻ Non-accelerated Filer	☐ Smaller Reporting Company	☐ 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. ◻

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No þ

Indicate the number of shares outstanding of each of the issuer's classes of common shares:

As of October 13, 2023 April 12, 2024: 257,643,341 258,021,193 common shares

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WASTE CONNECTIONS, INC.

FORM 10-Q

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands of U.S. dollars, except share and per share amounts)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS				
Current assets:				
Cash and equivalents	$ 96,187	$ 78,637	$ 111,985	$ 78,399
Accounts receivable, net of allowance for credit losses of $23,970 and $22,939 at September 30, 2023 and December 31, 2022, respectively	868,093	833,862		
Accounts receivable, net of allowance for credit losses of $22,858 and $23,553 at March 31, 2024 and December 31, 2023, respectively			896,682	856,953
Prepaid expenses and other current assets	187,442	205,146	208,387	206,433
Total current assets	1,151,722	1,117,645	1,217,054	1,141,785
Restricted cash	102,844	102,727	105,683	105,639
Restricted investments	75,990	68,099	74,655	70,350
Property and equipment, net	7,096,769	6,950,915	7,827,304	7,228,331
Operating lease right-of-use assets	263,491	192,506	273,371	261,782
Goodwill	7,313,084	6,902,297	7,597,175	7,404,400
Intangible assets, net	1,618,692	1,673,917	1,877,226	1,603,541
Other assets, net	108,648	126,497	110,192	100,048
Total assets	$ 17,731,240	$ 17,134,603	$ 19,082,660	$ 17,915,876
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	$ 604,542	$ 638,728	$ 589,861	$ 642,455
Book overdraft	15,782	15,645	14,584	14,855
Deferred revenue	342,726	325,002	370,380	355,203
Accrued liabilities	446,436	431,247	507,259	521,428
Current portion of operating lease liabilities	32,677	35,170	36,430	32,533
Current portion of contingent consideration	100,813	60,092	96,931	94,996
Current portion of long-term debt and notes payable	32,760	6,759	16,096	26,462
Total current liabilities	1,575,736	1,512,643	1,631,541	1,687,932
Long-term portion of debt and notes payable	6,803,439	6,890,149	7,795,191	6,724,771
Long-term portion of operating lease liabilities	239,768	165,462	249,419	238,440
Long-term portion of contingent consideration	21,195	21,323	20,802	20,034
Deferred income taxes	1,048,283	1,013,742	1,052,508	1,022,480
Other long-term liabilities	451,524	417,640	542,239	524,438
Total liabilities	10,139,945	10,020,959	11,291,700	10,218,095
Commitments and contingencies (Note 18)				
Commitments and contingencies (Note 17)				
Equity:				
Common shares: 257,640,960 shares issued and 257,581,304 shares outstanding at September 30, 2023; 257,211,175 shares issued and 257,145,716 shares outstanding at December 31, 2022	3,276,631	3,271,958		
Common shares: 258,019,417 shares issued and 257,961,725 shares outstanding at March 31, 2024; 257,659,921 shares issued and 257,600,479 shares outstanding at December 31, 2023			3,279,130	3,276,661
Additional paid-in capital	270,104	244,076	272,450	284,284
Accumulated other comprehensive loss	(49,262)	(56,830)	(62,836)	(9,826)
Treasury shares: 59,656 and 65,459 shares at September 30, 2023 and December 31, 2022, respectively	—	—		

Treasury shares: 57,692 and 59,442 shares at March 31, 2024 and December 31, 2023, respectively			—	—
Retained earnings	4,088,726	3,649,494	4,298,171	4,141,690
Total Waste Connections' equity	7,586,199	7,108,698	7,786,915	7,692,809
Noncontrolling interest in subsidiaries	5,096	4,946	4,045	4,972
Total equity	7,591,295	7,113,644	7,790,960	7,697,781
Total liabilities and equity	$ 17,731,240	$ 17,134,603	$19,082,660	$ 17,915,876

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

(In thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenues	$ 2,064,744	$ 1,879,868	$ 5,986,342	$ 5,342,558	$ 2,072,653	$ 1,900,503
Operating expenses:						
Cost of operations	1,204,603	1,120,629	3,548,893	3,198,039	1,221,783	1,146,941
Selling, general and administrative	196,316	186,887	606,367	518,705	220,735	193,667
Depreciation	214,966	193,287	632,347	562,174	222,691	204,059
Amortization of intangibles	39,405	38,859	117,740	113,956	40,290	39,282
Impairments and other operating items	56,477	13,438	69,201	19,467	354	1,865
Operating income	352,977	326,768	1,011,794	930,217	366,800	314,689
Interest expense	(69,016)	(51,161)	(204,914)	(137,565)	(78,488)	(68,353)
Interest income	2,833	1,784	6,886	2,574	2,051	2,715
Other income, net	5,372	8,487	8,346	2,373		
Other income (expense), net					(1,823)	3,174
Income before income tax provision	292,166	285,878	822,112	797,599	288,540	252,225
Income tax provision	(62,975)	(48,753)	(185,915)	(155,899)	(59,413)	(54,389)
Net income	229,191	237,125	636,197	641,700	229,127	197,836
Less: Net income attributable to noncontrolling interests	(165)	(213)	(150)	(390)		
Plus (less): Net loss (income) attributable to noncontrolling interests					927	(23)
Net income attributable to Waste Connections	$ 229,026	$ 236,912	$ 636,047	$ 641,310	$ 230,054	$ 197,813

Earnings per common share attributable to Waste Connections' common shareholders:						
Basic	$ 0.89	$ 0.92	$ 2.47	$ 2.49	$ 0.89	$ 0.77
Diluted	$ 0.89	$ 0.92	$ 2.46	$ 2.49	$ 0.89	$ 0.77
Shares used in the per share calculations:						
Basic	257,633,703	257,197,010	257,535,408	257,438,756	257,801,116	257,372,942
Diluted	258,229,404	257,891,635	258,110,484	258,060,751	258,482,473	257,988,971
Cash dividends per common share	$ 0.255	$ 0.230	$ 0.765	$ 0.690	$ 0.285	$ 0.255

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In thousands of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net income	$ 229,191	$ 237,125	$ 636,197	$ 641,700	$ 229,127	$ 197,836
Other comprehensive income (loss), before tax:						
Interest rate swap amounts reclassified into interest expense	(5,286)	948	(14,120)	9,344	(5,385)	(4,080)
Changes in fair value of interest rate swaps	7,788	27,679	20,979	74,969	9,972	(3,299)
Foreign currency translation adjustment	(50,020)	(145,955)	2,527	(185,030)	(56,381)	1,682
Other comprehensive income (loss), before tax	(47,518)	(117,328)	9,386	(100,717)	(51,794)	(5,697)
Income tax expense related to items of other comprehensive income (loss)	(663)	(7,586)	(1,818)	(22,343)		
Income tax expense (benefit) related to items of other comprehensive income (loss)					(1,216)	1,955
Other comprehensive income (loss), net of tax	(48,181)	(124,914)	7,568	(123,060)	(53,010)	(3,742)
Comprehensive income	181,010	112,211	643,765	518,640	176,117	194,094
Less: Comprehensive income attributable to noncontrolling interests	(165)	(213)	(150)	(390)		
Plus (less): Comprehensive loss (income) attributable to noncontrolling interests					927	(23)

Comprehensive income attributable to Waste Connections	$ 180,845	$ 111,998	$ 643,615	$ 518,250	$ 177,044	$ 194,071

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

(In thousands of U.S. dollars, except share amounts)

	WASTE CONNECTIONS' EQUITY									WASTE CONNECTIONS' EQUITY					
	COMMON SHARES		ADDITIONAL PAID-IN	ACCUMULATED OTHER COMPREHENSIVE	TREASURY SHARES		RETAINED	NONCONTROLLING		COMMON SHARES		ADDITIONAL PAID-IN	ACCUMULATED OTHER COMPREHENSIVE	TREASURY SHARES	
	SHARES	AMOUNT	CAPITAL	INCOME (LOSS)	SHARES	AMOUNT	EARNINGS	INTERESTS	TOTAL	SHARES	AMOUNT	CAPITAL	INCOME (LOSS)	SHARES	AMOUNT
Balances at December 31, 2022	257,145,716	$3,271,958	$ 244,076	$ (56,830)	65,459	$ —	$3,649,494	$ 4,946	$7,113,644						
Balances at December 31, 2023										257,600,479	$3,276,661	$ 284,284	$ (9,826)	59,442	$ —
Sale of common shares held in trust	5,803	765	—	—	(5,803)	—	—	—	765	1,750	286	—	—	(1,750)	—
Vesting of restricted share units	325,490	—	—	—	—	—	—	—	—	329,996	—	—	—	—	—
Vesting of performance-based restricted share units	140,498	—	—	—	—	—	—	—	—	153,555	—	—	—	—	—
Restricted share units released from deferred compensation plan	19,151	—	—	—	—	—	—	—	—	19,149	—	—	—	—	—

Tax withholdings related to net share settlements of equity-based compensation	(176,837)	—	(22,966)	—	—	—	—	—	(22,966)	(256,512)	—	(30,850)	—	—	—
Equity-based compensation	—	—	17,374	—	—	—	—	—	17,374	—	—	19,016	—	—	—
Exercise of warrants	13,019	—	—	—	—	—	—	—	—	97,901	—	—	—	—	—
Issuance of shares under employee share purchase plan	14,594	1,841	—	—	—	—	—	—	1,841	15,407	2,183	—	—	—	—
Cash dividends on common shares	—	—	—	—	—	—	(65,788)	—	(65,788)	—	—	—	—	—	—
Amounts reclassified into earnings, net of taxes	—	—	—	(2,999)	—	—	—	—	(2,999)	—	—	—	(3,958)	—	—
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(2,425)	—	—	—	—	(2,425)	—	—	—	7,329	—	—
Foreign currency translation adjustment	—	—	—	1,682	—	—	—	—	1,682	—	—	—	(56,381)	—	—
Net income	—	—	—	—	—	—	197,813	23	197,836						
Balances at March 31, 2023	257,487,434	3,274,564	238,484	(60,572)	59,656	—	3,781,519	4,969	7,238,964						
Vesting of restricted share units	43,431	—	—	—	—	—	—	—	—						
Vesting of performance-based restricted share units	55,167	—	—	—	—	—	—	—	—						
Tax withholdings related to net share settlements of equity-based compensation	(62,304)	—	(5,709)	—	—	—	—	—	(5,709)						
Equity-based compensation	—	—	22,892	—	—	—	—	—	22,892						
Exercise of warrants	31,287	—	—	—	—	—	—	—	—						

Cash dividends on common shares	—	—	—	—	—	—	(65,351)	—	(65,351)						
Amounts reclassified into earnings, net of taxes	—	—	—	(3,494)	—	—	—	—	(3,494)						
Changes in fair value of cash flow hedges, net of taxes	—	—	—	12,120	—	—	—	—	12,120						
Foreign currency translation adjustment	—	—	—	50,865	—	—	—	—	50,865						
Net income (loss)	—	—	—	—	—	—	209,208	(38)	209,170	—	—	—	—	—	—
Balances at June 30, 2023	257,555,015	3,274,564	255,667	(1,081)	59,656	—	3,925,376	4,931	7,459,457						
Vesting of restricted share units	1,845	—	—	—	—	—	—	—	—						
Restricted share units released from deferred compensation plan	142	—	—	—	—	—	—	—	—						
Tax withholdings related to net share settlements of equity-based compensation	(22,917)	—	(740)	—	—	—	—	—	(740)						
Equity-based compensation	—	—	15,177	—	—	—	—	—	15,177						
Exercise of warrants	32,005	—	—	—	—	—	—	—	—						
Issuance of shares under employee share purchase plan	15,214	2,067	—	—	—	—	—	—	2,067						
Cash dividends on common shares	—	—	—	—	—	—	(65,676)	—	(65,676)						
Amounts reclassified into earnings, net of taxes	—	—	—	(3,885)	—	—	—	—	(3,885)						

Changes in fair value of cash flow hedges, net of taxes	—	—	—	5,724	—	—	—	—	5,724						
Foreign currency translation adjustment	—	—	—	(50,020)	—	—	—	—	(50,020)						
Net income	—	—	—	—	—	—	229,026	165	229,191						
Balances at September 30, 2023	257,581,304	$3,276,631	$ 270,104	$ (49,262)	59,656	$ —	$4,088,726	$ 5,096	$7,591,295						
Balances at March 31, 2024										257,961,725	$3,279,130	$ 272,450	$ (62,836)	57,692	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

(In thousands of U.S. dollars, except share amounts)

	WASTE CONNECTIONS' EQUITY									WASTE CONNECTIONS' EQUITY						
				ACCUMULATED									ACCUMULATED			
			ADDITIONAL	OTHER								ADDITIONAL	OTHER			
	COMMON SHARES		PAID-IN	COMPREHENSIVE	TREASURY SHARES		RETAINED	NONCONTROLLING		COMMON SHARES		PAID-IN	COMPREHENSIVE	TREASURY SHARES		RETA
	SHARES	AMOUNT	CAPITAL	INCOME (LOSS)	SHARES	AMOUNT	EARNINGS	INTERESTS	TOTAL	SHARES	AMOUNT	CAPITAL	INCOME (LOSS)	SHARES	AMOUNT	EARN
Balances at December 31, 2021	260,212,496	$3,693,027	$ 199,482	$ 39,584	70,662	$ —	$3,056,845	$ 4,607	$6,993,545							
Balances at December 31, 2022										257,145,716	$3,271,958	$ 244,076	$ (56,830)	65,459	$ —	$3,64
Sale of common shares held in trust	2,203	305	—	—	(2,203)	—	—	—	305	5,803	765	—	—	(5,803)	—	
Vesting of restricted share units	312,706	—	—	—	—	—	—	—	—	325,490	—	—	—	—	—	

Vesting of performance-based restricted share units	57,677	—	—	—	—	—	—	—	—	140,498	—	—	—	—	—	
Restricted share units released from deferred compensation plan	19,149	—	—	—	—	—	—	—	—	19,151	—	—	—	—	—	
Tax withholdings related to net share settlements of equity-based compensation	(143,243)	—	(17,236)	—	—	—	—	—	(17,236)	(176,837)	—	(22,966)	—	—	—	
Equity-based compensation	—	—	14,139	—	—	—	—	—	14,139	—	—	17,374	—	—	—	
Exercise of warrants	11,560	—	—	—	—	—	—	—	—	13,019	—	—	—	—	—	
Issuance of shares under employee share purchase plan	12,015	1,554	—	—	—	—	—	—	1,554	14,594	1,841	—	—	—	—	
Repurchase of common shares	(3,388,155)	(424,999)	—	—	—	—	—	—	(424,999)							
Cash dividends on common shares	—	—	—	—	—	—	(59,391)	—	(59,391)	—	—	—	—	—	—	(6
Amounts reclassified into earnings, net of taxes	—	—	—	3,491	—	—	—	—	3,491	—	—	—	(2,999)	—	—	
Changes in fair value of cash flow hedges, net of taxes	—	—	—	32,854	—	—	—	—	32,854	—	—	—	(2,425)	—	—	
Foreign currency translation adjustment	—	—	—	34,429	—	—	—	—	34,429	—	—	—	1,682	—	—	
Net income	—	—	—	—	—	—	180,324	44	180,368	—	—	—	—	—	—	19
Balances at March 31, 2022	257,096,408	3,269,887	196,385	110,358	68,459	—	3,177,778	4,651	6,759,059							
Sale of common shares held in trust	3,000	355	—	—	(3,000)	—	—	—	355							

Vesting of restricted share units	522	—	—	—	—	—	—	—	—
Tax withholdings related to net share settlements of equity-based compensation	(145)	—	(30)	—	—	—	—	—	(30)
Equity-based compensation	—	—	14,412	—	—	—	—	—	14,412
Exercise of warrants	806	—	—	—	—	—	—	—	—
Cash dividends on common shares	—	—	—	—	—	—	(59,421)	—	(59,421)
Amounts reclassified into earnings, net of taxes	—	—	—	2,680	—	—	—	—	2,680
Changes in fair value of cash flow hedges, net of taxes	—	—	—	1,904	—	—	—	—	1,904
Foreign currency translation adjustment	—	—	—	(73,504)	—	—	—	—	(73,504)
Net income	—	—	—	—	—	—	224,074	133	224,207
Balances at June 30, 2022	257,100,591	3,270,242	210,767	41,438	65,459	—	3,342,431	4,784	6,869,662
Vesting of restricted share units	4,135	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	360	—	—	—	—	—	—	—	—
Tax withholdings related to net share settlements of equity-based compensation	(1,449)	—	(200)	—	—	—	—	—	(200)
Equity-based compensation	—	—	18,878	—	—	—	—	—	18,878

Issuance of shares under employee share purchase plan	14,567	1,716	—	—	—	—	—	—	1,716							
Cash dividends on common shares	—	—	—	—	—	—	(58,897)	—	(58,897)							
Amounts reclassified into earnings, net of taxes	—	—	—	697	—	—	—	—	697							
Changes in fair value of cash flow hedges, net of taxes	—	—	—	20,344	—	—	—	—	20,344							
Foreign currency translation adjustment	—	—	—	(145,955)	—	—	—	—	(145,955)							
Net income	—	—	—	—	—	—	236,912	213	237,125							
Balances at September 30, 2022	257,118,204	$ 3,271,958	$ 229,445	$ (83,476)	65,459	$ —	$ 3,520,446	$ 4,997	$ 6,943,370							
Balances at March 31, 2023										257,487,434	$ 3,274,564	$ 238,484	$ (60,572)	59,656	$ —	$ 3,78

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands of U.S. dollars)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 636,197	$ 641,700	$ 229,127	$ 197,836
Adjustments to reconcile net income to net cash provided by operating activities:				
Loss on disposal of assets and impairments	37,470	11,503	1,649	1,910
Depreciation	632,347	562,174	222,691	204,059
Amortization of intangibles	117,740	113,956	40,290	39,282

Deferred income taxes, net of acquisitions	29,060	91,098	30,395	28,229
Current period provision for expected credit losses	13,363	11,097	3,730	2,247
Amortization of debt issuance costs	4,862	3,879	4,055	1,621
Share-based compensation	56,110	48,395	21,952	18,469
Interest accretion	14,827	13,218	11,279	4,884
Payment of contingent consideration recorded in earnings	—	(2,982)		
Adjustments to contingent consideration	30,367	(1,030)	—	(637)
Other	(3,535)	(8,412)	902	(2,937)
Net change in operating assets and liabilities, net of acquisitions	2,068	15,541	(75,761)	(52,605)
Net cash provided by operating activities	1,570,876	1,500,137	490,309	442,358
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for acquisitions, net of cash acquired	(573,185)	(1,272,910)	(1,156,422)	(144,611)
Capital expenditures for property and equipment	(615,554)	(618,313)	(169,951)	(175,786)
Proceeds from disposal of assets	8,678	23,341	1,085	1,260
Other	(5,552)	9,296	(9,291)	1,378
Net cash used in investing activities	(1,185,613)	(1,858,586)	(1,334,579)	(317,759)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from long-term debt	1,242,554	3,148,624	2,353,022	336,649
Principal payments on notes payable and long-term debt	(1,383,415)	(2,052,412)	(1,350,932)	(320,027)
Payment of contingent consideration recorded at acquisition date	(4,255)	(12,114)	(11,295)	(1,319)
Change in book overdraft	137	(5,983)	(271)	5,421
Payments for repurchase of common shares	—	(424,999)		
Payments for cash dividends	(196,815)	(177,710)	(73,573)	(65,788)
Tax withholdings related to net share settlements of equity-based compensation	(29,415)	(17,466)	(30,850)	(22,966)
Debt issuance costs	—	(11,454)	(10,093)	—
Proceeds from issuance of shares under employee share purchase plan	3,908	3,271	2,183	1,841
Proceeds from sale of common shares held in trust	765	660	286	765
Net cash provided by (used in) financing activities	(366,536)	450,417	878,477	(65,424)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,060)	(3,210)	(577)	(54)
Net increase in cash, cash equivalents and restricted cash	17,667	88,758	33,630	59,121
Cash, cash equivalents and restricted cash at beginning of period	181,364	219,615	184,038	181,364
Cash, cash equivalents and restricted cash at end of period	$ 199,031	$ 308,373	$ 217,668	$ 240,485
Non-cash financing activities:				
Liabilities assumed and notes payable issued to sellers of businesses acquired	$ 127,073	$ 179,126	$ 149,634	$ 34,224

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WASTE CONNECTIONS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY

The accompanying condensed consolidated financial statements relate to Waste Connections, Inc. and its subsidiaries (the "Company") for the three and nine month periods ended September 30, 2023March 31, 2024 and 2022.2023. In the opinion of management, the accompanying balance sheets and related interim statements of net income, comprehensive income, cash flows and equity include all adjustments, consisting only of normal recurring items, necessary for their fair statement in conformity with U.S. generally accepted accounting principles ("GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Examples include accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, contingent consideration accruals and asset impairments. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with the accounting guidance on contingencies. Actual results for all estimates could differ materially from the estimates and assumptions that the Company uses in the preparation of its condensed consolidated financial statements.

Interim results are not necessarily indicative of results for a full year. These interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022December 31, 2023.

2. REPORTING CURRENCY

The functional currency of the Company, as the parent corporate entity, and its operating subsidiaries in the United States, is the U.S. dollar. The functional currency of the Company's Canadian operations is the Canadian dollar. The reporting currency of the Company is the U.S. dollar. The Company's consolidated Canadian dollar financial position is translated to U.S. dollars by applying the foreign currency exchange rate in effect at the consolidated balance sheet date. The Company's consolidated Canadian dollar results of operations and cash flows are translated to U.S. dollars by applying the average foreign currency exchange rate in effect during the reporting period. The resulting translation adjustments are included in other comprehensive income or loss. Gains and losses from foreign currency transactions are included in earnings for the period.

3. NEW ACCOUNTING STANDARDS

Accounting Standards Pending Adoption

Clawback Disclosure of Executive Compensation RulesSignificant Segment Expenses and Other Segment Items. In October 2022, November 2023, the Securities and Exchange Commission Financial Accounting Standards Board (the "SEC" "FASB") adopted final rules regarding the recovery of erroneously awarded executive incentive compensation. The rules direct U.S. securities exchanges to establish standards amended its existing guidance for segment reporting to require listed issuers a public entity to develop disclose significant segment expenses and implement a written policy providing for the recovery of incentive compensation received by current and former executive officers in the event of a required accounting restatement when that compensation was based other segment items on an erroneously reported financial reporting measure. annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The new rule and related amendments include amended guidance does not change how a number of new disclosure requirements, including requiring issuers public entity identifies its operating segments, aggregates them or applies the quantitative thresholds to file their recovery policy as an exhibit determine its reportable segments. The guidance is applied retrospectively to their annual reports and establishing new cover page disclosures on Form 10-K indicating whether the all periods presented in financial statements, included in the filing reflect the correction of an error unless it is impracticable. The guidance applies to all public entities and whether the error correction required an incentive compensation recovery analysis. The U.S. securities exchanges filed listing standards to implement the SEC's directive, is effective for fiscal years beginning after December 15, 2023, and those listing standards were effective on October 2, 2023 for interim periods beginning after December 15, 2024. Registrants listed on those exchanges will be required to adopt a recovery policy by December 1, 2023. Early adoption is permitted. The Company will include an updated recovery policy as an exhibit to its 2023 Form 10-K. The does not expect the adoption of this standard is not expected guidance to have a material impact on the Company's its consolidated financial statements.

Additional Income Tax Disclosures. In December 2023, the FASB issued a final standard on improvements to income tax disclosures. The standard requires public business entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose

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annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. The standard applies to all entities subject to income taxes. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

4. REVENUE

The Company's operations primarily consist of providing non-hazardous waste collection, transfer, disposal and recycling services, non-hazardous oil and natural gas exploration and production ("E&P") waste treatment, recovery and disposal services and intermodal services. The following table disaggregates the Company's revenues by service line for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Commercial	$ 630,641	$ 564,592	$ 1,848,723	$ 1,602,793	$ 642,859	$ 602,279
Residential	538,364	487,995	1,582,289	1,391,603	546,211	514,053
Industrial and construction roll off	343,740	315,904	1,002,085	870,949	325,990	318,315
Total collection	1,512,745	1,368,491	4,433,097	3,865,345	1,515,060	1,434,647
Landfill	390,330	345,215	1,116,707	984,700	353,478	343,433
Transfer	313,214	271,685	892,757	751,117	301,882	273,521
Recycling	36,103	48,246	105,724	178,845	49,025	31,301
E&P	62,066	56,995	172,431	154,706	97,408	51,759
Intermodal and other	44,984	47,604	122,655	139,605	49,541	38,212
Intercompany	(294,698)	(258,368)	(857,029)	(731,760)	(293,741)	(272,370)
Total	$ 2,064,744	$ 1,879,868	$ 5,986,342	$ 5,342,558	$ 2,072,653	$ 1,900,503

The factors that impact the timing and amount of revenue recognized for each service line may vary based on the nature of the service performed. Generally, the Company recognizes revenue at the time it performs a service. In the event that the Company bills for services in advance of performance, it recognizes deferred revenue for the amount billed and subsequently recognizes revenue at the time the service is provided. Substantially all of the deferred revenue recorded as of June 30, 2023 December 31, 2023 was recognized as revenue during the three months ended September 30, 2023 March 31, 2024 when the service was performed.

See Note 11 10 for additional information regarding revenue by reportable segment.

Contract Acquisition Costs

The incremental direct costs of obtaining a contract, which consist of sales incentives, are recognized as Other assets in the Company's Condensed Consolidated Balance Sheets, and are amortized to Selling, general and administrative expense over the estimated life of the relevant customer relationship, which ranges from one to five years. The Company recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company would have recognized is one year or less. The Company had $26,518 $26,102 and $23,818 $25,977 of deferred sales incentives at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

5. ACCOUNTS RECEIVABLE

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for credit losses, represents their estimated net realizable value.

The allowance for credit losses is based on management's assessment of the collectability of assets pooled together with similar risk characteristics. The Company monitors the collectability of its trade receivables as one overall pool due

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to all trade receivables having similar risk characteristics. The Company estimates its allowance for credit losses based on historical collection trends, the age of outstanding receivables, geographical location of the customer, existing economic conditions and reasonable forecasts. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

The following is a rollforward of the Company's allowance for credit losses for the periods indicated:

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Beginning balance	$ 22,939	$ 18,480	$ 23,553	$ 22,939
Current period provision for expected credit losses	13,363	11,097	3,730	2,247
Write-offs charged against the allowance	(17,049)	(12,866)	(5,728)	(5,017)
Recoveries collected	4,711	3,912	1,356	2,068
Impact of changes in foreign currency	6	(111)	(53)	2
Ending balance	$ 23,970	$ 20,512	$ 22,858	$ 22,239

6. LANDFILL ACCOUNTING

At September 30, 2023 March 31, 2024, the Company's landfills consisted of 91 100 owned landfills, five landfills operated under life-of-site operating agreements and seven landfills operated under limited-term operating agreements. The Company's landfills had site costs with a net book value of $3,333,390 $3,297,752 at September 30, 2023 March 31, 2024. For the Company's landfills operated under limited-term operating agreements and life-of-site operating agreements, the owner of the property (generally a municipality) usually owns the permit and the Company operates the landfill for a contracted term. Where the contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. The Company is responsible for all final capping, closure and post-closure liabilities at the landfills it operates under life-of-site operating agreements.

The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. Many of the Company's existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns and landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets certain criteria is included in the estimate of total landfill airspace.

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Based on remaining permitted capacity as of September 30, 2023 March 31, 2024, and projected annual disposal volumes, the average remaining landfill life for the Company's owned landfills and landfills operated under life-of-site operating agreements is estimated to be approximately 33 32 years. As of September 30, 2023 March 31, 2024, the Company is seeking to expand permitted capacity at nine of its owned landfills and two landfills that it operates under life-of-site operating agreements, and considers the achievement of these expansions to be probable. Although the Company cannot be certain that all future expansions will be permitted as designed, the average remaining life, when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume, of the Company's owned landfills and landfills operated under life-of-site operating agreements is approximately 36 35 years. The estimated remaining lives of the Company's owned landfills and

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landfills operated under life-of-site operating agreements range from 2two to 308 382 years, with approximately 90% of the projected annual disposal volume from landfills with remaining lives of less than 70 years.

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company expensed $192,314 $62,525 and $172,118, $59,055, respectively, or an average of $5.11 $5.29 and $4.88 $5.06 per ton consumed, respectively, related to landfill depletion at owned landfills and landfills operated under life-of-site agreements.

The Company reserves for estimated final capping, closure and post-closure maintenance obligations at the landfills it owns and landfills it operates under life-of-site operating agreements. The Company calculates the net present value of its final capping, closure and post-closure liabilities by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in the Company's final capping, closure and post-closure liabilities being recorded in "layers." The Company's discount rate assumption for purposes of computing “layers” for final capping, closure and post-closure liabilities is based on its long-term credit adjusted risk-free rate. The Company’s discount rate assumption for purposes of computing 2023 2024 and 2022 2023 “layers” for final capping, closure and post-closure obligations is was 5.50% for 2023 and ranged from 3.25% to 5.50% for 2022. both periods. The Company’s long-term inflation rate assumption is 2.75% for each of the year years ending December 31, 2023 December 31, 2024 and ranged from 2.25% to 2.75% for the year ending December 31, 2022. 2023. The resulting final capping, closure and post-closure obligations are recorded on the Condensed Consolidated Balance Sheets along with an offsetting addition to site costs which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company expensed $13,554 $9,356 and $12,008, $4,474, respectively, or an average of $0.36 $0.78 and $0.34 $0.38 per ton consumed, respectively, related to final capping, closure and post-closure accretion expense. In the event that changes in an estimate for a closure and post-closure liability are associated with a significant change in facts and circumstances at a landfill or a non-operating section of a landfill, corresponding adjustments to recorded liabilities and Impairments and other operating items are made as soon as is practical.

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The following is a reconciliation of the Company’s final capping, closure and post-closure liability balance from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024:

Final capping, closure and post-closure liability at December 31, 2022	$ 344,606	
Final capping, closure and post-closure liability at December 31, 2023		$522,233
Liability adjustments	25,542	(8,726)
Accretion expense associated with landfill obligations	13,554	9,356
Closure payments	(14,864)	(28,950)
Assumption of closure liabilities from acquisitions	7,687	48,220
Foreign currency translation adjustment	56	(829)
Final capping, closure and post-closure liability at September 30, 2023	$ 376,581	
Final capping, closure and post-closure liability at March 31, 2024		$541,304

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Liability adjustments of $25,542 $8,726 for the nine three months ended September 30, 2023 March 31, 2024, represent non-cash changes to final capping, closure and post-closure liabilities and are recorded on the Condensed Consolidated Balance Sheets along with an offsetting addition to site costs, which is amortized to depletion expense as the remaining landfill airspace is consumed. The final capping, closure and post-closure liability is included in Other long-term liabilities in the Condensed Consolidated Balance Sheets. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year. In the event that changes in an estimate for a closure and post-closure liability are associated with a significant change in facts and circumstances at a landfill or a non-operating section of a landfill, corresponding adjustments to recorded liabilities and Impairments and other operating items are made as soon as is practical.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, $7,197 $7,655 and $6,890, $12,381, respectively, of the Company’s restricted cash balance and $64,090 $63,697 and $57,469, $59,551, respectively, of the Company’s restricted investments balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

7. ACQUISITIONS

The Company acquired nine individually immaterial non-hazardous solid waste collection, transfer, recycling and disposal businesses and one E&P landfill waste treatment and disposal business during the nine three months ended September 30, 2023 March 31, 2024. The total transaction-related expenses incurred during the nine three months ended September 30, 2023 March 31, 2024 for these acquisitions were $7,014. $9,847. These expenses are included in Selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Net Income.

The Company acquired 15 four individually immaterial non-hazardous solid waste collection, transfer, recycling and disposal businesses during the nine three months ended September 30, 2022 March 31, 2023. The total transaction-related expenses incurred during the nine three months ended September 30, 2022 March 31, 2023 for these acquisitions were $18,694. $2,081. These expenses are included in Selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Net Income.

The results of operations of the acquired businesses have been included in the Company's Condensed Consolidated Financial Statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions. Goodwill acquired is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses.

The following table summarizes the consideration transferred to acquire these businesses and the preliminary amounts of identifiable assets acquired and liabilities assumed at the acquisition dates for the acquisitions consummated in the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	2023 Acquisitions	2022 Acquisitions	2024 Acquisitions	2023 Acquisitions
Fair value of consideration transferred:				
Cash	$ 573,185	$ 1,272,910	$1,156,422	$ 144,611
Debt assumed	73,397	96,814	64,450	17,097
	646,582	1,369,724	1,220,872	161,708
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:				
Accounts receivable	15,412	32,329	51,852	3,882
Prepaid expenses and other current assets	4,474	6,549	9,951	2,290
Restricted investments	5,462	—	—	5,462
Operating lease right-of-use assets	14,048	3,160	2,317	587

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

Property and equipment	186,130	617,267	688,906	67,201
Long-term franchise agreements and contracts	59,509	109,364	77,384	58,630
Customer lists	5,020	69,378	102,418	1,527
Permits and other intangibles	2,403	97,548	136,868	2,403
Other assets	24	—	1,617	—
Accounts payable and accrued liabilities	(11,005)	(34,905)	(4,727)	(4,159)
Current portion of operating lease liabilities	(366)	(1,100)	(1,515)	(53)
Deferred revenue	(1,333)	(7,766)	(11,886)	(761)
Contingent consideration	(13,350)	(6,543)	(12,012)	(6,000)
Long-term portion of operating lease liabilities	(13,682)	(2,060)	(3,857)	(534)
Other long-term liabilities	(10,439)	(3,498)	(51,187)	(4,543)
Deferred income taxes	(3,501)	(26,440)	—	(1,077)
Total identifiable net assets	238,806	853,283	986,129	124,855
Goodwill	$ 407,776	$ 516,441	$ 234,743	$ 36,853

Goodwill acquired during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, totaling $317,190 $234,743 and $272,186, $36,853, respectively, is expected to be deductible for tax purposes. The fair value of acquired working capital related to four nine individually immaterial acquisitions completed during the twelve months ended September 30, 2023 March 31, 2024, is provisional pending receipt of information from the acquirees to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these four nine acquisitions are not expected to be material to the Company's financial position. The adjustments recorded during the three months ended March 31, 2024 relating to finalizing the acquired working capital for the individually immaterial acquisitions completed during the twelve months ended March 31, 2024 were not material to the Company's financial position.

The gross amount of trade receivables due under contracts acquired during the nine three months ended September 30, 2023 March 31, 2024, was $15,538, $52,335, of which $126 $483 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the nine three months ended September 30, 2022 March 31, 2023, was $37,486, $4,164, of which $5,157 $282 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

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8. INTANGIBLE ASSETS, NET

Intangible assets, exclusive of goodwill, consisted of the following at September 30, 2023 March 31, 2024:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:								
Long-term franchise agreements and contracts	$ 963,690	$ (338,262)	$ —	$ 625,428	$1,035,243	$ (359,900)	$ —	$ 675,343
Customer lists	780,712	(577,744)	—	202,968	905,627	(619,901)	—	285,726
Permits and other	782,252	(132,785)	(40,784)	608,683	919,818	(144,490)	(40,784)	734,544
	2,526,654	(1,048,791)	(40,784)	1,437,079	2,860,688	(1,124,291)	(40,784)	1,695,613

Indefinite-lived intangible assets:								
Solid waste collection and transportation permits	181,613	—	—	181,613	181,613	—	—	181,613
Intangible assets, exclusive of goodwill	$ 2,708,267	$ (1,048,791)	$ (40,784)	$ 1,618,692	$3,042,301	$(1,124,291)	$ (40,784)	$1,877,226

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the nine three months ended September 30, 2023 March 31, 2024 was 20.5 12.1 years. The weighted-average amortization period of customer lists acquired during the nine three months ended September 30, 2023 March 31, 2024 was 11.7 10.1 years. The weighted-average amortization period of finite-lived permits and other acquired during the nine three months ended September 30, 2023 March 31, 2024 was 40.0 years.

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2022 December 31, 2023:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:								
Long-term franchise agreements and contracts	$ 916,582	$ (297,382)	$ —	$ 619,200	$ 960,033	$ (343,099)	$ —	$ 616,934
Customer lists	776,719	(527,425)	—	249,294	806,257	(606,192)	—	200,065
Permits and other	779,689	(115,095)	(40,784)	623,810	784,905	(139,192)	(40,784)	604,929
	2,472,990	(939,902)	(40,784)	1,492,304	2,551,195	(1,088,483)	(40,784)	1,421,928
Indefinite-lived intangible assets:								
Solid waste collection and transportation permits	181,613	—	—	181,613	181,613	—	—	181,613
Intangible assets, exclusive of goodwill	$ 2,654,603	$ (939,902)	$ (40,784)	$ 1,673,917	$2,732,808	$(1,088,483)	$ (40,784)	$1,603,541

Estimated future amortization expense for the next five years relating to finite-lived intangible assets owned as of September 30, 2023 March 31, 2024 is as follows:

For the year ending December 31, 2023	$	157,219	
For the year ending December 31, 2024	$	139,959	$172,784
For the year ending December 31, 2025	$	123,027	$155,871
For the year ending December 31, 2026	$	107,340	$136,081
For the year ending December 31, 2027	$	93,670	$118,791
For the year ending December 31, 2028			$105,796

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9. LEASES LONG-TERM DEBT

The following table presents the Company's long-term debt at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Revolving Credit Agreement, bearing interest ranging from 6.30% to 6.43% (a)	$ 2,237,794	$ —
Revolver under 2021 Revolving and Term Credit Agreement, bearing interest ranging from 6.40% to 8.50% (b)	—	453,245
Term loan under 2021 Revolving and Term Credit Agreement, bearing interest at 6.50% (b)	—	650,000
Term loan under 2022 Term Loan Agreement, bearing interest at 6.44% (b)	—	800,000
4.25% Senior Notes due 2028	500,000	500,000
3.50% Senior Notes due 2029	500,000	500,000
2.60% Senior Notes due 2030	600,000	600,000
2.20% Senior Notes due 2032	650,000	650,000
3.20% Senior Notes due 2032	500,000	500,000
4.20% Senior Notes due 2033	750,000	750,000
5.00% Senior Notes due 2034	750,000	—
3.05% Senior Notes due 2050	500,000	500,000
2.95% Senior Notes due 2052	850,000	850,000
Notes payable to sellers and other third parties, bearing interest ranging from 2.42% to 10.35%, principal and interest payments due periodically with due dates ranging from 2028 to 2036 (a)	37,124	48,774
Finance leases, bearing interest ranging from 1.89% to 5.07%, with lease expiration dates ranging from 2026 to 2029 (a)	9,292	10,034
	7,884,210	6,812,053
Less – current portion	(16,096)	(26,462)
Less – unamortized debt discount and issuance costs	(72,923)	(60,820)
Long-term portion of debt and notes payable	$ 7,795,191	$ 6,724,771

(a) Interest rates represent the interest rates at March 31, 2024.
(b) Interest rates represent the interest rates at December 31, 2023.

2021 Revolving Credit and Term Loan Agreement

On February 27, 2024, the Company rents used a portion of the proceeds from borrowings under the Revolving Credit Agreement (as defined and described below) to (i) prepay the amounts outstanding under that certain equipment Second Amended and facilities under short-term agreements, non-cancelable operating lease agreements Restated Revolving Credit and finance leases. The Term Loan Agreement, dated as of July 30, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "2021 Revolving and Term Credit Agreement"), among the Company, determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use ("ROU") asset as borrower, Bank of America, N.A., acting through its Canada Branch, as the global agent, the swing line lender and a lease liability at letter of credit issuer, Bank of America, N.A., as the lease commencement date. The lease liability is initially measured at U.S. agent and a letter of credit issuer, and the present value lenders and any other financial institutions from time to time party thereto and (ii) terminate the 2021 Revolving and Term Credit Agreement and the loan documents associated therewith.

2022 Term Loan Agreement

On February 27, 2024, the Company used a portion of the unpaid lease payments at proceeds from borrowings under the lease commencement date.

Key estimates and judgments include how Revolving Credit Agreement to (i) prepay the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term and (3) lease payments.

The lease guidance requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if amounts outstanding under that rate cannot be readily determined, its incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount certain Term Loan Agreement, dated as of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms.

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

The lease term for the Company's leases includes the noncancelable period of the lease, plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease payments included in the measurement of the lease liability comprise fixed payments or variable lease payments. The variable lease payments take into account annual changes in the consumer price index and common area maintenance charges, if known.

ROU assets for operating and finance leases are periodically reviewed for impairment losses. The Company uses the long-lived asset impairment guidance in ASC Subtopic 360-10, Property, Plant, and Equipment – Overall, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. The Company did not recognize an impairment charge for any of its ROU assets during the nine months ended September 30, 2023 and 2022.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset. The Company did not recognize any significant remeasurements during the nine months ended September 30, 2023 and 2022.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company has elected to apply the short-term lease recognition and measurement exemption allowed for in the lease accounting standard. The Company recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. October 31, 2022

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Lease cost for operating (as amended, restated, supplemented or otherwise modified from time to time, the "2022 Term Loan Agreement"), among the Company, as borrower, Bank of America, N.A., as administrative agent, and finance leases for the three lenders and nine months ended September 30, 2023 any other financial institutions from time to time party thereto and (ii) terminate the 2022 were as follows: Term Loan Agreement and the loan documents associated therewith.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating lease cost	$ 11,914	$ 9,822	$ 34,881	$ 30,814
Finance lease cost:				
Amortization of leased assets	733	682	2,098	1,802
Interest on leased liabilities	63	61	168	161
Total lease cost	$ 12,710	$ 10,565	$ 37,147	$ 32,777

Supplemental cash flow information On February 27, 2024, the Company, as borrower, Bank of America, N.A., acting through its Canada Branch, as the global agent, the swing line lender, and non-cash activity related a letter of credit issuer, Bank of America, N.A., as the U.S. agent and a letter of credit issuer, and the other lenders from time to time party thereto (the "Lenders") entered into that certain Revolving

Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement"), pursuant to which the Lenders made loans and other credit extensions to the Company's leases Company under a revolving credit facility.

Details of the Revolving Credit Agreement at March 31, 2024 and details of the 2021 Revolving and Term Credit Agreement at December 31, 2023 are as follows:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 33,967	$ 30,313
Operating cash flows from finance leases	$ 168	$ 161
Financing cash flows from finance leases	$ 2,079	$ 1,758
Non-cash activity:		
Right-of-use assets obtained in exchange for lease liabilities - operating leases	$ 85,377	$ 53,967
Right-of-use assets obtained in exchange for lease liabilities - finance leases	$ 1,388	$ 3,369

Weighted-average remaining lease term and discount rate for the Company's leases are as follows:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Weighted average remaining lease term - operating leases	11.1 years	8.9 years
Weighted average remaining lease term - finance leases	3.9 years	4.4 years
Weighted average discount rate - operating leases	3.92 %	2.96 %
Weighted average discount rate - finance leases	2.35 %	1.96 %

As of September 30, 2023, future minimum lease payments, reconciled to the respective lease liabilities, are as follows:

	Operating Leases	Finance Leases
Last 3 months of 2023	$ 11,634	$ 798
2024	40,695	3,194
2025	34,940	3,194
2026	32,313	2,608
2027	31,270	1,186
Thereafter	198,782	293
Minimum lease payments	349,634	11,273
Less: imputed interest	(77,189)	(501)
Present value of minimum lease payments	272,445	10,772
Less: current portion of lease liabilities	(32,677)	(2,962)
Long-term portion of lease liabilities	$ 239,768	$ 7,810

	March 31, 2024	December 31, 2023
Revolver		
Available	$ 723,386	$ 1,357,013
Letters of credit outstanding	$ 38,820	$ 39,742
Total amount drawn, as follows:	$ 2,237,794	$ 453,245
Amount drawn – U.S. Term SOFR rate loan	$ 1,150,000	$ 90,000
Interest rate applicable – U.S. Term SOFR rate loan	6.43 %	6.46 %
Amount drawn – U.S. Term SOFR rate loan	$ 45,000	$ 150,000
Interest rate applicable – U.S. Term SOFR rate loan	6.43 %	6.50 %
Amount drawn – U.S. base rate loan	$ —	$ 28,000
Interest rate applicable – U.S. base rate loan	— %	8.50 %
Amount drawn – Canadian Term CORRA loan	$ 987,444	$ —

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

Interest rate applicable - Canadian term CORRA loan		6.30 %		— %
Amount drawn – Canadian Term CORRA loan	$	55,350	$	—
Interest rate applicable - Canadian term CORRA loan		6.31 %		— %
Amount drawn – Canadian prime rate loan	$	—	$	15,122
Interest rate applicable - Canadian prime rate loan		— %		7.20 %
Amount drawn – Canadian bankers' acceptance	$	—	$	153,111
Interest rate applicable – Canadian bankers' acceptance		— %		6.46 %
Amount drawn – Canadian bankers' acceptance	$	—	$	17,012
Interest rate applicable – Canadian bankers' acceptance		— %		6.40 %
Commitment – rate applicable		0.09 %		0.09 %
Term loan				
Amount drawn – U.S. Term SOFR rate loan	$	—	$	650,000
Interest rate applicable – U.S. Term SOFR rate loan		— %		6.50 %

In addition to the $38,820 of letters of credit at March 31, 2024 issued and outstanding under the Revolving Credit Agreement, the Company has issued and outstanding letters of credit totaling $102,960 under facilities other than the Revolving Credit Agreement.

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Pursuant to the terms and conditions of the Revolving Credit Agreement, the Lenders committed to provide the revolving credit facility as set forth above. The Revolving Credit Agreement (i) has a scheduled maturity date of February 27, 2029 (subject to certain extension mechanics therein by which the Company may request two additional one-year maturity date extensions), (ii) provides for revolving advances up to an aggregate principal amount of $3,000,000 at any one time outstanding (subject to satisfaction of certain conditions at the time advances are made) and (iii) provides for, at the Company's discretion, flexibility for an uncommitted upsize of the aggregate principal amount by up to $1,000,000 (to an aggregate principal amount of up to $4,000,000). The Revolving Credit Agreement provides for letters of credit in an aggregate amount not to exceed $320,000 and swing line loans in an aggregate amount not to exceed $100,000, in each case, to be issued at the request of the Company subject to the terms therein and with such sublimits included in the aggregate commitments of the credit facility.

10. LONG-TERM DEBT Advances are available under the Revolving Credit Agreement in U.S. dollars and Canadian dollars. Interest accrues on revolving advances, at the Company's option, (i) at a term rate based on the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator thereof) ("term SOFR") or a base rate for U.S. dollar borrowings, plus an applicable margin, and (ii) at a term rate based on the Canadian Overnight Repo Rate Average as administered and published by the Bank of Canada (or a successor administrator thereof) ("term CORRA") or at the Canadian prime rate for Canadian dollar borrowings, plus an applicable margin. Interest for term SOFR loans has a credit spread adjustment of 0.10% for all applicable interest periods and interest for term CORRA loans has a credit spread adjustment of 0.29547% for an interest period of one month's duration and 0.32138% for an interest period of three months' duration. Fees for letters of credit in U.S. dollars and Canadian dollars are also based on the applicable margin. The applicable margin used in connection with interest rates and fees is based on the debt rating of the Company's public non-credit-enhanced, senior unsecured long-term debt (the "Debt Rating"). The applicable margin for term SOFR loans, term CORRA loans and letter of credit fees ranges from 0.750% to 1.250%, and the applicable margin for U.S. base rate loans, Canadian prime rate loans and swing line loans ranges from 0.00% to 0.250%. The Company will also pay a commitment fee based on the Debt Rating on the actual daily unused amount of the aggregate revolving commitments ranging from 0.065% to 0.150%.

Borrowings under the Revolving Credit Agreement are unsecured and there are no subsidiary guarantors under the Revolving Credit Agreement. The Revolving Credit Agreement contains customary representations, warranties, covenants and events of default, including, among others, a change of control event of default and limitations on the incurrence of indebtedness and liens, new lines of business, mergers, transactions with affiliates and burdensome agreements. During the continuance of an event of default, the Lenders may take a number of actions, including, among others, declaring the entire amount then outstanding under the Revolving Credit Agreement to be due and payable.

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

The following table presents Revolving Credit Agreement includes a financial covenant limiting, as of the Company's long-term debt at September 30, 2023 last day of each fiscal quarter, the ratio of (a) Consolidated Total Funded Debt (as defined in the Revolving Credit Agreement) as of such date to (b) Consolidated EBITDA (as defined in the Revolving Credit Agreement), measured for the preceding 12 months, to not more than 3.75 to 1.00 (or 4.25 to 1.00 during material acquisition periods, subject to certain limitations). As of March 31, 2024, the Company was in compliance with all applicable covenants in the Revolving Credit Agreement.

Senior Notes

On February 21, 2024, the Company completed an underwritten public offering (the "Offering") of $750,000 aggregate principal amount of its 5.00% Senior Notes due 2034 (the "2034 Senior Notes"). The Company issued the 2034 Senior Notes under the Indenture, dated as of November 16, 2018 (the "Base Indenture"), by and December 31, 2022:

	September 30, 2023	December 31, 2022
Revolver under Credit Agreement, bearing interest ranging from 6.38% to 8.50% (a)	$ 531,618	$ 614,705
Term loan under Credit Agreement, bearing interest at 6.43% (a)	650,000	650,000
Term loan under Term Loan Agreement, bearing interest at 6.43% (a)	800,000	800,000
4.25% Senior Notes due 2028	500,000	500,000
3.50% Senior Notes due 2029	500,000	500,000
2.60% Senior Notes due 2030	600,000	600,000
2.20% Senior Notes due 2032	650,000	650,000
3.20% Senior Notes due 2032	500,000	500,000
4.20% Senior Notes due 2033	750,000	750,000
3.05% Senior Notes due 2050	500,000	500,000
2.95% Senior Notes due 2052	850,000	850,000
Notes payable to sellers and other third parties, bearing interest ranging from 2.42% to 10.35%, principal and interest payments due periodically with due dates ranging from 2024 to 2036 (a)	56,047	37,232
Finance leases, bearing interest ranging from 1.89% to 5.07%, with lease expiration dates ranging from 2026 to 2029 (a)	10,772	11,464
	6,898,437	6,963,401
Less – current portion	(32,760)	(6,759)
Less – unamortized debt discount and issuance costs	(62,238)	(66,493)
Long-term portion of debt and notes payable	$ 6,803,439	$ 6,890,149

(a) Interest rates represent the interest rates at September 30, 2023 between the Company and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the Eighth Supplemental Indenture, dated as of February 21, 2024 (the "Supplemental Indenture" and the Base Indenture as so supplemented, the "Indenture").

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Credit Agreement

Details The Company will pay interest on the 2034 Senior Notes on March 1 and September 1 of each year, beginning September 1, 2024, and the 2034 Senior Notes will mature on March 1, 2034. The 2034 Senior Notes are the Company's senior unsecured obligations, ranking equally in right of payment with its other existing and future unsubordinated debt and senior to any of its future subordinated debt. The 2034 Senior Notes will not be guaranteed by any of the Credit Agreement Company's subsidiaries.

The Company may, prior to December 1, 2033 (three months before the maturity date) (the "Par Call Date"), redeem some or all of the 2034 Senior Notes, at any time and from time to time, at a redemption price equal to the greater of 100% of the principal amount of the 2034 Senior Notes redeemed, or the sum of the present values of the remaining scheduled payments of principal and interest on the 2034 Senior Notes redeemed discounted to the redemption date (assuming the 2034 Senior Notes matured on the Par Call Date), plus, in either case, accrued and unpaid interest thereon to the redemption date. Commencing on December 1, 2033 (three months before the maturity date), the Company may redeem some or all of the 2034 Senior Notes, at any time and from time to time, at a redemption price equal to the principal amount of the 2034 Senior Notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

Under certain circumstances, the Company may become obligated to pay additional amounts (the "Additional Amounts") with respect to the 2034 Senior Notes to ensure that the net amounts received by each holder of the 2034 Senior Notes will not be less than the amount such holder would have received if withholding taxes or deductions were not incurred on a payment under or with respect to the 2034 Senior Notes. If such payment of Additional Amounts are as follows: a result of a change in the laws or regulations, including a change in any official position, the introduction of an official position or a holding by a court of competent jurisdiction, of any jurisdiction from or through which payment is made by or on behalf of the 2034 Senior Notes having power to tax, and the Company cannot avoid such payments of Additional Amounts through reasonable measures, then the Company may redeem the 2034 Senior Notes then outstanding at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

If the Company experiences certain kinds of changes of control, each holder of the 2034 Senior Notes may require the Company to purchase all or a portion of the 2034 Senior Notes for cash at a price equal to 101% of the aggregate principal amount of such 2034 Senior Notes, plus accrued and unpaid interest, if any, to, but excluding, the purchase date.

	September 30, 2023	December 31, 2022
Revolver under Credit Agreement		
Available	$ 1,278,859	$ 1,193,502
Letters of credit outstanding	$ 39,523	$ 41,793
Total amount drawn, as follows:	$ 531,618	$ 614,705
Amount drawn – U.S. Term SOFR rate loan	$ 335,000	$ 391,000
Interest rate applicable – U.S. Term SOFR rate loan	6.43 %	5.42 %
Amount drawn – U.S. Term SOFR rate loan	$ 30,000	$ —
Interest rate applicable – U.S. Term SOFR rate loan	6.42 %	— %
Amount drawn – U.S. base rate loan	$ 15,000	$ —
Interest rate applicable – U.S. base rate loan	8.50 %	— %
Amount drawn – Canadian prime rate loan	$ 11,094	$ —
Interest rate applicable - Canadian prime rate loan	7.20 %	— %
Amount drawn – Canadian bankers' acceptance	$ 85,054	$ 223,705
Interest rate applicable – Canadian bankers' acceptance	6.38 %	5.74 %
Amount drawn – Canadian bankers' acceptance	$ 55,470	$ —
Interest rate applicable – Canadian bankers' acceptance	6.38 %	— %
Commitment – rate applicable	0.09 %	0.09 %
Term loan under Credit Agreement		
Amount drawn – U.S. Term SOFR rate loan	$ 650,000	$ 650,000
Interest rate applicable – U.S. Term SOFR rate loan	6.43 %	5.42 %

The covenants in the Indenture include limitations on liens, sale-leaseback transactions and mergers and sales of all or substantially all of the Company's assets. The Indenture also includes customary events of default with respect to the 2034 Senior Notes.

Upon an Event of Default, the principal of and accrued and unpaid interest on all the 2034 Senior Notes may be declared to be due and payable by the Trustee or the holders of not less than 25% in principal amount of the outstanding 2034 Senior Notes. Upon such a declaration, such principal and accrued interest on all of the 2034 Senior Notes will be due and payable immediately. In the case of an Event of Default resulting from certain events of bankruptcy, insolvency or reorganization, the principal (or such specified amount) of and accrued and unpaid interest, if any, on all outstanding 2034 Senior Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the 2034 Senior Notes. Under certain circumstances, the holders of a majority in principal amount of the outstanding 2034 Senior Notes may rescind any such acceleration with respect to the 2034 Senior Notes and its consequences.

In addition to the $39,523 of letters of credit at September 30, 2023 issued and outstanding under the Credit Agreement, the Company has issued and outstanding letters of credit totaling $102,229 under facilities other than the Credit Agreement.

11. SEGMENT REPORTING

The Company's revenues are generated from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

Effective April 1, 2023, the Company modified its organizational structure under new regional operating segments as the result of continued growth in its business. The Company now reports revenue and segment EBITDA based on the following six geographic solid waste operating segments: Southern, Western, Central, Eastern, Canada and MidSouth. A small number of operating locations have been reallocated from the Western segment to the Central segment, the previous Eastern segment has been bifurcated into two smaller geographies now referred to as the Eastern segment and MidSouth segment, and a small number of operating locations have been reallocated from the Southern segment to the MidSouth segment. The Company's six geographic solid waste operating segments comprise its reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. While certain corporate or regional overhead expense allocations may affect comparability on a period-over-period basis, the segment information presented herein reflects the realignment of these regions.

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WASTE CONNECTIONS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

10. SEGMENT REPORTING

The Company's revenues are generated primarily from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

For the three months ended March 31, 2024, the Company managed its operations through the following six geographic solid waste operating segments: Western, Southern, Central, Eastern, Canada and MidSouth. The Company's six geographic solid waste operating segments comprise its reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. Certain corporate or regional overhead expense allocations may affect comparability of the segment information presented herein on a period-over-period basis.

The Company's Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. The Company defines segment EBITDA as earnings before interest, taxes, depreciation, amortization, impairments and other operating items, and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. The Company's management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of segment EBITDA to Income before income tax provision is included at the end of this Note 11. 10.

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

Summarized financial information concerning the Company's reportable segments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, is shown in the following tables:

Three Months Ended September 30, 2023 / March 31, 2024	Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)	Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)
Western					$ 476,703	$ (54,454)	$ 422,249	$113,050
Southern	$ 465,134	$ (51,556)	$ 413,578	$ 133,072	473,953	(55,007)	418,946	128,412
Western	486,351	(53,889)	432,462	124,433				
Central	419,169	(46,307)	372,862	137,823	403,086	(42,159)	360,927	125,922
Eastern	420,855	(67,746)	353,109	100,779	431,969	(71,906)	360,063	95,016
Canada	292,351	(29,256)	263,095	108,524	307,346	(26,984)	280,362	121,361
MidSouth	275,582	(45,944)	229,638	61,923	273,337	(43,231)	230,106	57,507
Corporate(a)	—	—	—	(2,729)	—	—	—	(11,133)
	$ 2,359,442	$ (294,698)	$ 2,064,744	$ 663,825	$2,366,394	$ (293,741)	$2,072,653	$630,135

Three Months Ended September 30, 2022	Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)
Southern	$ 429,787	$ (46,350)	$ 383,437	$ 122,472
Western	412,928	(42,739)	370,189	109,736
Central	380,756	(41,867)	338,889	122,471
Eastern	385,204	(55,946)	329,258	77,384
Canada	270,041	(27,727)	242,314	87,910
MidSouth	259,520	(43,739)	215,781	64,036
Corporate(a)	—	—	—	(11,657)
	$ 2,138,236	$ (258,368)	$ 1,879,868	$ 572,352

Nine Months Ended September 30, 2023	Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)
Southern	$ 1,382,681	$ (155,149)	$ 1,227,532	$ 384,660
Western	1,402,628	(155,355)	1,247,273	354,682
Central	1,218,670	(136,638)	1,082,032	384,538
Eastern	1,215,266	(189,604)	1,025,662	260,569
Canada	824,303	(85,347)	738,956	286,703
MidSouth	799,823	(134,936)	664,887	182,072
Corporate(a)	—	—	—	(22,142)
	$ 6,843,371	$ (857,029)	$ 5,986,342	$ 1,831,082

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Nine Months Ended September 30, 2022	Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)

Three Months Ended March 31, 2023					Revenue	Intercompany Revenue(b)	Reported Revenue	Segment EBITDA(c)
Western					$ 444,796	$ (48,957)	$ 395,839	$110,689
Southern	$ 1,232,302	$ (129,003)	$ 1,103,299	$ 341,006	451,000	(51,107)	399,893	121,914
Western	1,179,592	(129,159)	1,050,433	315,114				
Central	1,067,991	(113,854)	954,137	333,866	383,525	(43,540)	339,985	115,756
Eastern	1,064,236	(154,322)	909,914	214,335	388,797	(59,669)	329,128	73,275
Canada	789,531	(82,127)	707,404	265,402	253,670	(26,514)	227,156	82,984
MidSouth	740,666	(123,295)	617,371	175,133	251,085	(42,583)	208,502	57,731
Corporate(a)	—	—	—	(19,042)	—	—	—	(2,454)
	$ 6,074,318	$ (731,760)	$ 5,342,558	$ 1,625,814	$2,172,873	$ (272,370)	$1,900,503	$559,895

(a) The majority of Corporate expenses are allocated to the six operating segments. Direct acquisition expenses, expenses associated with common shares held in the deferred compensation plan exchanged for other investment options and share-based compensation expenses associated with Progressive Waste share-based grants outstanding at June 1, 2016 that were continued by the Company are not allocated to the six operating segments and comprise the net EBITDA of the Company's Corporate segment for the periods presented.

(b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(c) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in the Company's most recent Annual Report on Form 10-K.

Total assets for each of the Company's reportable segments at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, were as follows:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Western			$ 3,434,367	$ 3,432,529
Southern	$ 3,478,012	$ 3,410,888	3,500,113	3,501,953
Western	3,409,663	3,239,679		
Central	2,801,263	2,803,853	2,793,648	2,811,016
Eastern	3,156,943	2,752,436	3,281,517	3,228,244
Canada	2,734,397	2,773,882	3,625,769	2,794,795
MidSouth	1,705,300	1,727,323	1,991,424	1,705,180
Corporate	445,662	426,542	455,822	442,159
Total Assets	$ 17,731,240	$ 17,134,603	$19,082,660	$17,915,876

The following tables show changes in goodwill during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, by reportable segment:

	Southern	Western	Central	Eastern	Canada	MidSouth	Total	Western	Southern	Central	Eastern	Canada	MidSouth	
Balance as of December 31, 2022	$1,547,894	$732,335	$1,003,470	$1,189,111	$1,684,670	$744,817	$6,902,297							
Balance as of December 31, 2023								$779,455	$1,559,703	$1,008,500	$1,587,491	$1,723,068	$746,183	$7,
Goodwill acquired	—	45,072	3,605	361,398	—	1,366	411,441	5,653	1,322	—	37,289	91,389	98,665	
Goodwill acquisition adjustments	(1,450)	—	—	—	(2,215)	—	(3,665)	—	—	425	—	—	—	
Impact of changes in foreign currency	—	—	—	—	3,011	—	3,011	—	—	—	—	(41,968)	—	

Balance as of September 30, 2023	$1,546,444	$777,407	$1,007,075	$1,550,509	$1,685,466	$746,183	$7,313,084							
Balance as of March 31, 2024								$785,108	$1,561,025	$1,008,925	$1,624,780	$1,772,489	$844,848	$7,

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WASTE CONNECTIONS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

	Southern	Western	Central	Eastern	Canada	MidSouth	Total	Western	Southern	Central	Eastern	Canada	MidSouth	
Balance as of December 31, 2021	$1,457,437	$503,223	$ 931,269	$ 992,578	$1,559,512	$743,624	$6,187,643							
Balance as of December 31, 2022								$732,335	$1,547,894	$1,003,470	$1,189,111	$1,684,670	$744,817	$6,
Goodwill acquired	85,004	—	73,787	181,671	167,926	—	508,388	30,703	—	397	3,440	—	3,249	
Goodwill acquisition adjustments	—	8,060	—	—	—	(7)	8,053	—	(647)	—	—	(289)	—	
Impact of changes in foreign currency	—	—	—	—	(129,224)	—	(129,224)	—	—	—	—	1,417	—	
Balance as of September 30, 2022	$1,542,441	$511,283	$1,005,056	$1,174,249	$1,598,214	$743,617	$6,574,860							
Balance as of March 31, 2023								$763,038	$1,547,247	$1,003,867	$1,192,551	$1,685,798	$748,066	$6,

A reconciliation of the Company's primary measure of segment profitability (segment EBITDA) to Income before income tax provision in the Condensed Consolidated Statements of Net Income is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Western segment EBITDA					$ 113,050	$ 110,689
Southern segment EBITDA	$ 133,072	$ 122,472	$ 384,660	$ 341,006	128,412	121,914
Western segment EBITDA	124,433	109,736	354,682	315,114		
Central segment EBITDA	137,823	122,471	384,538	333,866	125,922	115,756
Eastern segment EBITDA	100,779	77,384	260,569	214,335	95,016	73,275
Canada segment EBITDA	108,524	87,910	286,703	265,402	121,361	82,984

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

MidSouth segment EBITDA	61,923	64,036	182,072	175,133	57,507	57,731
Subtotal reportable segments	666,554	584,009	1,853,224	1,644,856	641,268	562,349
Unallocated corporate overhead	(2,729)	(11,657)	(22,142)	(19,042)	(11,133)	(2,454)
Depreciation	(214,966)	(193,287)	(632,347)	(562,174)	(222,691)	(204,059)
Amortization of intangibles	(39,405)	(38,859)	(117,740)	(113,956)	(40,290)	(39,282)
Impairments and other operating items	(56,477)	(13,438)	(69,201)	(19,467)	(354)	(1,865)
Interest expense	(69,016)	(51,161)	(204,914)	(137,565)	(78,488)	(68,353)
Interest income	2,833	1,784	6,886	2,574	2,051	2,715
Other income, net	5,372	8,487	8,346	2,373		
Other income (expense), net					(1,823)	3,174
Income before income tax provision	$ 292,166	$ 285,878	$ 822,112	$ 797,599	$ 288,540	$ 252,225

12. 11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company recognizes all derivatives on the Condensed Consolidated Balance Sheets at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the gain or loss on the derivatives will be recognized in accumulated other comprehensive income (loss) ("AOCIL") and reclassified into earnings in the same period during which the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item. The Company classifies cash inflows and outflows from derivatives within operating activities on the Condensed Consolidated Statements of Cash Flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings under the Revolving Credit Agreement. The Company's strategy to achieve that objective involves entering into interest rate swaps. The interest rate swaps outstanding at September 30, 2023 March 31, 2024 were specifically designated to the Revolving Credit Agreement and accounted for as cash flow hedges.

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At September 30, 2023 March 31, 2024, the Company's derivative instruments included four interest rate swap agreements as follows:

Date Entered	Notional Amount	Fixed Interest Rate Paid (a)	Variable Interest Rate Received	Effective Date (b)	Expiration Date
August 2017	$ 200,000	2.1230 %	1-month Term SOFR	November 2022	October 2025
June 2018	$ 200,000	2.8480 %	1-month Term SOFR	November 2022	October 2025
June 2018	$ 200,000	2.8284 %	1-month Term SOFR	November 2022	October 2025
December 2018	$ 200,000	2.7715 %	1-month Term SOFR	November 2022	July 2027

(a) Plus applicable margin.

(b) In October 2022, the Company amended the reference rate in all of its outstanding interest rate swap contracts to replace One-Month LIBOR with One-Month Term SOFR and certain credit spread adjustments. The Company did not record any gains or losses upon the conversion of the reference rates in these interest rate swap contracts, and the Company believes these amendments will not have a material impact on its Condensed Consolidated Financial Statements.

The fair values of derivative instruments designated as cash flow hedges at September 30, 2023 March 31, 2024, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives		Asset Derivatives		Liability Derivati
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location
Interest rate swaps	Prepaid expenses and other current assets(a)	$ 21,166	Accrued liabilities	$ —	Prepaid expenses and other current assets(a)	$ 18,500	Accrued liabilities
	Other assets, net	17,499			Other assets, net	8,874	
Total derivatives designated as cash flow hedges		$ 38,665		$ —		$ 27,374	

(a) Represents the estimated amount of the existing unrealized gains on interest rate swaps at September 30, 2023 March 31, 2024 (based on the interest rate yield curve at that date), included in AOCIL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

The fair values of derivative instruments designated as cash flow hedges at December 31, 2022 December 31, 2023, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives		Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	F
Interest rate swaps	Prepaid expenses and other current assets	$ 17,906	Accrued liabilities	$ —	Prepaid expenses and other current assets	$ 15,842	Accrued liabilities	$
	Other assets, net	13,901			Other assets, net	6,945		
Total derivatives designated as cash flow hedges		$ 31,807		$ —		$ 22,787		$

The following table summarizes the impact of the Company's cash flow hedges on the results of operations, comprehensive income (loss) and AOCIL for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCIL on Derivatives, Net of Tax (a)		Statement of Net Income Classification	Amount of (Gain) or Loss Reclassified from AOCIL into Earnings, Net of Tax (b)	
	Three Months Ended September 30,			Three Months Ended September 30,	
	2023	2022		2023	2022
Interest rate swaps	$ 5,724	$ 20,344	Interest expense	$ (3,885)	$ 697

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(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCIL on Derivatives, Net of Tax (a)		Statement of Net Income Classification	Amount of (Gain) or Loss Reclassified from AOCIL into Earnings, Net of Tax (b)		Amount of Gain or (Loss) Recognized as AOCIL on Derivatives, Net of Tax (a)		Statement of Net Income Classification	Amount of (from A
	Nine Months Ended September 30,			Nine Months Ended September 30,		Three Months Ended March 31,			Thr
	2023	2022		2023	2022	2024	2023		2024
Interest rate swaps	$ 15,419	$ 55,102	Interest expense	$ (10,378)	$ 6,868	$ 7,329	$ (2,425)	Interest expense	$ (3,

(a) In accordance with the derivatives and hedging guidance, the changes in fair values of interest rate swaps have been recorded in equity as a component of AOCIL. As the critical terms of the interest rate swaps match the underlying debt being hedged, all unrealized changes in fair value are recorded in AOCIL.

(b) Amounts reclassified from AOCIL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

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See Note 16 15 for further discussion on the impact of the Company's hedge accounting to its consolidated comprehensive income (loss) and AOCIL.

13. 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted cash and investments, trade payables, debt instruments, contingent consideration obligations and interest rate swaps. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the carrying values of cash and equivalents, trade receivables, restricted cash and investments, trade payables and contingent consideration are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, based on current borrowing rates, current remaining average life to maturity and borrower credit quality for similar types of borrowing arrangements, and are classified as Level 2 within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, are as follows:

	Carrying Value at		Fair Value (a) at		Carrying Value at		Fair Value (a) at	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
4.25% Senior Notes due 2028	$ 500,000	$ 500,000	$ 472,450	$ 470,850	$500,000	$ 500,000	$488,300	$ 496,800
3.50% Senior Notes due 2029	$ 500,000	$ 500,000	$ 453,600	$ 457,650	$500,000	$ 500,000	$470,750	$ 478,350
2.60% Senior Notes due 2030	$ 600,000	$ 600,000	$ 504,060	$ 510,540	$600,000	$ 600,000	$532,020	$ 539,460

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

2.20% Senior Notes due 2032	$ 650,000	$ 650,000	$ 500,045	$ 514,540	$650,000	$ 650,000	$533,325	$ 543,725
3.20% Senior Notes due 2032	$ 500,000	$ 500,000	$ 414,250	$ 429,000	$500,000	$ 500,000	$439,100	$ 450,200
4.20% Senior Notes due 2033	$ 750,000	$ 750,000	$ 668,475	$ 699,450	$750,000	$ 750,000	$706,275	$ 729,600
5.00% Senior Notes due 2034					$750,000	$ —	$741,975	$ —
3.05% Senior Notes due 2050	$ 500,000	$ 500,000	$ 316,250	$ 343,300	$500,000	$ 500,000	$341,350	$ 362,600
2.95% Senior Notes due 2052	$ 850,000	$ 850,000	$ 516,035	$ 561,425	$850,000	$ 850,000	$568,990	$ 601,460

(a) Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value inputs include third-party calculations of the market interest rate of notes with similar ratings in similar industries over the remaining note terms.

For details on the fair value of the Company's interest rate swaps, restricted cash and investments and contingent consideration, refer to Note 15. 14.

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14. 13. NET INCOME PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income per common share attributable to the Company's shareholders for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Numerator:						
Net income attributable to Waste Connections for basic and diluted earnings per share	$ 229,026	$ 236,912	$ 636,047	$ 641,310	$ 230,054	$ 197,813
Denominator:						
Basic shares outstanding	257,633,703	257,197,010	257,535,408	257,438,756	257,801,116	257,372,942
Dilutive effect of equity-based awards	595,701	694,625	575,076	621,995	681,357	616,029
Diluted shares outstanding	258,229,404	257,891,635	258,110,484	258,060,751	258,482,473	257,988,971

15. 14. FAIR VALUE MEASUREMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted cash and investments. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's derivative instruments included pay-fixed, receive-variable interest rate swaps. The Company's interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. For the Company's interest rate swaps, the Company also considers the Company's creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the counterparties' creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company's restricted cash is valued at quoted market prices in active markets for identical assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted cash measured at fair value is invested primarily in money market accounts, bank time deposits and U.S. government and agency securities. The Company's restricted investments are valued at quoted market prices in active markets for similar assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted investments measured at fair value are invested primarily in money market accounts, bank time deposits, U.S. government and agency securities and Canadian bankers' acceptance notes.

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The Company's assets and liabilities measured at fair value on a recurring basis at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, were as follows:

	Fair Value Measurement at September 30, 2023 Using				Fair Value Measurement at March 31, 2024 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net asset position	$ 38,665	$ —	$ 38,665	$ —	$ 27,374	$ —	$ 27,374	$ —
Restricted cash	$ 102,844	$ 102,844	$ —	$ —	$ 103,773	$ 103,773	$ —	$ —
Restricted investments	$ 75,618	$ —	$ 75,618	$ —	$ 76,929	$ —	$ 76,929	$ —
Contingent consideration	$ (122,008)	$ —	$ —	$ (122,008)	$ (117,733)	$ —	$ —	$ (117,733)

	Fair Value Measurement at December 31, 2022 Using				Fair Value Measurement at December 31, 2023 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net asset position	$ 31,807	$ —	$ 31,807	$ —	$ 22,787	$ —	$ 22,787	$ —

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

Restricted cash	$ 102,727	$ 102,727	$ —	$ —	$ 105,639	$ 105,639	$ —	$ —
Restricted investments	$ 66,402	$ —	$ 66,402	$ —	$ 70,658	$ —	$ 70,658	$ —
Contingent consideration	$ (81,415)	$ —	$ —	$ (81,415)	$ (115,030)	$ —	$ —	$ (115,030)

The following table summarizes the changes in the fair value for Level 3 liabilities related to contingent consideration for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Beginning balance	$ 81,415	$ 94,308	$ 115,030	$ 81,415
Contingent consideration recorded at acquisition date	13,350	6,543	12,012	6,000
Payment of contingent consideration recorded at acquisition date	(4,255)	(12,114)	(11,295)	(1,319)
Payment of contingent consideration recorded in earnings	—	(2,982)		
Adjustments to contingent consideration	30,367	(1,030)	—	(637)
Interest accretion expense	1,131	1,073	1,986	363
Foreign currency translation adjustment	—	(35)		
Ending balance	$ 122,008	$ 85,763	$ 117,733	$ 85,822

16. 15. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes changes in the fair value of interest rate swaps that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows:

	Three Months Ended September 30, 2023			Three Months Ended March 31, 2024		
	Gross	Tax Effect	Net of Tax	Gross	Tax Effect	Net of Tax
Interest rate swap amounts reclassified into interest expense	$ (5,286)	$ 1,401	$ (3,885)	$ (5,385)	$ 1,427	$ (3,958)
Changes in fair value of interest rate swaps	7,788	(2,064)	5,724	9,972	(2,643)	7,329
Foreign currency translation adjustment	(50,020)	—	(50,020)	(56,381)	—	(56,381)
	$ (47,518)	$ (663)	$ (48,181)	$(51,794)	$(1,216)	$(53,010)

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	Three Months Ended September 30, 2022		
	Gross	Tax Effect	Net of Tax
Interest rate swap amounts reclassified into interest expense	$ 948	$ (251)	$ 697
Changes in fair value of interest rate swaps	27,679	(7,335)	20,344
Foreign currency translation adjustment	(145,955)	—	(145,955)
	$ (117,328)	$ (7,586)	$ (124,914)

Nine Months Ended September 30, 2023

(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

	Gross	Tax Effect	Net of Tax
Interest rate swap amounts reclassified into interest expense	$(14,120)	$ 3,742	$(10,378)
Changes in fair value of interest rate swaps	20,979	(5,560)	15,419
Foreign currency translation adjustment	2,527	—	2,527
	$ 9,386	$ (1,818)	$ 7,568

	Nine Months Ended September 30, 2022			Three Months Ended March 31, 2023		
	Gross	Tax Effect	Net of Tax	Gross	Tax Effect	Net of Tax
Interest rate swap amounts reclassified into interest expense	$ 9,344	$ (2,476)	$ 6,868	$(4,080)	$ 1,081	$(2,999)
Changes in fair value of interest rate swaps	74,969	(19,867)	55,102	(3,299)	874	(2,425)
Foreign currency translation adjustment	(185,030)	—	(185,030)	1,682	—	1,682
	$ (100,717)	$ (22,343)	$ (123,060)	$(5,697)	$ 1,955	$(3,742)

A rollforward of the amounts included in AOCIL, net of taxes, for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, is as follows:

	Interest Rate Swaps	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)	Interest Rate Swaps	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2022	$ 23,378	$ (80,208)	$ (56,830)			
Balance at December 31, 2023				$ 16,749	$(26,575)	$ (9,826)
Amounts reclassified into earnings	(10,378)	—	(10,378)	(3,958)	—	(3,958)
Changes in fair value	15,419	—	15,419	7,329	—	7,329
Foreign currency translation adjustment	—	2,527	2,527	—	(56,381)	(56,381)
Balance at September 30, 2023	$ 28,419	$ (77,681)	$ (49,262)			
Balance at March 31, 2024				$ 20,120	$(82,956)	$ (62,836)

	Interest Rate Swaps	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)	Interest Rate Swaps	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2021	$ (37,544)	$ 77,128	$ 39,584			
Balance at December 31, 2022				$ 23,378	$(80,208)	$ (56,830)
Amounts reclassified into earnings	6,868	—	6,868	(2,999)	—	(2,999)
Changes in fair value	55,102	—	55,102	(2,425)	—	(2,425)
Foreign currency translation adjustment	—	(185,030)	(185,030)	—	1,682	1,682
Balance at September 30, 2022	$ 24,426	$ (107,902)	$ (83,476)			
Balance at March 31, 2023				$ 17,954	$(78,526)	$ (60,572)

See Note 12 11 for further discussion on the Company's derivative instruments.

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(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE, PER TON AND PER GALLON AMOUNTS)

17. 16. SHAREHOLDERS' EQUITY

Share-Based Compensation

Restricted Share Units

A summary of activity related to restricted share units ("RSUs") during the nine-month three-month period ended September 30, 2023 March 31, 2024, is presented below:

	Unvested Shares
Outstanding at December 31, 2022 December 31, 2023	955,999 936,267
Granted	414,309 361,108
Forfeited	(45,090) (16,114)
Vested and issued	(370,766) (329,996)
Outstanding at September 30, 2023 March 31, 2024	954,452 951,265

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The weighted average grant-date fair value per share for the common shares underlying the RSUs granted during the nine-month three-month period ended September 30, 2023 March 31, 2024 was $133.65. $164.63.

Recipients of the Company's RSUs who participate in the Company's Nonqualified Deferred Compensation Plan may have elected in years prior to 2015 to defer some or all of their RSUs as they vest until a specified date or dates they choose. At the end of the deferral periods, unless a qualified participant makes certain other elections, the Company issues to recipients who deferred their RSUs common shares of the Company underlying the deferred RSUs. At September 30, 2023 March 31, 2024 and 2022, 2023, the Company had 62,059 29,980 and 81,352 62,201 vested deferred RSUs outstanding, respectively.

Performance-Based Restricted Share Units

A summary of activity related to performance-based restricted share units ("PSUs") during the nine-month three-month period ended September 30, 2023 March 31, 2024, is presented below:

	Unvested Shares
Outstanding at December 31, 2022 December 31, 2023	341,850 259,532
Granted	113,347 113,166
Vested and issued	(195,665) (153,555)
Outstanding at September 30, 2023 March 31, 2024	259,532 219,143

During the nine three months ended September 30, 2023 March 31, 2024, the Company's Compensation Committee granted PSUs with three-year performance-based metrics that the Company must meet before those awards may be earned, and the performance period for those grants ends on December 31, 2025 December 31, 2026. The Compensation Committee will determine the achievement of performance results and corresponding vesting of PSUs for each performance period. The weighted average grant-date fair value per share for the common shares underlying all PSUs granted during the nine-month three-month period ended September 30, 2023 March 31, 2024 was $133.83. $138.29.

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Deferred Share Units

A summary of activity related to deferred share units ("DSUs") during the nine-month three-month period ended September 30, 2023 March 31, 2024, is presented below:

	Vested Shares
Outstanding at December 31, 2022 December 31, 2023	26,536 30,481
Granted	3,945 3,363
Outstanding at September 30, 2023 March 31, 2024	30,481 33,844

The DSUs consist of a combination of DSU grants outstanding under the Progressive Waste share-based compensation plans that were continued by the Company following the Progressive Waste acquisition and DSUs granted by the Company since the Progressive Waste acquisition. The weighted average grant-date fair value per share for the common shares underlying the DSUs granted during the nine-month three-month period ended September 30, 2023 March 31, 2024 was $136.47. $167.56.

Other Restricted Share Units

RSU grants outstanding under the Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for the issuance of shares or cash settlement to employees upon vesting. A summary of activity related to Progressive Waste RSUs during the nine-month period ended September 30, 2023, is presented below:

Outstanding at December 31, 2022	57,829
Cash settled	(5,803)
Outstanding at September 30, 2023	52,026

No RSUs under the Progressive Waste share-based compensation plans were granted subsequent to June 1, 2016. All remaining RSUs were vested as of March 31, 2019.

Share-Based Options

Share-based options outstanding under the Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for the issuance of shares or cash settlement to employees upon vesting. A summary of activity related to Progressive Waste share-based options during the nine-month period ended September 30, 2023, is presented below:

Outstanding at December 31, 2022	43,570
Cash settled	(7,787)
Outstanding at September 30, 2023	35,783

No share-based options under the Progressive Waste share-based compensation plans were granted subsequent to June 1, 2016. All outstanding share-based options were vested as of December 31, 2017.

Employee Share Purchase Plan

On May 15, 2020, the Company's shareholders approved the 2020 Employee Share Purchase Plan (the "ESPP"). Under the ESPP, qualified employees may elect to have payroll deductions withheld from their eligible compensation on

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vesting or other distribution events. A summary of activity related to Progressive Waste RSUs during the three-month period ended March 31, 2024, is presented below:

Outstanding at December 31, 2023	51,812
Cash settled	(1,750)
Outstanding at March 31, 2024	50,062

No RSUs under the Progressive Waste share-based compensation plans were granted subsequent to June 1, 2016. All remaining RSUs were vested as of March 31, 2019.

Employee Share Purchase Plan

On May 15, 2020, the Company's shareholders approved the 2020 Employee Share Purchase Plan (the "ESPP"). Under the ESPP, qualified employees may elect to have payroll deductions withheld from their eligible compensation on each payroll date in amounts equal to or greater than one percent (1%) but not in excess of ten percent (10%) of eligible compensation in order to purchase the Company's common shares under certain terms and subject to certain restrictions set forth in the ESPP. The exercise price is equal to 95% of the closing price of the Company's common shares on the last day of the relevant offering period, provided, however, that such exercise price will not be less than 85% of the volume weighted average price of the Company's common shares as reflected on the Toronto Stock Exchange (the "TSX") over the final five trading days of such offering period. The maximum number of shares that may be issued under the ESPP is 1,000,000. Under the ESPP, employees purchased 29,808 15,407 of the Company's common shares for $3,908 $2,183 during the nine three months ended September 30, 2023 March 31, 2024. Under the ESPP, employees purchased 26,582 14,594 of the Company's common shares for $3,271 $1,841 during the nine three months ended September 30, 2022 March 31, 2023.

Normal Course Issuer Bid

On July 25, 2023, the Board of Directors of the Company approved, subject to receipt of regulatory approvals, the annual renewal of the Company's normal course issuer bid (the "NCIB") to purchase up to 12,881,534 of the Company's common shares during the period of August 10, 2023 to August 9, 2024 or until such earlier time as the NCIB is completed or terminated at the option of the Company. The renewal followed the conclusion of the Company's NCIB that expired August 9, 2023. The Company received TSX approval for its annual renewal of the NCIB on August 8, 2023. Under the NCIB, the Company may make share repurchases only in the open market, including on the New York Stock Exchange (the "NYSE"), the TSX, and/or alternative Canadian trading systems, at the prevailing market price at the time of the transaction.

In accordance with TSX rules, any daily repurchases made through the TSX and alternative Canadian trading systems is limited to a maximum of 63,103 common shares, which represents 25% of the average daily trading volume on the TSX of 252,412 common shares for the period from February 1, 2023 to July 31, 2023. The TSX rules also allow the Company to purchase, once a week, a block of common shares not owned by any insiders, which may exceed such daily limit. The maximum number of shares that can be purchased per day on the NYSE will be 25% of the average daily trading volume for the four calendar weeks preceding the date of purchase, subject to certain exceptions for block purchases.

The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including the Company's capital structure, the market price of the common shares, any share buyback taxes applicable and overall market conditions. All common shares purchased under the NCIB shall be immediately cancelled following their repurchase.

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For each of the nine three months ended September 30, 2023, March 31, 2024 and 2023, the Company did not repurchase any common shares pursuant to the NCIB in effect during that period. For the nine months ended September 30, 2022, the Company repurchased 3,388,155 common shares pursuant to the NCIB in effect during that period at an aggregate cost of $424,999. As of September 30, 2023 March 31, 2024, the remaining maximum number of shares available for repurchase under the current NCIB was 12,881,534.

Cash Dividend

In November 2022, October 2023, the Company announced that its Board of Directors increased its regular quarterly cash dividend by $0.025, $0.03, from $0.23 $0.255 to $0.255 $0.285 per Company common share. Cash dividends of $196,815 $73,573 and $177,710 $65,788 were paid during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

18. 17. COMMITMENTS AND CONTINGENCIES

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste and E&P waste industries, the Company is subject to various judicial and administrative proceedings involving Canadian regulatory authorities as well as U.S. federal, state and local agencies. In these proceedings, an agency may subpoena the

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Company for records, or seek to impose fines on the Company or revoke or deny renewal of an authorization held by the Company, including an operating permit. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills, transfer stations, and E&P waste treatment, recovery and disposal operations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates. The Company uses $1,000 as a threshold for disclosing environmental matters involving potential monetary sanctions.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the Company's business. Except as noted in the matters described below, as of September 30, 2023 March 31, 2024, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse effect on its business, financial condition, results of operations or cash flows.

Jefferson Parish, Louisiana Landfill Litigation

Between June 2016 and December 31, 2020, one of the Company's subsidiaries, Louisiana Regional Landfill Company ("LRLC"), conducted certain operations at a municipal solid waste landfill known as the Jefferson Parish Landfill (the "JP Landfill"), located in Avondale, Louisiana, near the City of New Orleans. LRLC's operations were governed by an Operating Agreement entered into in May 2012 by LRLC under its previous name, IESI LA Landfill Corporation, and the owner of the JP Landfill, Jefferson Parish (the "Parish"). The Parish also holds the State of Louisiana permit for the operation of the JP Landfill. Aptim Corporation, and later River Birch, LLC, operated the landfill gas collection system at the JP Landfill under a separate contract with the Parish.

In July and August 2018, four separate lawsuits seeking class action status were filed against LRLC and certain other Company subsidiaries, the Parish, and Aptim Corporation in Louisiana state court, and subsequently removed to the United States District Court for the Eastern District of Louisiana, before Judge Susie Morgan in New Orleans. The Court later consolidated the claims of the putative class action plaintiffs. Beginning in December 2018, a series of 11 substantively identical mass actions were filed in Louisiana state court against LRLC and certain other Company subsidiaries, the Parish, and Aptim Corporation. The claims of the mass action plaintiffs were removed to and consolidated in federal court in the Eastern District of Louisiana, also before Judge Susie Morgan (the "Addison""*Addison*" action). On December 19, 2023, 52 plaintiffs filed a mass action in the federal district court of the Eastern District of Louisiana, *Areceneaux v. Louisiana Regional Landfill Company, et al*. The complaint is substantially identical to the consolidated *Addison* action (which together with

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Areceneaux now totals 593 plaintiffs), asserting the same causes of action against the same defendants, but was filed by a new law firm. The Company and Aptim were served on March 21, 2024.

The putative class actions and the *Addison* action and *Areceneaux* mass actions assert claims for damages from odors allegedly emanating from the JP Landfill. The consolidated putative class action complaint alleges that the JP Landfill released "noxious odors" into the plaintiffs' properties and the surrounding community and asserts a range of liability theories—nuisance, negligence (since dismissed), and strict liability—against all defendants. The putative class is described currently as all residents of Jefferson Parish who have sustained legally cognizable damages residents suffering an injury as a result of exposure to odors from the JP Landfill, but who live in a delineated area that expands roughly five miles from the complaint proposes Landfill in a northerly and easterly direction. The putative class plaintiffs propose that a class be certified on liability and allocation issues and that specific causation be left for individual determination. Following the completion of fact and expert discovery, the putative class plaintiffs will be able to revise the geographic definition based on further evidence. file an amended motion for class certification. The putative class plaintiffs seek unspecified damages for nuisance. damages. The *Addison* and *Areceneaux* plaintiffs assert causes of action for nuisance, negligence, and (with respect to the Parish) unconstitutional takings under the Louisiana Constitution; on behalf of two plaintiffs, the *Addison* complaint also asserts causes of action for wrongful death and survivorship.

The Court held an eight-day trial on general causation during January and February 2022.

On November 29, 2022, the Court issued a 45-page decision on the general causation trial. The Court concluded that all putative class and mass action plaintiffs established general causation—specifically that emissions and gases from the JP Landfill were capable of causing certain damages alleged by the plaintiffs. The Court held that it only needed to determine the level of exposure necessary to result in injuries and that the level existed somewhere offsite, and that it was not required to delineate this level of exposure within a geographic area. The Court did, however, limit the time period for

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damages, to between July 2017 and December 2019, and the types of alleged injuries for which the plaintiffs are able to seek damages, to headaches, nausea, vomiting, loss of appetite, sleep disruption, dizziness, fatigue, anxiety and worry, a decrease in quality of life, and loss of enjoyment or use of property. The *Addisonplaintiffs' claims of diminution of property value were put on a separate track from these damages and not addressed.*

After the general causation decision, the Court entered a case management order on April 17, 2023 that scheduled a trial of a subset of 8-13 13 Addison plaintiffs' cases on the merits, prior to class certification being determined as to the putative class case. The Company objected to and opposed that sequence by motion, which the Court denied.

On April 17, 2023, the Company and the other Defendants filed a petition for a writ of mandamus from the Fifth Circuit Court of Appeals challenging the April 17 case management order's sequencing of a merits trial before class certification. The Fifth Circuit granted the Company's motion to stay proceedings in the Addison action pending its decision on the petition. After oral argument, on On August 24, 2023 the Fifth Circuit denied the Company's petition for a writ of mandamus. Defendants filed a motion for rehearing en banc on September 7, 2023, which was denied on September 19, 2023.

Following the Fifth Circuit's decision, the District Court and the parties have discussed case management orders for both cases. The Court has ordered the following key deadlines: (i) the Parties will complete briefing of class certification by June 26, 2024; and (ii) the Parties will commence a three-week merits trial on the first 13 Addison Plaintiffs plaintiffs on August 5, 2024 August 12, 2024.

The Company has already obtained dismissal of approximately one third of the original Addison plaintiffs, the number of which now totals 544, and believes it has strong defenses to the merits of the Addison action, and Areceneaux actions, including specific causation issues due to other odor sources in the area. The Company also believes it has strong defenses to certification of the putative class actions. The Company is continuing to vigorously defend itself in these lawsuits; however, at this time, the Company is not able to determine the likelihood of any outcome regarding the underlying claims, including the allocation of any potential liability among the Company, the Parish, and Aptim Corporation.

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Los Angeles County, California Landfill Expansion Litigation

A. Chiquita Canyon, LLC Lawsuit Against Los Angeles County

In October 2004, the Company's subsidiary, Chiquita Canyon, LLC ("CCL"), then under prior ownership, filed an application (the "Application") with the County of Los Angeles (the "County") Department of Regional Planning ("DRP") for a conditional use permit (the "CUP") to authorize the continued operation and expansion of the Chiquita Canyon Landfill (the "CC Landfill"). The CC Landfill has operated since 1972, and as a regional landfill, accepted approximately 2.6 million 2.5 million tons of materials for disposal and beneficial use in 2022. 2023. The Application requested expansion of the existing waste footprint on CCL's contiguous property, an increase in maximum elevation, creation of a new entrance and new support facilities, construction of a facility for the County or another third-party operator to host household hazardous waste collection events, designation of an area for mixed organics/composting, and other modifications.

After many years of reviews and delays, upon the recommendation of County staff, the County's Regional Planning Commission (the "Commission") approved the Application on April 19, 2017, but imposed operating conditions, fees and exactions that substantially reduced the historical landfill operations and represented a large increase in aggregate taxes and fees. CCL objected to many of the requirements imposed by the Commission. Current estimates for new costs imposed on CCL under the CUP are in excess of $300,000.

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CCL appealed the Commission's decision to the County Board of Supervisors, but the appeal was not successful. At a subsequent hearing, on July 25, 2017, the Board of Supervisors approved the CUP. On October 20, 2017, CCL filed in the Superior Court of California, County of Los Angeles a verified petition for writ of mandate and complaint against the County and the County Board of Supervisors captioned Chiquita Canyon, LLC v. County of Los Angeles, No. BS171262 (Los Angeles Co. Super Ct.) (the "Complaint"). The Complaint challenges the terms of the CUP in 13 counts generally alleging that the County violated multiple California and federal statutes and California and federal constitutional protections. CCL seeks the following relief: (a) an injunction and writ of mandate against certain of the CUP's operational restrictions, taxes and fees, (b) a declaration that the challenged conditions are unconstitutional and in violation of state and federal statutes, (c) reimbursement for any such illegal fees paid under protest, (d) damages, (e) an award of just compensation for a taking, (f) attorney fees, and (g) all other appropriate legal and equitable relief.

Following extensive litigation in 2018 and 2019 on the permissible scope of CCL's challenge, the Superior Court issued its decision on July 2, 2020, granting CCL's petition for writ of mandate in part and denying it in part. CCL prevailed with respect to 12 of the challenged conditions, many of which imposed new fees and exactions on the CC Landfill. On October 11, 2022, CCL and the County entered into a settlement agreement that requires CCL to file a CUP modification application with the County embodying the terms of the settlement agreement. CCL filed the CUP modification application on November 10, 2022, and an addendum to CCL's environmental impact report in accordance with the California Environmental Quality Act on January 12, 2024. Upon completion of review by the County, the CUP modification application will be scheduled for a hearing before the Los Angeles County Regional Planning Commission. If the CUP modification application is approved by the County and certain other contingencies are satisfied, CCL will dismiss this lawsuit. However, at this time, the Company is not able to determine the likelihood of any outcome in this matter.

B. December 11, 2017 Notice of Violation Regarding Certain CUP Conditions.

The County, through its DRP, issued a Notice of Violation, dated December 11, 2017 (the "NOV"), alleging that CCL violated certain conditions of the CUP, including Condition 79(B)(6) of the CUP by failing to pay an $11,600 Bridge & Thoroughfare Fee ("B&T Fee") that was purportedly due on July 25, 2017. The alleged B&T fee was ostensibly to fund the construction of transportation infrastructure in the area of the Landfill. At the time the NOV was issued, CCL had

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already contested the legality of the B&T fee in the October 20, 2017 Complaint filed against the County in Los Angeles County Superior Court, described above under paragraph A (the "CUP lawsuit").

On January 12, 2018, CCL filed an appeal of the alleged violations in the NOV. Subsequently, CCL filed additional legal arguments and exhibits contesting the NOV. On March 6, 2018, a DRP employee designated as hearing officer sustained the NOV, including the $11,600 B&T fee, and imposed an administrative penalty in the amount of $83 and a noncompliance fee of $0.75. A written decision memorializing the hearing officer's findings and order was issued on July 10, 2018. On April 13, 2018, CCL filed in the Superior Court of California, County of

Los Angeles a Petition for Writ of Administrative Mandamus against the County seeking to overturn the decision sustaining the NOV, contending that the NOV and decision are not supported by the facts or law. On July 17, 2018, the Court granted CCL leave to pay the $11,600 B&T fee and to amend its Complaint in the CUP lawsuit to reflect the payment under protest, allowing the challenge to the B&T fee under the Mitigation Fee Act to proceed in the CUP lawsuit. CCL paid the B&T fee under protest on August 10, 2018, and also paid on that date the administrative penalty of $83 and the noncompliance fee of $0.75. The Court indicated that the NOV case would be coordinated with the CUP lawsuit. On October 11, 2022, CCL and the County entered into the settlement agreement, described above under paragraph A. If the CUP modification application is approved by the County and certain other contingencies are satisfied, CCL will dismiss this lawsuit. However, at this time, the Company is not able to determine the likelihood of any outcome in this matter.

Elevated Temperature Landfill Event

In 2023, the Company's subsidiary, Chiquita Canyon, LLC ("CCL"), began receiving notices of violation from regulatory agencies for odors and other impacts that CCL's retained expert consultants in Elevated Temperature Landfill ("ETLF") events have attributed to an ETLF event that is occurring in a lined, non-active area of the Chiquita Canyon Landfill (the "CC Landfill").

Beginning in May 2023, CCL received notices of violation ("NOVs") from the South Coast Air Quality Management District ("SCAQMD") for alleged violations of Section 41700 of the California Health & Safety Code and SCAQMD Rule 402 based on complaints from the public of odors from the CC Landfill, which SCAQMD inspectors stated that they verified. Each Rule 402 NOV alleges the CC Landfill is "discharging such quantities of air contaminants to cause injury, detriment, nuisance or annoyance to a considerable number of persons."

Since May 2023, CCL has received approximately 163 NOVs for alleged violations of SCAQMD Rule 402. CCL has also received seven additional NOVs from SCAQMD alleging violations of other SCAQMD rules and CCL's Title V permit. The majority of these additional NOVs appear related to the increase in liquids and landfill gas caused by the ETLF event.

On August 15, 2023, SCAQMD petitioned its Hearing Board for an Order for Abatement in Hearing Board Case No. 6177-4 to address the Rule 402 NOVs issued by SCAQMD inspectors as a result of the ETLF event. SCAQMD and CCL negotiated a Stipulated Order for Abatement (the "Stipulated Order"), which was issued by the Hearing Board on September 6, 2023. Modifications to the Stipulated Order were approved by the Hearing Board after hearings on January 16 and 17, 2024, and March 21, 2024. The modified Stipulated Order contains 72 conditions. A status and modification hearing is scheduled for April 24 and 25, 2024.

On February 15, 2024, CCL received a Summary of Violations ("SOV") from the Department of Toxic Substances Control ("DTSC"). The SOV alleges violations of California's hazardous waste control laws and their implementing regulations. Specifically, the SOV alleges five class I violations: four alleged violations of various laws and regulations related to one December 27, 2023 offsite shipment of leachate, a grab sample of which tested above a regulatory threshold, that was shipped to a non-hazardous waste treatment and disposal facility; and one alleged violation of 22 CCR § 66265.31

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for "fail[ing] to minimize the possibility of releases of hazardous waste or hazardous waste constituents to air, soil, or surface water which could threaten human health or the environment."

On March 29, 2024, CCL received a second SOV from DTSC, again alleging violations of the California hazardous waste control laws and their implementing regulations. Specifically, the SOV alleges three class 1 violations: an additional alleged violation of 22 CCR § 66265.31; and two alleged violations of section 25189.2(c) of the Health & Safety Code for allegedly "dispos[ing], or caus[ing] the disposal of, a hazardous or extremely hazardous waste at a point that is not authorized" in two separate incidents.

CCL has submitted full responses to each SOV.

At this time, CCL is not able to determine the likely penalties that the regulatory agencies will seek for these violations, but they could be substantial. CCL also is incurring substantial costs in conjunction with efforts to address the ETLF event and any related impacts, including attendant air emissions, and to manage the increased production and changing composition of the liquids. At this time, the Company is not able to determine the likelihood of any outcome of the resolution of the SCAQMD NOVs or the DTSC SOVs, including the amount of penalties.

1918. ***SUBSEQUENT EVENT***

On October 25, 2023April 24, 2024, the Company announced that its Board of Directors increased its regular quarter cash dividend by $0.03, from $0.255 to $0.285 per Company common share, and then declaredapproved a regular quarterly cash dividend of $0.285 per Company common share. The dividend will be paid on November 28, 2023May 23, 2024, to shareholders of record on the close of business on November 8, 2023May 8, 2024.

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Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

FORWARD-LOOKING STATEMENTS

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We make statements in this Quarterly Report on Form 10-Q that are forward-looking in nature. These include:

- Statements regarding our landfills, including capacity, duration, special projects, demand for and pricing of recyclables, estimated closure and post-closure liabilities, landfill alternatives and related capital expenditures, operating expenses and leachate;
- Discussion of competition, loss of contracts, price increases and additional exclusive and/or long-term collection service arrangements;
- Forecasts of cash flows necessary for operations and free cash flow to reduce leverage as well as our ability to draw on our credit facility and access the capital markets to refinance or expand;
- Statements regarding our ability to access capital resources or credit markets;
- Plans for, and the amounts of, certain capital expenditures for our existing and newly acquired properties and equipment;
- Statements regarding fuel, oil and natural gas demand, prices, and price volatility;
- Assessments of regulatory developments and potential changes in environmental, health, safety and tax laws and regulations; and
- Other statements on a variety of topics such as the coronavirus disease 2019 ("COVID-19") pandemic, inflation, credit risk of customers, seasonality, labor/pension costs and labor union activity, employee retention costs, operational and safety risks, acquisitions, litigation developments and results, goodwill impairments, insurance costs and cybersecurity threats.

These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "intends," "may," "might," "will," "could," "should" or "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy.

Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, risk factors detailed from time to time in our filings with the Securities and Exchange Commission, or SEC, and the securities commissions or similar regulatory authorities in Canada.

There may be additional risks of which we are not presently aware or that we currently believe are immaterial that could have an adverse impact on our business. We make no commitment to revise or update any forward-looking statements to reflect events or circumstances that may change, unless required under applicable securities laws.

OVERVIEW OF OUR BUSINESS

We are an integrated solid waste services company that provides non-hazardous waste collection, transfer and disposal services, including by rail, along with resource recovery primarily through recycling and renewable fuels generation, in mostly exclusive and secondary markets across 44 46 states in the U.S. and six provinces in Canada. Waste Connections also provides non-hazardous oil and natural gas exploration and production ("E&P") waste treatment, recovery and disposal

services in several basins across the U.S., and Canada, as well as intermodal services for the movement of cargo and solid waste containers in the Pacific Northwest.

Environmental, organizational and financial sustainability initiatives have been key components of our success since we were founded in 1997. We continue to grow and expand these efforts and our disclosure regarding progress towards their achievement as our industry and technology continue to evolve. To that end, we have committed $500 million to the advancement of long-term, aspirational ESG targets, which have been incorporated into executive compensation metrics. Our investments primarily focus on reducing emissions, increasing resource recovery of both recyclable commodities and clean energy fuels, reducing reliance on off-site disposal for landfill leachate, further improving safety through reduced incidents and enhancing employee engagement through improved voluntary turnover and Servant Leadership scores. Our 2023 Sustainability Report can be found at www.wasteconnections.com/sustainability but does not constitute a part of, and is not incorporated by reference into, this Quarterly Report on Form 10-Q.

We generally seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. We also target niche markets, like non-hazardous E&P waste treatment, recovery and disposal services.

The solid waste industry is local and highly competitive in nature, requiring substantial labor and capital resources. We compete for collection accounts primarily on the basis of price and, to a lesser extent, the quality of service, and compete for landfill business on the basis of tipping fees, geographic location and quality of operations. The solid waste industry has been consolidating and continues to consolidate as a result of a number of factors, including the increasing costs and complexity associated with waste management operations and regulatory compliance. Many small independent operators and municipalities lack the capital resources, management, operating skills and technical expertise necessary to operate effectively in such an environment. The consolidation trend has caused solid waste companies to operate larger landfills that have complementary collection routes that can use company-owned disposal capacity. Controlling the point of transfer from haulers to landfills has become increasingly important as landfills continue to close and disposal capacity moves farther from the collection markets it serves.

Generally, the most profitable operators within the solid waste industry are those companies that are vertically integrated or enter into long-term collection contracts. A vertically integrated operator will benefit from: (1) the internalization of waste, which is bringing waste to a company-owned landfill; (2) the ability to charge third-party haulers tipping fees either at landfills or at transfer stations; and (3) the efficiencies gained by being able to aggregate and process waste at a transfer station prior to landfilling.

The demand for our E&P waste services depends on the continued demand for, and production of, oil and natural gas. Crude oil and natural gas prices historically have been volatile, including as a result of macroeconomic and geopolitical conditions, which may impact levels of exploration and production activity, with a corresponding impact to our E&P waste activity. In 2022, sustained increases in prices of crude oil as a result of inflationary pressures, the uncertainty associated with the Ukrainian conflict and any related bans on oil sales from Russia or supply chain disruptions contributed to increased levels of drilling activity and demand for our E&P waste services. Conversely, in 2020 and 2021, a significant decline in oil prices driven by both surplus production and supply, as well as the decrease in demand caused by factors including the COVID-19 pandemic, resulted in decreased levels of E&P drilling activity and a corresponding decrease in demand for our E&P waste services. Additionally, across the industry there was uncertainty regarding future demand for oil and related services, as noted by *several energy companies, many of whom are customers of our E&P waste services. These energy companies wrote down the values of their oil and gas assets in anticipation of the potential for the decarbonization of their energy product mix given an increased global focus on reducing greenhouse gases and addressing climate change. At that time, the uncertainty regarding global demand had a significant impact on the investment and operating plans of our E&P waste customers in the basins where we operate.*

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THE COVID-19 PANDEMIC'S IMPACT ON OUR RESULTS OF OPERATIONS

March 11, 2023 marked the three-year anniversary of COVID-19 being declared a global pandemic by the World Health Organization. The related economic disruptions largely associated with closures or restrictions put into effect following the onset of the COVID-19 pandemic in the first quarter of 2020 resulted in declines in solid waste commercial collection, transfer station and landfill volumes, and roll off activity. Throughout the remaining fiscal year 2020 and during 2021, solid waste revenue and reported volumes largely reflected the pace and shape of the closures and subsequent reopening activity, with the timing and magnitude of recovery varying by market. Most of the impacts to solid waste volumes associated with the pandemic have largely abated, with landfill volumes and roll off pulls returning to pre-pandemic levels. In certain markets, commercial collection volumes have not returned to pre-pandemic levels. The COVID-19 pandemic also contributed to a decline in demand for and the value of crude oil, which impacted E&P drilling activity and resulted in lower E&P waste revenue during 2020 and 2021. During 2022, E&P waste revenue increased on higher levels of drilling activity in several of the major basins.

Since the onset of the COVID-19 pandemic, protecting the health, welfare and safety of our employees has been our top priority. Recognizing the potential for financial hardship and other challenges, we have looked to provide a safety net for our employees on issues of income and family health. To that end, since the onset of the pandemic through year-end 2022, we incurred over $50 million in incremental COVID-19-related costs, primarily supplemental pay and benefits for frontline employees, including approximately $10 million during 2022.

As a result of the COVID-19 pandemic and subsequent reopening activity, we have also experienced an impact to our operating costs as a result of factors including supply chain disruptions and labor constraints, as demand has recovered and competition has increased. As a result, we have incurred incremental costs associated with higher wages, increased overtime as a result of higher turnover, and increased reliance on third party services.

The impact of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows in future periods will depend largely on future developments, including the duration and spread of any further outbreaks in the U.S. and Canada, the rate of vaccinations, the severity of COVID-19 variants, the actions to contain such coronavirus variants, and how quickly and to what extent normal economic and operating conditions can resume.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the condensed consolidated financial statements. As described by the SEC, critical accounting estimates and assumptions are those that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on the financial condition or operating performance of a company. Such critical accounting estimates and assumptions are applicable to our reportable segments. Refer to our most recent Annual Report on Form 10-K for a complete description of our critical accounting estimates and assumptions.

NEW ACCOUNTING PRONOUNCEMENTS

For a description of the new accounting standards that affect us, see Note 3 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

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RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, MARCH 31, 2024 AND 2023 AND 2022

The following table sets forth items in our Condensed Consolidated Statements of Net Income in thousands of U.S. dollars and as a percentage of revenues for the periods indicated.

	Three Months Ended September 30,				Nine Months Ended September 30,				Three Months Ended March 31,			
	2023		2022		2023		2022		2024		2023	
Revenues	$2,064,744	100.0 %	$1,879,868	100.0 %	$5,986,342	100.0 %	$5,342,558	100.0 %	$2,072,653	100.0 %	$1,900,503	100.0 %
Cost of operations	1,204,603	58.4	1,120,629	59.6	3,548,893	59.3	3,198,039	59.9	1,221,783	59.0	1,146,941	60.3
Selling, general and administrative	196,316	9.5	186,887	9.9	606,367	10.1	518,705	9.7	220,735	10.7	193,667	10.2
Depreciation	214,966	10.4	193,287	10.3	632,347	10.5	562,174	10.5	222,691	10.7	204,059	10.7
Amortization of intangibles	39,405	1.9	38,859	2.1	117,740	2.0	113,956	2.1	40,290	1.9	39,282	2.1
Impairments and other operating items	56,477	2.7	13,438	0.7	69,201	1.2	19,467	0.4	354	0.0	1,865	0.1
Operating income	352,977	17.1	326,768	17.4	1,011,794	16.9	930,217	17.4	366,800	17.7	314,689	16.6
Interest expense	(69,016)	(3.3)	(51,161)	(2.7)	(204,914)	(3.4)	(137,565)	(2.6)	(78,488)	(3.8)	(68,353)	(3.6)
Interest income	2,833	0.1	1,784	0.1	6,886	0.1	2,574	0.1	2,051	0.1	2,715	0.1
Other income, net	5,372	0.3	8,487	0.4	8,346	0.1	2,373	0.0				
Other income (expense), net									(1,823)	(0.1)	3,174	0.2
Income tax provision	(62,975)	(3.1)	(48,753)	(2.6)	(185,915)	(3.1)	(155,899)	(2.9)	(59,413)	(2.9)	(54,389)	(2.9)
Net income	229,191	11.1	237,125	12.6	636,197	10.6	641,700	12.0	229,127	11.0	197,836	10.4
Net income attributable to noncontrolling interests	(165)	(0.0)	(213)	(0.0)	(150)	(0.0)	(390)	(0.0)				
Net loss (income) attributable to noncontrolling interests									927	0.1	(23)	(0.0)
Net income attributable to Waste Connections	$ 229,026	11.1 %	$ 236,912	12.6 %	$ 636,047	10.6 %	$ 641,310	12.0 %	$ 230,054	11.1 %	$ 197,813	10.4 %

Revenues. Total revenues increased $184.9 million $172.2 million, or 9.8% 9.1%, to $2.065 billion $2.073 billion for the three months ended September 30, 2023 March 31, 2024, from $1.880 billion $1.901 billion for the three months ended September 30, 2022. Total revenues increased $643.8 million, or 12.1%, to $5.986 billion for the nine months ended September 30, 2023, from $5.343 billion for the nine months ended September 30, 2022 March 31, 2023.

Acquisitions closed during, or subsequent to, the three months ended September 30, 2022 March 31, 2023, increased revenues by $104.1 million $80.6 million for the three months ended September 30, 2023. Acquisitions closed during, or subsequent to, the nine months ended September 30, 2022, increased revenues by $358.2 million for the nine months ended September 30, 2023 March 31, 2024.

Operations that were divested during, or subsequent to, the three and nine months ended September 30, 2022 March 31, 2023, decreased revenues by $1.2 million and $1.9 million, respectively, $2.6 million for the three and nine months ended September 30, 2023 March 31, 2024.

During the three months ended September 30, 2023 March 31, 2024, the net increase in prices charged to our customers at our existing operations was $137.4 $128.5 million, consisting of $156.6 million $140.6 million of core price increases and decreases in surcharges of $19.2 million. During the nine months ended September 30, 2023, the net increase in prices charged to our customers at our existing operations was $476.7 million, consisting of $496.4 million of core price increases and decreases in surcharges of $19.7 million $12.1 million.

During the three months ended September 30, 2023 March 31, 2024, we recognized volume losses totaling $42.0 million $69.6 million, primarily due to a decrease in resulting from lower residential collection volumes in our Eastern, Canada and Central segments, lower roll off volumes and a decrease in post-collection volumes in our Eastern and Western segments, partially offset by increases in commercial and residential collection services in our Western segment and an increase in landfill volumes in our Canada segment driven by higher special waste volumes. During due primarily to the nine months ended September 30, 2023, we recognized volume losses totaling $95.4 million, due to lower collection and post collection volumes primarily purposeful shedding of certain low-margin municipal contracts in our Eastern, Canada and Southern segments. segments, lower commercial revenues and a decrease in roll off and post collection volumes in part due to the weather impacting operations in certain geographic markets.

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E&P waste revenues at facilities owned during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 increased $3.7 million and $15.2 million $8.6 million, respectively, due to increases in overall demand for our E&P waste services as a result of increases in drilling and production activity levels in certain basins.

Revenues from sales of recyclable commodities at facilities owned during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 decreased $9.5 million and $65.2 million, respectively. 2023 increased $15.3 million. The decreases are increase is primarily attributable to lower higher average commodity pricing for old corrugated cardboard, aluminum, plastics and other paper products as compared to the prior period. Commodity pricing decreased significantly during the three months ended September 30, 2022 and has not fully recovered as of the three months ended September 30, 2023.

A decrease An increase in the average Canadian dollar to U.S. dollar currency exchange rate resulted in a decrease an increase in revenues of $6.5 million and $32.5 million $0.4 million for the three and nine months ended September 30, 2023, respectively. March 31, 2024. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7455 0.7412 and 0.7660 0.7397 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7435 and 0.7792 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Other revenues decreased $1.1 million increased $11.0 million during the three months ended September 30, 2023 March 31, 2024, due primarily to a $3.4 million decrease in intermodal revenues, partially offset by a $2.1 million an $11.7 million increase in landfill gas revenues on higher values for renewable energy credits and higher landfill gas volumes and *a $0.2 million $0.9 million increase in other non-core revenue sources. Other revenues decreased $11.3 million during the nine months ended September 30, 2023, due primarily to a $6.7 million decrease in landfill gas revenues on lower values for renewable energy credits partially offset by higher landfill gas volumes, as well as a $6.7 million decrease in intermodal revenues, sources, partially offset by a $2.1 million increase $1.6 million decrease in other non-core revenue sources. intermodal revenues.*

Cost of Operations. Total cost of operations increased $84.0 million $74.8 million, or 7.5% 6.5%, to $1.205 billion $1.222 billion for the three months ended September 30, 2023 March 31, 2024, from $1.121 billion $1.147 billion for the three months ended September 30, 2022 March 31, 2023. The increase was primarily the result of $58.9 million $39.4 million of additional operating costs from acquisitions closed during, or subsequent to, the three months ended September 30, 2022 March 31, 2023, and an increase in operating costs at our existing operations of $29.1 million $36.5 million, assuming foreign currency parity partially offset by a decrease and an increase in operating costs of $3.5 million $0.3 million resulting from a lower average foreign currency exchange rate in effect during the current period, and partially offset by a decrease of $0.5 million $1.4 million from operations divested during, or subsequent to, the three months ended September 30, 2022 March 31, 2023.

The increase in operating costs of $29.1 million $36.5 million, assuming foreign currency parity, at our existing operations for the three months ended September 30, 2023 consisted of an increase in expenses for auto and workers' compensation claims of $18.8 million due primarily to increased claims and an increase in our average claim cost, higher labor expenses of $13.7 million, an increase in leachate and landfill maintenance costs of $6.4 million, an increase in taxes on revenues of $3.0 million as the result of higher revenues and $2.9 million of other net expense increases, partially offset by a decrease in third-party trucking and transportation expenses of $10.1 million due to lower transfer volumes, and lower disposal costs of $5.6 million primarily driven by decreased collection volumes and increased internalization in certain markets.

Total cost of operations increased $350.9 million, or 11.0%, to $3.549 billion for the nine months ended September 30, 2023, from $3.198 billion for the nine months ended September 30, 2022. The increase was primarily the result of $204.8 million of additional operating costs from acquisitions closed during, or subsequent to, the nine months ended September 30, 2022, and an increase in operating costs at our existing operations of $164.5 million, assuming foreign currency parity, partially offset by a decrease in operating costs of $17.3 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of $1.1 million from operations divested during, or subsequent to, the three months ended September 30, 2022.

The increase in operating costs of $164.5 million, assuming foreign currency parity, at our existing operations for the nine months ended September 30, 2023 March 31, 2024, consisted of higher labor and recurring incentive compensation expenses of $75.9 million $16.1 million, an increase in risk management expenses for auto of $15.8 million due to higher claim and workers' compensation claims of $37.9 million due primarily to increased claims and premium costs, an increase in our average claim cost, post-closure liability interest accretion expense of $4.3 million, an increase in benefits costs of $3.3 million, an increase in disposal costs of $3.1 million, an increase in leachate costs of $3.0 million, an increase in truck, container, equipment and facility maintenance and repair expenses of $29.8 million, an increase in landfill maintenance and leachate costs of $17.8 million $2.2 million, an increase in taxes on revenues of $10.3 million $1.9 million as the result of increased revenues an increase in other facility operating costs of $8.1 million and a net increase of other expenses of $0.7 million $2.2 million, partially offset by a decrease in supplemental compensation

to non-management personnel of $9.0 million associated with the impact of the COVID-19 pandemic that occurred in the prior year period, a decrease in disposal costs of $4.7 million as a result of lower volumes and increased internalization in certain markets and a decrease in fuel expense of $2.3 million $5.4 million due to lower diesel and natural gas prices. prices, a decrease in subcontract expense of $3.7 million, a decrease in third-party trucking and transportation expenses of $3.2 million due to lower transfer station and intermodal volumes and a decrease in fees paid for the processing of recyclable materials of $3.1 million primarily as a result of higher commodity values.

Cost of operations as a percentage of revenues decreased 1.2 1.3 percentage points to 58.4% 59.0% for the three months ended September 30, 2023 March 31, 2024, from 59.6% 60.3% for the three months ended September 30, 2022. The decrease as a percentage of revenues was primarily driven by the impact of price-led solid waste revenue growth, along with lower volumes and increased internalization in certain markets, resulting in a 0.9 percentage point decrease in third-party trucking and transportation expenses, a 0.7 percentage point decrease in disposal costs and a 0.6 percentage point decrease from small decreases in several other cost items, plus a 0.2 percentage point decrease due to lower average diesel prices, partially offset by a 0.9 percentage point increase due to increases in our average cost of auto and workers' compensation claims and a 0.3 percentage point increase in landfill maintenance and leachate costs.

Cost of operations as a percentage of revenues decreased 0.6 percentage points to 59.3% for the nine months ended September 30, 2023, from 59.9% for the nine months ended September 30, 2022 March 31, 2023. The decrease as a percentage of revenues was primarily driven by the impact of price-led revenue growth, a 0.7 percentage point decrease in disposal costs, a 0.5 percentage point decrease in third-party trucking and transportation expenses, a 0.3 0.5 percentage point decrease in fuel costs due to lower diesel and natural gas prices, a 0.3 percentage point decrease in truck, container, equipment and facility maintenance and repair expenses, a 0.3 percentage point decrease in disposal costs, a 0.2 percentage point decrease in subcontract costs and a 0.2 percentage point decrease in compensation to non-management personnel associated with the impact of the COVID-19 pandemic that occurred in the prior year period, from all other net changes, partially offset by a 0.6 0.7 percentage point increase in expenses for auto and workers' compensation claims due to an increase in our average claim cost, a 0.3 percentage point increase in landfill maintenance and leachate costs and a 0.2 percentage point increase from all other net changes. risk management expenses.

SG&A. SG&A expenses increased $9.4 million $27.0 million, or 5.0% 14.0%, to $196.3 million $220.7 million for the three months ended September 30, 2023 March 31, 2024, from $186.9 $193.7 million for the three months ended September 30, 2022 March 31, 2023. The increase was comprised of an increase of $7.1 million $21.8 million, assuming foreign currency parity, at our existing operations, $5.1 million from acquisitions closed during, or subsequent to, the three months ended September 30, 2022 March 31, 2023 and an increase of $2.9 million at our existing operations, assuming foreign currency parity, partially offset by a decrease of $0.6 million $0.1 million resulting from a lower higher average foreign currency exchange rate in effect during the current period.

The increase in SG&A expenses at our existing operations of $2.9 million $21.8 million, assuming foreign currency parity, for the three months ended September 30, 2023 March 31, 2024 was comprised of higher administrative payroll an increase in direct acquisition expenses of $4.8 million, $7.8 million due to an increase in acquisition activity in the current period, an increase in incentive compensation expenses expense of $4.8 million $7.4 million, an increase in our administrative payroll expenses of $2.6 million, a collective increase in travel, meetings and training expenses of $2.1 million, an increase in bad debt costs of $1.7 million and $1.2 million associated with increased revenues, an increase in software license fees of $1.7 million from all $1.0 million and $3.2 million of other net changes, expense increases, partially offset by a decrease in direct acquisition expenses professional fees of $7.4 million due to a decrease in acquisition activity, $2.0 million and a decrease in equity-based compensation expenses of $1.6 million associated with changes in our share price resulting in fair value measurement decreases to equity awards accounted for as liabilities that were granted to employees of Progressive Waste prior to June 1, 2016, which are subject to valuation adjustments each period and a decrease in deferred compensation expenses of $1.1 million as a result of decreases in the market value of investments to which employee deferred compensation liability balances are tracked.

SG&A expenses increased $87.7 million, or 16.9%, to $606.4 million for the nine months ended September 30, 2023, from $518.7 million for the nine months ended September 30, 2022. The increase was comprised of an increase of $65.3 million, assuming foreign currency parity, at our existing operations and $25.3 million from acquisitions closed during, or subsequent to, the nine months ended September 30, 2022, partially offset by a decrease of $2.9 million resulting from a lower average foreign currency exchange rate in effect during the current period.

The increase in SG&A expenses at our existing operations of $65.3 million, assuming foreign currency parity, for the nine months ended September 30, 2023 was comprised of an increase in administrative payroll expenses of $19.1 million, an increase in executive separation costs of $15.1 million, an increase in incentive compensation expense of $10.9 million, an increase in deferred compensation expenses of $8.3 million as a result of increases in the market value of investments to which employee deferred compensation liability balances are tracked, an increase in equity-based compensation expenses of $7.2 million $1.5 million associated with our annual recurring grants of restricted share units to our personnel, a collective increase in travel, meetings and training expenses of $4.4 million, an increase in software license fees of $3.9 million, an increase in professional fees of $3.2 million and $4.9 million of other net expense increases, partially offset by a decrease in direct acquisition expenses of $11.7 million due to a decrease in acquisition activity in the current period.

SG&A expenses as a percentage of revenues decreased 0.4 percentage points to 9.5% for the three months ended September 30, 2023, from 9.9% for the three months ended September 30, 2022. The decrease as a percentage of revenues was primarily attributable to price-led revenue growth, a 0.4 percentage point decrease in direct acquisition expenses due to a decrease in acquisition activity in the current period, a 0.1 percentage point decrease in equity-based compensation expenses associated with changes in our share price resulting in fair value measurement decreases to equity awards accounted for as liabilities that were granted to employees of Progressive Waste prior to June 1, 2016, which are subject to valuation adjustments each period, a 0.1 percentage point decrease in deferred compensation expenses, a 0.1 percentage point decrease from acquisitions closed during, or subsequent to, the three months ended September 30, 2022 having lower SG&A costs as a percentage of revenue than our company average and a 0.1 percentage point decrease from all other changes, partially offset by a 0.2 percentage point increase in administrative payroll expenses and a 0.2 percentage point increase in incentive compensation expenses. personnel.

SG&A expenses as a percentage of revenues increased 0.4 0.5 percentage points to 10.1% 10.7% for the nine three months ended September 30, 2023 March 31, 2024, from 9.7% 10.2% for the nine three months ended September 30, 2022 March 31, 2023. The increase as a percentage of revenues was primarily attributable to a 0.4 percentage point increase in direct acquisition expenses due to an increase in acquisition activity and a 0.3 percentage point increase in executive separation incentive compensation costs, a 0.2 percentage point increase in deferred compensation expense and a 0.2 percentage point increase in administrative payroll expenses, partially offset by a 0.2 percentage point decrease in direct acquisition expenses due to a decrease in acquisition activity and a 0.1 percentage point decrease from all other changes. accrued equity compensation expense.

<u>Depreciation</u>. Depreciation expense increased $21.7 million $18.7 million, or 11.2% 9.1%, to $215.0 million $222.7 million for the three months ended September 30, 2023 March 31, 2024, from $193.3 $204.0 million for the three months ended September 30, 2022 March 31, 2023. The increase was comprised of an

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increase in depreciation and depletion expense of $14.7 million $13.4 million from acquisitions closed during, or subsequent to, the three months ended September 30, 2022, March 31, 2023 and an increase in depreciation expense of $4.7 million $6.1 million from the impact of additions to our fleet and equipment purchased to support our existing operations, and $2.9 million of other net increases, partially offset by a decrease of $0.6 million resulting from a lower average foreign currency exchange rate $0.8 million in effect during the current period.

Depreciation expense increased $70.2 million, or 12.5%, to $632.4 million for the nine months ended September 30, 2023, from $562.2 million for the nine months ended September 30, 2022. The increase was comprised of an increase in depreciation and depletion expense of $48.1 million from acquisitions closed during, or subsequent due to the nine months ended September 30, 2022, an increase lower landfill volumes in depreciation expense of $19.8 million from the impact of additions to our fleet and equipment purchased to support our existing operations and $5.5 million of other net increases, partially offset by a decrease of $3.2 million resulting from a lower average foreign currency exchange rate in effect during the current period. certain markets.

Depreciation expense as a percentage of revenues increased 0.1 percentage points to 10.4% for the three months ended September 30, 2023, from 10.3% for the three months ended September 30, 2022. Depreciation expense as a percentage of revenues remained flat at 10.5% for the nine months ended September 30, 2023 and 2022. The increase 10.7% for the three months ended September 30, 2023 March 31, 2024 and March 31, 2023. As compared to prior year, expenses as a percentage of revenues was primarily attributable decreased due to the impact of price driven revenue increases in our solid waste services, offset by increases as a percentage of revenue from acquisitions closed during, or subsequent to, the three months ended September 30, 2022 March 31, 2023 having higher depreciation expense as a percentage of revenue than our company average, partially offset by the impact of price driven revenue increases in our solid waste services. average.

Amortization of Intangibles. Amortization of intangibles expense increased $0.5 million $1.0 million, or 1.4% 2.6%, to $39.4 million $40.3 million for the three months ended September 30, 2023 March 31, 2024, from $38.9 million $39.3 million for the three months ended September 30, 2022 March 31, 2023. The increase was the result of $5.1 million $5.8 million from intangible assets acquired in acquisitions closed during, or subsequent to, the three months ended September 30, 2022 March 31, 2023, partially offset by a decrease of $4.4 million $4.8 million from certain intangible assets becoming fully amortized subsequent to September 30, 2022, and a decrease of $0.2 million resulting from a lower average foreign currency exchange rate in effect during the current period. March 31, 2023.

Amortization of intangibles expense increased $3.8 million, or 3.3%, to $117.8 million for the nine months ended September 30, 2023, from $114.0 million for the nine months ended September 30, 2022. The increase was the result of $19.3 million from intangible assets acquired in acquisitions closed during, or subsequent to, the nine months ended September 30, 2022, partially offset by a decrease of $14.6 million from certain intangible assets becoming fully amortized subsequent to September 30, 2022, and a decrease of $0.9 million resulting from a lower average foreign currency exchange rate in effect during the current period.

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Amortization of intangibles expense as a percentage of revenues decreased 0.2 percentage points to 1.9% for the three months ended September 30, 2023 March 31, 2024, from 2.1% for the three months ended September 30, 2022 March 31, 2023. Amortization of intangibles expense The decrease as a percentage of revenues decreased 0.1 percentage points to 2.0% for the nine months ended September 30, 2023, from 2.1% for the nine months ended September 30, 2022. The decreases as a percentage of revenues were was attributable to the impact of price-driven revenue increases in our solid waste services.

Impairments and Other Operating Items. Impairments and other operating items increased $43.0 million decreased $1.5 million, to $56.4 million of net losses totaling $0.4 million for the three months ended September 30, 2023 March 31, 2024, from $13.4 million of net losses totaling $1.9 million for the three months ended September 30, 2022 March 31, 2023.

The net losses of $56.4 million $0.4 million recorded during the three months ended September 30, 2023 resulted from $31.3 million March 31, 2024 consisted of charges to adjust $1.1 million of net losses on the carrying value disposal of contingent consideration liabilities associated with acquisitions closed in prior periods, $25.0 million property and equipment and $0.6 million of charges to adjust the carrying value of certain assets impaired as a result of an adjustment to fair market value and $3.0 million of charges related to the settlement of legal matters, other net adjustments, partially offset by $2.9 million of other net credits. $1.3 million gain from favorable lawsuit settlements.

The net losses of $13.4 million $1.9 million recorded during the three months ended September 30, 2022 consisted of an $8.4 million lawsuit judgment accrual and $5.5 million of charges to write off the carrying cost of certain contracts that were not, or are not expected to be, renewed prior to the original estimated termination date, partially offset by $0.5 million of other net credits.

Impairments and other operating items increased $49.7 million, to net losses totaling $69.2 million for the nine months ended September 30, 2023, March 31, 2023 resulted from net losses totaling $19.5 million for the nine months ended September 30, 2022.

The net losses of $69.2 million recorded during the nine months ended September 30, 2023 consisted of $31.3 million of charges to adjust the carrying value of contingent consideration liabilities associated with acquisitions closed in prior periods, $25.0 million of charges to adjust the carrying value of certain assets impaired as a result of an adjustment to fair market value, $6.8 million of charges to write off the carrying cost of certain contracts that were not, or are not expected to be, renewed prior to the original estimated termination date and $5.8 million of losses on disposal of property and equipment and $0.3 million of other net adjustments.

The net losses of $19.5 million recorded during the nine months ended September 30, 2022 consisted of $10.5 million of charges to write off the carrying cost of certain contracts that were not, or are not expected to be, renewed prior to the original estimated termination date, an $8.4 million lawsuit judgment accrual and $0.6 million of other net charges. equipment.

Operating Income. Operating income increased $26.2 million $52.1 million, or 8.0% 16.6%, to $353.0 million $366.8 million for the three months ended September 30, 2023 March 31, 2024, from $326.8 million $314.7 million for the three months ended September 30, 2022 March 31, 2023.

The increase in our operating income for the three months ended September 30, 2023 March 31, 2024 was due primarily to price increases for our solid waste services, operating income generated from acquisitions closed during, or subsequent to, the three months ended September 30, 2022 and lower direct acquisition expenses, partially offset by an increase in charges related to adjustments for contingent consideration liabilities and impairments and lower recyclable commodity pricing in the period.

Operating income increased $81.6 million March 31, 2023, or 8.8%, to $1.012 billion for the nine months ended September 30, 2023, from $930.2 million for the nine months ended September 30, 2022.

The increase in our operating income for the nine months ended September 30, 2023 was due primarily to price increases for our solid waste services, operating income generated from acquisitions closed during, or subsequent to, the nine months ended September 30, 2022 and an increase in earnings at our E&P waste operations, operating income contributions from increased renewable energy credits associated with the generation of landfill gas and contributions from higher recyclable commodity pricing, partially offset by an increase in charges related to adjustments for contingent consideration liabilities and impairments, lower recyclable commodity pricing in the period and risk management costs, an increase in executive separation costs. direct acquisition expenses associated with increased acquisition activity as compared to the prior year period and increased incentive compensation expense.

Operating income as a percentage of revenues increased 1.1 percentage points to 17.7% for the three months ended March 31, 2024, from 16.6% for the three months ended March 31, 2023. The increase as a percentage of revenues was comprised of a 1.3 percentage point decrease in our costs of operations, a 0.2 percentage point decrease in amortization expense and a 0.1 percentage point decrease in impairments and other operating items, partially offset by a 0.5 percentage point increase in SG&A expenses.

Interest Expense. Interest expense increased $10.1 million, or 14.8%, to $78.5 million for the three months ended March 31, 2024, from $68.4 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $7.6 million due to an increase in the average borrowings outstanding under our Revolving Credit Agreement entered into during the three months ended March 31, 2024, an increase of $4.1 million from the issuance of $750.0 million of senior unsecured notes during the three months ended March 31, 2024, an increase of $2.7 million from

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Operating income as a percentage higher interest rates on borrowings outstanding during the comparative periods, and $1.5 million of revenues decreased 0.3 percentage points to 17.1% for the three months ended September 30, 2023, from 17.4% for the three months ended September 30, 2022. The decrease as a percentage of revenues was comprised of a 2.0 percentage point increase in impairments and other operating items and a 0.1 percentage point increase in depreciations net expense increases, partially offset by a 1.2 percentage point $5.8 million decrease in our costs of operations, a 0.4 percentage point decrease in SG&A expense and a 0.2 percentage point decrease in amortization expense.

Operating income as a percentage of revenues decreased 0.5 percentage points to 16.9% for the nine months ended September 30, 2023, from 17.4% for the nine months ended September 30, 2022. The decrease as a percentage of revenues was comprised of a 0.8 percentage point increase in impairments and other operating items and a 0.4 percentage point increase in SG&A expense, partially offset by a 0.6 percentage point decrease in our costs of operations and a 0.1 percentage point decrease in amortization expense.

Interest Expense. Interest expense increased $17.8 million, or 34.9%, to $69.0 million for the three months ended September 30, 2023, from $51.2 million for the three months ended September 30, 2022. The increase was primarily attributable to an increase of $10.4 million due to a net increase decrease in the average borrowings outstanding under our 2021 Revolving and Term Credit Agreement and 2022 Term Loan Agreement an increase as a result of $4.0 million from the issuance early termination of $750 million of senior unsecured notes these agreements during or subsequent to, the three months ended September 30, 2022, an increase of $2.9 million from higher interest rates on borrowings outstanding under our Credit Agreement and $0.5 million of other net expense increases.

Interest expense increased $67.3 million, or 49.0%, to $204.9 million for the nine months ended September 30, 2023, from $137.6 million for the nine months ended September 30, 2022 March 31, 2024. The increase was primarily attributable to an increase of $30.0 million due to a net increase in the average borrowings outstanding under our Credit Agreement and Term Loan Agreement, an increase of $22.7 million from *the issuance of $1.250 billion of senior unsecured notes during, or subsequent to, the nine months ended September 30, 2022, an increase of $13.2 million from higher interest rates on borrowings outstanding under our Credit Agreement and $1.4 million of other net expense increases.*

Interest Income. Interest income increased $1.0 million decreased $0.6 million to $2.8 million $2.1 million for the three months ended September 30, 2023 March 31, 2024, from $1.8 million $2.7 million for the three months ended September 30, 2022. Interest income increased $4.3 million to $6.9 million for the nine months ended September 30, 2023, from $2.6 million for the nine months ended September 30, 2022 March 31, 2023. The increases were decrease was primarily attributable to higher lower average investment rates in the current period.

Other Income (Expense), Net. Other income (expense), net decreased $3.1 million $5.0 million, to $5.4 million an expense of $1.8 million for the three months ended September 30, 2023 March 31, 2024, from $8.5 million income of $3.2 million for the three months ended September 30, 2022 March 31, 2023.

Other income expense of $5.4 million $1.8 million recorded during the three months ended September 30, 2023 March 31, 2024 consisted of $2.3 million from the write off of unamortized loan fees as a $4.2 million reduction to certain accrued liabilities acquired in an acquisition closed in a prior year period result of the early extinguishment of our 2021 Revolving and $3.7 million in other net income sources, partially offset by $2.0 million from a decrease in the value of investments purchased to fund our employee deferred compensation obligations Term Credit Agreement and 2022 Term Loan Agreement, $0.5 million from a decrease an increase in the average foreign currency exchange rate in effect during the comparable reporting periods period reducing the U.S. dollar consideration required to settle international liabilities.

Other income liabilities and $0.7 million of $8.5 million recorded during the three months ended September 30, 2022 consisted of income net losses from transactions primarily as a result of the impact from changes in foreign currency exchange rates on certain debt of $6.0 million and $2.5 million of other income.

Other income, net increased $6.0 million, to $8.4 million for the nine months ended September 30, 2023, from $2.4 million for the nine months ended September 30, 2022.

Other income of $8.4 million recorded during the nine months ended September 30, 2023 consisted of a $4.2 million reduction to certain accrued liabilities acquired in an acquisition closed in a prior year period, $3.8 million in other net income sources, and $0.6 million partially offset by $1.7 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations, partially offset by $0.2 million from a decrease in the average foreign currency exchange rate in effect during the comparable reporting periods reducing the U.S. dollar consideration required to settle international liabilities. obligations.

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Other income of $2.4 million $3.2 million recorded during the nine three months ended September 30, 2022 March 31, 2023 consisted of income from transactions primarily as a result of the impact from changes increases in foreign currency exchange rates on certain debt of $7.9 million and $0.7 million of other income partially offset by $6.2 million of $1.9 million derived from a decline higher interest rates in the current period on restricted cash and $1.3 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations.

Income Tax Provision. Income taxes increased $14.2 million $5.0 million, to $63.0 million $59.4 million for the three months ended September 30, 2023 March 31, 2024, from $48.8 million $54.4 million for the three months ended September 30, 2022 March 31, 2023. Our effective tax rate for the three months ended September 30, 2023 March 31, 2024 was 21.6% 20.6%. Our effective tax rate for the three months ended September 30, 2022 March 31, 2023 was 17.1%. Income taxes increased $30.0 million, to $185.9 million for the nine months ended September 30, 2023, from $155.9 million for the nine months ended September 30, 2022. Our effective tax rate for the nine months ended September 30, 2023 was 22.6%. Our effective tax rate for the nine months ended September 30, 2022 was 19.5% 21.6%.

The income tax provision for the three and nine months ended September 30, 2023 March 31, 2024 included a benefit of $0.1 million and $3.0 million, respectively, $5.2 million from share-based payment awards being recognized in the income statement when settled, as well as a portion of our internal financing being taxed at effective rates substantially lower than the U.S. federal statutory rate.

The income tax provision for the nine three months ended September 30, 2022 March 31, 2023 included a benefit of $2.5 million $2.7 million from share-based payment awards being recognized in the income statement when settled, as well as a portion of our internal financing being taxed at effective rates substantially lower than the U.S. federal statutory rate.

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SEGMENT RESULTS

General

No single contract or customer accounted for more than 10% of our total revenues at the consolidated or reportable segment level during the periods presented. The following table disaggregates our revenue by service line for the periods indicated (in thousands of U.S. dollars).

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Commercial	$ 630,641	$ 564,592	$ 1,848,723	$ 1,602,793	$ 642,859	$ 602,279
Residential	538,364	487,995	1,582,289	1,391,603	546,211	514,053
Industrial and construction roll off	343,740	315,904	1,002,085	870,949	325,990	318,315
Total collection	1,512,745	1,368,491	4,433,097	3,865,345	1,515,060	1,434,647
Landfill	390,330	345,215	1,116,707	984,700	353,478	343,433
Transfer	313,214	271,685	892,757	751,117	301,882	273,521
Recycling	36,103	48,246	105,724	178,845	49,025	31,301
E&P	62,066	56,995	172,431	154,706	97,408	51,759
Intermodal and other	44,984	47,604	122,655	139,605	49,541	38,212
Intercompany	(294,698)	(258,368)	(857,029)	(731,760)	(293,741)	(272,370)
Total	$ 2,064,744	$ 1,879,868	$ 5,986,342	$ 5,342,558	$ 2,072,653	$ 1,900,503

Effective April 1, 2023 For the three months ended March 31, 2024, we modified managed our organizational structure under new regional operating segments as the result of continued growth in our business. We now report revenue and segment EBITDA based on operations through the following six geographic solid waste operating segments: Western, Southern, Western, Central, Eastern, Canada and MidSouth. A small number of operating locations have been reallocated from the Western segment to the Central segment, the previous Eastern segment has been bifurcated into two smaller geographies now referred to as the Eastern segment and MidSouth segment, and a small number of operating locations have been reallocated from the Southern segment to the MidSouth segment. Our six geographic solid waste operating segments comprise our reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. While certain Certain corporate or regional overhead expense allocations may affect comparability on a period-over-period basis, of the segment information presented herein reflects the realignment of these regions. on a period-over-period basis.

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Our Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. We define segment EBITDA as earnings before interest, taxes, depreciation, amortization, impairments and other operating items and other income (expense). Segment EBITDA is not a measure of *operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. Our management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.*

Summarized financial information for our reportable segments are shown in the following tables in thousands of U.S. dollars and as a percentage of total segment revenue for the periods indicated.

Three Months Ended September 30, 2023	Revenue	EBITDA (b)	EBITDA Margin	Depreciation and Amortization
Southern	$ 413,578	$ 133,072	32.2 %	$ 44,630
Western	432,462	124,433	28.8 %	50,262
Central	372,862	137,823	37.0 %	43,156
Eastern	353,109	100,779	28.5 %	53,088
Canada	263,095	108,524	41.2 %	31,361
MidSouth	229,638	61,923	27.0 %	29,920
Corporate(a)	—	(2,729)	—	1,955
	$ 2,064,744	$ 663,825	32.2 %	$ 254,372

Three Months Ended September 30, 2022	Revenue	EBITDA (b)	EBITDA Margin	Depreciation and Amortization
Southern	$ 383,437	$ 122,472	31.9 %	$ 44,036
Western	370,189	109,736	29.6 %	38,710
Central	338,889	122,471	36.1 %	40,052
Eastern	329,258	77,384	23.5 %	49,304
Canada	242,314	87,910	36.3 %	29,530
MidSouth	215,781	64,036	29.7 %	28,650
Corporate(a)	—	(11,657)	—	1,864
	$ 1,879,868	$ 572,352	30.4 %	$ 232,146

Nine Months Ended September 30, 2023	Revenue	EBITDA (b)	EBITDA Margin	Depreciation and Amortization
Southern	$ 1,227,532	$ 384,660	31.3 %	$ 135,554
Western	1,247,273	354,682	28.4 %	148,373
Central	1,082,032	384,538	35.5 %	127,323
Eastern	1,025,662	260,569	25.4 %	153,436
Canada	738,956	286,703	38.8 %	92,117
MidSouth	664,887	182,072	27.4 %	87,299
Corporate(a)	—	(22,142)	—	5,985
	$ 5,986,342	$ 1,831,082	30.6 %	$ 750,087

Three Months Ended March 31, 2024	Revenue	EBITDA (b)	EBITDA Margin	Depreciation and Amortization
Western	$ 422,249	$113,050	26.8 %	$ 51,221
Southern	418,946	128,412	30.7 %	44,707
Central	360,927	125,922	34.9 %	40,787
Eastern	360,063	95,016	26.4 %	53,548
Canada	280,362	121,361	43.3 %	39,109
MidSouth	230,106	57,507	25.0 %	29,889
Corporate(a)	—	(11,133)	—	3,720
	$2,072,653	$630,135	30.4 %	$ 262,981

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Nine Months Ended	EBITDA	Depreciation and

September 30, 2022 / Three Months Ended March 31, 2023	Revenue	EBITDA (b)	Margin	Amortization	Revenue	EBITDA (b)	EBITDA Margin	Depreciation and Amortization
Western					$ 395,839	$110,689	28.0 %	$ 47,646
Southern	$ 1,103,299	$ 341,006	30.9 %	$ 130,123	399,893	121,914	30.5 %	45,049
Western	1,050,433	315,114	30.0 %	110,914				
Central	954,137	333,866	35.0 %	115,427	339,985	115,756	34.0 %	41,376
Eastern	909,914	214,335	23.6 %	139,722	329,128	73,275	22.3 %	48,037
Canada	707,404	265,402	37.5 %	88,809	227,156	82,984	36.5 %	29,992
MidSouth	617,371	175,133	28.4 %	84,368	208,502	57,731	27.7 %	27,483
Corporate(a)	—	(19,042)	—	6,767	—	(2,454)	—	3,758
	$ 5,342,558	$ 1,625,814	30.4 %	$ 676,130	$1,900,503	$559,895	29.5 %	$ 243,341

(a) The majority of Corporate expenses are allocated to the six operating segments. Direct acquisition expenses, expenses associated with common shares held in the deferred compensation plan exchanged for other investment options and share-based compensation expenses associated with Progressive Waste share-based grants outstanding at June 1, 2016 that were continued by the Company are not allocated to the six operating segments and comprise the net EBITDA for our Corporate segment for the periods presented.

(b) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in our most recent Annual Report on Form 10-K.

A reconciliation of segment EBITDA to Income before income tax provision is included in Note 11 10 to our Condensed Consolidated Financial Statements included in Part 1, Item 1 of this report.

Significant changes in revenue, EBITDA and depreciation, depletion and amortization for our reportable segments for the three and nine month periods period ended September 30, 2023 March 31, 2024, compared to the three and nine month periods period ended September 30, 2022 March 31, 2023, are discussed below.

Western

Revenue increased $26.4 million to $422.2 million for the three months ended March 31, 2024, from $395.8 million for the three months ended March 31, 2023, due to price increases, contributions from acquisitions and increases in residential collection volumes, partially offset by decreased transfer volumes and lower intermodal revenue.

EBITDA increased $2.4 million to $113.1 million, or a 26.8% EBITDA margin for the three months ended March 31, 2024, from $110.7 million, or a 28.0% EBITDA margin for the three months ended March 31, 2023. The decrease in our EBITDA margin was due to an increase in risk management expenses due to higher claim and premium costs, an increase in post-closure liability interest accretion expense, higher leachate costs and an increase in allocated corporate overhead, partially offset by a decrease in recycle processing fees, lower fuel costs due to lower diesel and natural gas prices, a decrease in truck, container, equipment and facility maintenance and repair costs and lower other operating costs as compared to the prior year period.

Depreciation, depletion and amortization expense increased $3.6 million, to $51.2 million for the three months ended March 31, 2024, from $47.6 million for the three months ended March 31, 2023, due to assets acquired in acquisitions, additions to our fleet and equipment and increases in depletion expense associated with higher landfill development and closure costs increasing our per ton landfill depletion rates.

Southern

Revenue increased $30.2 million $19.0 million to $413.6 million $418.9 million for the three months ended September 30, 2023 March 31, 2024, from $383.4 million $399.9 million for the three months ended September 30, 2022, due to solid waste price increases, contributions from acquisitions, increased E&P waste revenues attributable to increases in the demand for our E&P waste services, partially offset by lower volumes in our residential and commercial lines of business and a decrease in post-collection volumes.

Revenue increased $124.2 million to $1.228 billion for the nine months ended September 30, 2023, from $1.103 billion for the nine months ended September 30, 2022 March 31, 2023, due to solid waste price increases, contributions from acquisitions, increased E&P waste revenues attributable to increases in the demand for our E&P waste services and increased landfill volumes an increase in our Florida market driven by recyclable commodity prices as compared to the impact of Hurricane Ian on construction and demolition activity in the first three months of 2023, prior year period, partially offset by lower residential collection volumes due to the purposeful non-renewal of a collection contract contracts during the current and prior year period and other decreases in residential volumes, periods, lower transfer station volumes commercial collection volume and a decrease in recyclable commodity prices as compared to the prior years.

EBITDA increased $10.6 million to $133.1 million, or a 32.2% EBITDA margin for the three months ended September 30, 2023, from $122.5 million, or a 31.9% EBITDA margin for the three months ended September 30, 2022. The increase in our EBITDA margin for the three months ended September 30, 2023 was due to the impact of price-led revenue growth, lower trucking costs and disposal expense related to lower transfer station volumes, and a decrease in facility repair costs, partially offset by an increase in auto and workers' compensation claim costs driven by higher average claim expense and an increase in labor costs due primarily to wage increases.

EBITDA increased $43.7 million to $384.7 million, or a 31.3% EBITDA margin for the nine months ended September 30, 2023, from $341.0 million, or a 30.9% EBITDA margin for the nine months ended September 30, 2022. The increase in our EBITDA margin for the nine months ended September 30, 2023 was due to price-led increases in solid waste revenue, contribution from the aforementioned hurricane-driven construction and demolition activity, the impact of acquisitions having higher EBITDA margins than our segment average, lower trucking costs related to lower transfer station volumes, decreases in diesel and natural gas costs due to a decline in average fuel prices, the purposeful non-post-collection volume.

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renewal of EBITDA increased $6.5 million to $128.4 million, or a residential contract and 30.7% EBITDA margin for the three months ended March 31, 2024, from $121.9 million, or a 30.5% EBITDA margin for the three months ended March 31, 2023. The increase in our EBITDA margin was due to price-led increases in solid waste revenue, increased earnings at our E&P waste operations, lower legal costs, decreases in fuel costs and the purposeful non-renewal of certain residential contracts, partially offset by an increase in auto risk management expenses, increased leachate expense, higher allocated overhead expense, increased benefits costs and workers' compensation claim expenses driven by higher average claim costs, higher labor costs due to wage increases and increased leachate an increase in bad debt expense.

Depreciation, depletion and amortization expense increased $0.6 million decreased $0.3 million, to $44.6 million $44.7 million for the three months ended September 30, 2023 March 31, 2024, from $44.0 million $45.0 million for the three months ended September 30, 2022. Depreciation, depletion and amortization expense increased $5.5 million March 31, 2023, to $135.6 million for the nine months ended September 30, 2023, from $130.1 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to assets acquired in acquisitions, partially offset by a reduction in amortization expense associated with the loss of certain residential service contracts.

Western Central

Revenue increased $62.3 million $20.9 million to $432.5 million $360.9 million for the three months ended September 30, 2023 March 31, 2024, from $370.2 million $340.0 million for the three months ended September 30, 2022. Revenue March 31, 2023, due to price increases and an increase in recyclable commodity prices as compared to the prior year period, partially offset by lower post collection volumes and a decrease in residential collection.

EBITDA increased $196.9 million $10.1 million to $1.247 billion for the nine months ended September 30, 2023 $125.9 million, from $1.050 billion for the nine months ended September 30, 2022. The increases or a 34.9% EBITDA margin for the three and nine months ended September 30, 2023 were March 31, 2024, from $115.8 million, or a 34.0% EBITDA margin for the three months ended March 31, 2023. The increase in our EBITDA margin was due to the benefits from price-led increases in revenue and decreases in fuel costs, partially offset by an increase in risk management expenses and an increase in allocated corporate overhead.

Depreciation, depletion and amortization expense decreased $0.6 million, to $40.8 million for the three months ended March 31, 2024, from $41.4 million for the three months ended March 31, 2023, due to a decrease in depletion as a result of lower landfill volumes and a reduction in amortization expense associated with certain intangible assets becoming fully amortized subsequent to March 31, 2023, partially offset by additions to our fleet and equipment as compared to the prior year periods.

Eastern

Revenue increased $31.0 million to $360.1 million for the three months ended March 31, 2024, from $329.1 million for the three months ended March 31, 2023, due to contributions from acquisitions, price increases and increases an increase in residential and commercial *collection volumes, partially offset by decreased roll off and post-collection volumes, a decrease in the price of recyclable commodities commodity prices as compared to the prior year periods period, partially offset by decreased residential and commercial service revenues and lower intermodal revenue. roll off volumes.*

EBITDA increased $14.7 million $21.7 million to $124.4 million $95.0 million, or a 28.8% 26.4% EBITDA margin for the three months ended September 30, 2023 March 31, 2024, from $109.7 million $73.3 million, or a 29.6% 22.3% EBITDA margin for the three months ended September 30, 2022. EBITDA increased $39.6 million to $354.7 million, or a 28.4% EBITDA margin for the nine months ended September 30, 2023, from $315.1 million, or a 30.0% EBITDA margin for the nine months ended September 30, 2022 March 31, 2023. The decreases increase in our EBITDA margin for the three and nine months ended September 30, 2023 were due to an increase in auto and workers' compensation claim costs driven by higher average claim expense, an increase in allocated corporate overhead, higher labor costs was due primarily to wage price-led increases higher leachate in revenue, lower labor and other landfill maintenance benefits costs, and an increase in processing costs incurred for recyclable material driven primarily by a decrease in commodity values, trucking and disposal expenses as a result of purposefully lost volumes and increased internalization in certain markets, a decrease in leachate costs, lower professional fees as a result of a decrease in legal costs and a decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by lower trucking costs and the benefits from the impact of acquisitions having higher lower EBITDA margins than our segment average. average and an increase in risk management expenses.

Depreciation, depletion and amortization expense increased $11.6 million $5.5 million, to $50.3 million $53.5 million for the three months ended September 30, 2023 March 31, 2024, from $38.7 million $48.0 million for the three months ended September 30, 2022. Depreciation, depletion and amortization expense increased $37.5 million March 31, 2023, to $148.4 million for the nine months ended September 30, 2023, from $110.9 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to assets acquired in acquisitions and additions to our fleet and equipment.

Central

Revenue increased $34.0 million to $372.9 million for the three months ended September 30, 2023, from $338.9 million for the three months ended September 30, 2022. Revenue increased $127.9 million to $1.082 billion for the nine months ended September 30, 2023, from $954.1 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to price increases and contributions from acquisitions, partially offset by lower residential revenues and a decrease in the value of recyclable commodities compared to the prior year periods.

EBITDA increased $15.3 million to $137.8 million, or a 37.0% EBITDA margin for the three months ended September 30, 2023, from $122.5 million, or a 36.1% EBITDA margin for the three months ended September 30, 2022. EBITDA increased $50.6 million to $384.5 million, or a 35.5% EBITDA margin for the nine months ended September 30, 2023, from $333.9 million, or a 35.0% EBITDA margin for the nine months ended September 30, 2022. The increases in our EBITDA margin for the three and nine months ended September 30, 2023 were due to the benefits from price-led increases in revenue, decreases in diesel and natural gas costs due to a decline in average fuel prices, the impact of acquisitions having higher EBITDA margins than our segment average and lower benefits costs, partially offset by an

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increase in auto and workers' compensation claim costs driven by higher average claim expense, a decrease in the value of recyclable commodities as compared to the prior year periods and an increase in allocated corporate overhead.

Depreciation, depletion and amortization expense increased $3.1 million, to $43.2 million for the three months ended September 30, 2023, from $40.1 million for the three months ended September 30, 2022. Depreciation, depletion and amortization expense increased $11.9 million, to $127.3 million for the nine months ended September 30, 2023, from $115.4 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to assets acquired in acquisitions, additions to our fleet and equipment, and higher depletion expense due to higher landfill development costs increasing our per ton landfill depletion rates and increased volumes.

Eastern

Revenue increased $23.8 million to $353.1 million for the three months ended September 30, 2023, from $329.3 million for the three months ended September 30, 2022. Revenue increased $115.8 million to $1.026 billion for the nine months ended September 30, 2023, from $909.9 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to price increases and contributions from acquisitions, partially offset by decreased post-collection volumes, decreased residential and commercial service revenues, lower roll off volumes and a decrease in the value of recyclable commodities compared to the prior year periods.

EBITDA increased $23.4 million to $100.8 million, or a 28.5% EBITDA margin for the three months ended September 30, 2023, from $77.4 million, or a 23.5% EBITDA margin for the three months ended September 30, 2022. EBITDA increased $46.3 million to $260.6 million, or a 25.4% EBITDA margin for the nine months ended September 30, 2023, from $214.3 million, or a 23.6% EBITDA margin for the nine months ended September 30, 2022. The increases in our EBITDA margin for the three and nine months ended September 30, 2023 were due primarily to price-led increases in revenue, a decrease in trucking costs, lower disposal expense, decreases in leachate costs, lower benefits costs and a decrease in professional fees related to lower legal spend, partially offset by higher labor costs primarily driven by wage increases, the impact of acquisitions having lower EBITDA margins than our segment average, an increase in the average auto and workers' compensation claim cost and lower recycle commodity revenues, net of lower rebates, driven by lower average commodity pricing.

Depreciation, depletion and amortization expense increased $3.8 million, to $53.1 million for the three months ended September 30, 2023, from $49.3 million for the three months ended September 30, 2022. Depreciation, depletion and amortization expense increased $13.7 million, to $153.4 million for the nine months ended September 30, 2023, from $139.7 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to assets acquired in acquisitions, additions to our fleet and equipment and higher depletion expense due to higher landfill development costs increasing our per ton landfill depletion rates, net of lower landfill volumes, partially offset by a reduction in amortization expense associated with the loss of certain residential service contracts.

Canada

Revenue increased $20.8 million $53.2 million to $263.1 million $280.4 million for the three months ended September 30, 2023 March 31, 2024, from $242.3 million $227.2 million for the three months ended September 30, 2022. Revenue increased $31.6 million to $739.0 million for the nine months ended September 30, 2023 March 31, 2023, from $707.4 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to price increases, contributions from acquisitions, and price increases, an increase in landfill volumes, partially offset by a decrease in the average foreign currency exchange rate in effect during the comparable reporting periods, a decrease in residential collection volumes, gas revenues and lower higher prices for recyclable commodities as compared to the prior year period. For the three months ended September 30, 2023, revenue benefited from higher prices for renewable energy credits associated with the generation of landfill gas. For the nine months ended September 30, 2023, renewable energy credits associated with the generation of landfill gas decreased as compared to the prior year period.

EBITDA increased $20.6 million to $108.5 million, or period, partially offset by a 41.2% EBITDA margin for the three months ended September 30, 2023, from $87.9 million, or a 36.3% EBITDA margin for the three months ended September 30, 2022. decrease in residential and commercial collection volumes.

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EBITDA increased $21.3 million $38.4 million to $286.7 million $121.4 million, or a 38.8% EBITDA margin for the nine months ended September 30, 2023, from $265.4 million, or a 37.5% EBITDA margin for the nine months ended September 30, 2022. The increases in our 43.3% EBITDA margin for the three and nine months ended September 30, 2023 were March 31, 2024, from $83.0 million, or a 36.5% EBITDA margin for the three months ended March 31, 2023. The increase in our EBITDA margin was due to the impact of acquisitions having higher EBITDA margins than our segment average, price-led increases in revenue, an increase in earnings associated with landfill gas revenues from higher values for renewable energy credits and higher landfill gas volumes and decreases in diesel and natural gas costs due to a decline in average fuel prices, an increase in landfill volumes, a decrease in trucking costs and lower labor expenses, partially offset by lower recycle commodity revenues, net of lower rebates, driven by lower average commodity pricing, an increase in the average auto and workers' compensation claim cost, an increase in truck, container, equipment and facility maintenance and repair expenses and an increase in allocated corporate overhead expense as compared to the prior year period.

Depreciation, depletion and amortization expense increased $1.9 million $9.1 million, to $31.4 million $39.1 million for the three months ended September 30, 2023 March 31, 2024, from $29.5 million $30.0 million for the three months ended September 30, 2022 March 31, 2023, due to assets acquired in acquisitions.

MidSouth

Revenue increased $21.6 million to $230.1 million for the three months ended March 31, 2024, from $208.5 million for the three months ended March 31, 2023, due to price increases and contributions from acquisitions, partially offset by a decrease in roll off volumes.

EBITDA decreased $0.2 million to $57.5 million, or a 25.0% EBITDA margin for the three months ended March 31, 2024, from $57.7 million, or a 27.7% EBITDA margin for the three months ended March 31, 2023. The decrease in our EBITDA margin was due primarily to an increase in risk management expenses, an increase in allocated corporate overhead and benefits expense, higher labor costs and an increase in bad debt expense, partially offset by price-led revenue growth, lower disposal and trucking costs due to increased internalization in certain markets, lower leachate costs, a decrease in professional fees and lower fuel costs.

Depreciation, depletion and amortization expense increased $3.3 million $2.4 million, to $92.1 million for the nine months ended September 30, 2023, from $88.8 million for the nine months ended September 30, 2022. The increases $29.9 million for the three and nine months ended September 30, 2023 were March 31, 2024, from $27.5 million for the three months ended March 31, 2023, due to assets acquired in acquisitions and additions to our fleet and equipment and increased depletion as equipment.

Corporate

EBITDA decreased $8.6 million, to a result loss of higher landfill volumes, partially offset by a decrease in the average foreign currency exchange rate in effect during the comparable reporting periods.

MidSouth

Revenue increased $13.8 million to $229.6 million $11.1 million for the three months ended September 30, 2023 March 31, 2024, from $215.8 million a loss of $2.5 million for the three months ended September 30, 2022. Revenue increased $47.5 million to $664.9 million for the nine months ended September 30, 2023, from $617.4 million for the nine months ended September 30, 2022 March 31, 2023. The increases for the three and nine months ended September 30, 2023 were due to price increases partially offset by a decrease in the value of recyclable commodities compared to the prior year periods.

EBITDA decreased $2.1 million to $61.9 million, or a 27.0% EBITDA margin for the three months ended September 30, 2023, from $64.0 million, or a 29.7% EBITDA margin for the three months ended September 30, 2022. EBITDA increased $7.0 million to $182.1 million, or a 27.4% EBITDA margin for the nine months ended September 30, 2023, from $175.1 million, or a 28.4% EBITDA margin for the nine months ended September 30, 2022. The decreases in our EBITDA margin for the three and nine months ended September 30, 2023 were due primarily to an increase in auto and workers' compensation claim costs, an increase in allocated corporate overhead and benefits expense, higher leachate costs, lower recycle commodity revenues and an increase in recycle processing costs driven by lower average commodity pricing and an increase in professional fees, partially offset by price-led revenue growth, lower disposal costs due to increased internalization in certain markets and decreases in diesel and natural gas costs due to a decline in average fuel prices.

Depreciation, depletion and amortization expense increased $1.2 million, to $29.9 million for the three months ended September 30, 2023, from $28.7 million for the three months ended September 30, 2022. Depreciation, depletion and amortization expense increased $2.9 million, to $87.3 million for the nine months ended September 30, 2023, from $84.4 million for the nine months ended September 30, 2022. The increases for the three and nine months ended September 30, 2023 were due to additions to our fleet and equipment, higher depletion expense due to higher landfill development costs increasing our per ton landfill depletion rates and increased landfill volumes.

Corporate

EBITDA increased $9.0 million, to a loss of $2.7 million for the three months ended September 30, 2023, from a loss of $11.7 million for the three months ended September 30, 2022. The increase in our EBITDA for the three months ended September 30, 2023 March 31, 2024 was due lower to an increase in direct acquisition expenses associated with a decrease an increase in acquisition activity in the current year period, increased allocation of costs to our operating segments driven by overall higher corporate expenses, decreased deferred compensation expenses and decreased equity-based compensation expenses, partially offset by increased incentive compensation costs, increased administrative payroll costs primarily driven by wage increases and additional headcount to support continued growth and higher costs due to increased travel and meetings.

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EBITDA decreased $3.1 million, to a loss of $22.1 million for the nine months ended September 30, 2023, from a loss of $19.0 million for the nine months ended September 30, 2022. The decrease in our EBITDA for the nine months ended September 30, 2023 was due to an increase in executive separation expenses, increased incentive compensation costs, increased equity-based compensation expense associated with our annual recurring grants of restricted share units to our personnel, increased deferred compensation expenses, professional fees, increased administrative payroll costs primarily driven by wage increases and additional headcount to support continued growth, increased costs due to increased travel and meetings, higher professional fees driven by legal costs and increased expenses associated with information systems and applications, software costs, partially offset by lower compensation costs due to non-management personnel associated with the impact of the COVID-19 pandemic that occurred in the first three months of 2022 that did not reoccur in the current year periods, lower travel and meetings and increased allocation of costs to our operating segments driven by overall higher corporate expenses and lower direct acquisition expenses associated with a decrease in acquisition activity in the current year period. segments.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth cash flow information for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands of U.S. dollars):

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Net cash provided by operating activities	$ 1,570,876	$ 1,500,137	$ 490,309	$ 442,358
Net cash used in investing activities	(1,185,613)	(1,858,586)	(1,334,579)	(317,759)
Net cash provided by (used in) financing activities	(366,536)	450,417	878,477	(65,424)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,060)	(3,210)	(577)	(54)
Net increase in cash, cash equivalents and restricted cash	17,667	88,758	33,630	59,121
Cash, cash equivalents and restricted cash at beginning of period	181,364	219,615	184,038	181,364
Cash, cash equivalents and restricted cash at end of period	$ 199,031	$ 308,373	$ 217,668	$ 240,485

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Operating Activities Cash Flows

Net cash provided by operating activities increased $70.7 million $48.0 million to $1.571 billion $490.3 million for the nine three months ended September 30, 2023 March 31, 2024, from net cash provided by operating activities of $1.500 billion $442.3 million for the nine three months ended September 30, 2022 March 31, 2023. The significant components of the increase included the following:

1) *Increase in earnings* — Our increase in net cash provided by operating activities was favorably impacted by $136.5 million $54.8 million from an increase in net income, excluding depreciation, amortization of intangibles, share-based compensation, adjustments to closure and post-closure liabilities, adjustments to and payments of contingent consideration recorded in earnings and loss on disposal of assets and impairments, due primarily to price increases, earnings from acquisitions closed during, or subsequent to, the nine three months ended September 30, 2022 March 31, 2023, a decrease an increase in compensation to non-management personnel renewable energy credits associated with the impact generation of the COVID-19 pandemic that occurred in the nine months ended September 30, 2022 that did not reoccur in the current period, landfill gas and an increase in earnings at our E&P waste operations.

2) *Accounts receivable*— Our increase in net cash provided by operating activities was favorably impacted by $58.7 million from accounts receivable as changes in accounts receivable resulted in a decrease to operating cash flows of $31.9 million for the nine months ended September 30, 2023, compared to a decrease to operating cash flows of $90.6 million for the nine months ended September 30, 2022. The decreases for the nine months ended September 30, 2023 and September 30, 2022 were due to increases in revenue, which remained as outstanding receivables at the end of the period.

3) *Prepaid expenses*— Our increase in net cash provided by operating activities was favorably impacted by $47.8 million from prepaid expenses as changes in prepaid expenses resulted in an increase to operating cash flows of $24.9 million for the nine months ended September 30, 2023, compared to a decrease to operating cash flows of $22.9 million for the nine months ended September 30, 2022. The increase for the nine months ended September 30, 2023 was due primarily to decreased prepaid income tax payments. The decrease for the nine months ended September 30, 2022 was due primarily to increases in prepaid income tax payments and prepaid vendor payments.

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4) *Accounts payable and accrued liabilities* — Our increase in net cash provided by operating activities was unfavorably favorably impacted by $99.0 million $33.3 million from accounts payable and accrued liabilities as changes in accounts payable and accrued liabilities resulted in an increase a decrease to operating cash flows of $27.7 million $59.6 million for the nine three months ended September 30, 2023 March 31, 2024, compared to an increase a decrease to operating cash flows of $126.7 million $92.9 million for the nine three months ended September 30, 2022 March 31, 2023. The increase decrease for the nine three months ended September 30, 2023 March 31, 2024 was due primarily to outstanding obligations to vendors and accrued annual management bonus compensation as of December 31, 2023 that were paid in the current year period, partially offset by an increase in accrued insurance costs and an increase in accrued interest due to the timing of interest payments and increased property taxes attributable to payment timing, partially offset by lower outstanding obligations to vendors. payments. The increase decrease for the nine three months ended September 30, 2022 March 31, 2023 was due primarily to increases in operating expenses during the period which remained as outstanding obligations at September 30, 2022, increased to vendors and accrued interest due to annual management bonus compensation as of December 31, 2022 that were paid in the timing of interest payments for our senior unsecured notes issued subsequent to September 30, 2021, increased property taxes attributable to payment timing and the timing of payroll cycles, partially offset by the payment of annual cash incentive compensation to our management, which was accrued as a liability at current year end. period.

5) 3) *Deferred income taxes Closure and post closure expenditures* —– Our increase in net cash provided by operating activities was unfavorably impacted by $62.0 million $23.6 million from deferred income taxes an increase in payments for closure and post closure activities as changes in deferred income taxes expenditures for these items resulted in a decrease to operating cash flows of $28.9 million for the three months ended March 31, 2024, compared to a decrease in operating cash flows of $5.3 million for the three months ended March 31, 2023.

4) *Accounts receivable*— Our increase in net cash provided by operating activities was unfavorably impacted by $15.6 million from accounts receivable as changes in accounts receivable resulted in an increase to operating cash flows of $29.1 million $5.4 million for the nine three months ended September 30, 2023 March 31, 2024, compared to an increase to operating cash flows of $91.1 million $21.0 million for the nine three months ended September 30, 2022 March 31, 2023. The increases for the three months ended March 31, 2023 and 2024 were due to an additional collection day in the periods, partially offset by increases in revenue, which remained as outstanding receivables at the end of the periods.

5) *Prepaid expenses*— Our increase in net cash provided by operating activities was unfavorably impacted by $8.2 million from prepaid expenses as changes in prepaid expenses resulted in an increase to operating cash flows of $10.4 million for the three months ended March 31, 2024, compared to an increase to operating cash flows of $18.6 million for the three months ended March 31, 2023. The increase for the nine three months ended September 30, 2023 March 31, 2024 was due primarily due to accelerated tax depreciation from capital expenditures. a decrease in prepaids related to the timing of insurance claim payments. The increase for the nine three months ended September 30, 2022 March 31, 2023 was attributable due primarily to capital expenditures providing decreased prepaid income tax benefits resulting from accelerated depreciation payments and tax benefits resulting from the divestiture lower payments of certain non-strategic E&P disposal operating locations. annual insurance premiums.

6) *Deferred revenue* — Our increase in net cash provided by operating activities was unfavorably impacted by $10.2 million $6.8 million from deferred revenue as changes in deferred revenue resulted in an increase to operating cash flows of $16.4 million $4.1 million for the nine three months ended September 30, 2023 March 31, 2024, compared to an increase to operating cash flows of $26.5 million $10.8 million for the nine three months ended September 30, 2022 March 31, 2023. For both comparative periods, deferred revenue increased due to price increases on our advanced billed residential and commercial collection services.

At September 30, 2023 March 31, 2024, we had a working capital deficit of $424.0 million $414.5 million, including cash and equivalents of $96.2 million $112.0 million. Our working capital deficit increased $29.0 million decreased $131.6 million from a working capital deficit of $395.0 $546.1 million at December 31, 2022 December 31, 2023 including cash and equivalents of $78.6 million $78.4 million, due primarily to a decrease in prepaid income tax, an increase in contingent consideration liabilities and an increase in deferred revenues, partially offset by an *increase in accounts receivables as a result of increases in revenue, higher cash balances and decreases in accounts payable and accrued liabilities driven by the timing of payments for obligations to vendors. vendors and the timing of payment of annual management bonus compensation, an increase in accounts receivables as a result of increases in revenue and an increase in cash balances. To date, we have experienced no loss or lack of access to our cash and equivalents; however, we can provide no assurances that access to our cash and equivalents will not be impacted by adverse conditions in the financial*

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markets. Our strategy in managing our working capital is generally to apply the cash generated from our operations that remains after satisfying our working capital and capital expenditure requirements, along with share repurchase and dividend programs, to reduce the unhedged portion of our indebtedness under our Revolving Credit Agreement and to minimize our cash balances.

Investing Activities Cash Flows

Net cash used in investing activities decreased $673.0 million increased $1.017 billion to $1.186 billion $1.335 billion for the nine three months ended September 30, 2023 March 31, 2024, from $1.859 billion $317.8 million for the nine three months ended September 30, 2022 March 31, 2023. The significant components of the decrease increase included the following:

1) A decrease An increase in cash paid for acquisitions of $700.0 million $1.012 billion; and less
2) A decrease in capital expenditures at operations owned in the comparable periods of $29.1 million $5.8 million due to decreases in landfill site costs, and partially offset by increases in land and facility expenditures, partially offset by increased truck and equipment purchases; less
3) An increase in capital expenditures at operations acquired during the comparative periods of $29.1 million due to expenditures for landfill site costs, trucks and equipment; and
4) A decrease in proceeds from disposal of assets of $14.7 million due to lower disposal of non-strategic assets to provide funding toward new capital expenditures.

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Financing Activities Cash Flows

Net cash provided by financing activities increased $943.9 million to $878.5 million for the three months ended March 31, 2024, from net cash used in financing activities increased $816.9 million to $366.5 million of $65.4 million for the nine three months ended September 30, 2023, from net cash provided by financing activities of $450.4 million for the nine months ended September 30, 2022 March 31, 2023. The significant components of the increase included the following:

1) An increase from the net change in long-term borrowings of $1.237 billion $985.5 million in which long-term borrowings decreased $138.8 million increased $1.003 billion during the nine three months ended September 30, 2023 March 31, 2024 and increased $1.098 billion $17.3 million during the nine three months ended September 30, 2022 March 31, 2023; less
2) A decrease from higher payments related to the issuance of debt of $10.1 million that occurred during the three months ended March 31, 2024;
2) 3) An A decrease from higher payments of contingent consideration of $10.0 million not included in earnings that occurred during the three months ended March 31, 2024;
4) A decrease from tax withholdings related to net share settlements of equity-based compensation of $7.9 million due to an increase in the value of equity-based compensation awards vesting; and

5) A decrease from higher cash dividends paid of $19.1 million $7.8 million due primarily to an increase in our quarterly dividend rate for the nine three months ended September 30, 2023 March 31, 2024 to $0.255 $0.285 per share, from $0.23 $0.255 per share for the nine three months ended September 30, 2022; and

3) An increase in tax withholdings related to net share settlements of equity-based compensation of $11.9 million due to an increase in the value of equity-based compensation awards vesting; less

4) A decrease from lower payments to repurchase our common shares of $425.0 million that occurred in the nine months ended September 30, 2022; and

5) A decrease from lower payments related to the issuance of debt of $11.4 million that occurred during the nine months ended September 30, 2022 March 31, 2023.

On July 25, 2023, our Board of Directors approved, subject to receipt of regulatory approvals, the annual renewal of our normal course issuer bid, or the NCIB, to purchase up to 12,881,534 of our common shares during the period of August 10, 2023 to August 9, 2024 or until such earlier time as the NCIB is completed or terminated at our option. Shareholders may obtain a copy of our TSX Form 12 – Notice of Intention to Make a Normal Course Issuer Bid, without charge, by request directed to our Executive Vice President and Chief Financial Officer at (832) 442-2200. The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including our capital structure, the market price of our common shares, any share buyback taxes applicable and overall market conditions. All common shares purchased under the NCIB will be immediately cancelled following their repurchase. Information regarding our NCIB plan can be found under the section "Normal Course Issuer Bid" in Note 17 16 to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Our Board of Directors authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. In November 2022, we announced that our Board of Directors increased our regular quarterly cash dividend by $0.025, from $0.230 to $0.255 per share. In October 2023, we announced that our Board of Directors increased our regular quarterly cash dividend by $0.03, from $0.255 to $0.285 per share. Cash dividends of $196.8 million $73.6 million and $177.7 million $65.8 million were paid during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. We cannot assure as to the amounts or timing of future dividends.

Our business is capital intensive. Our capital requirements include acquisitions and capital expenditures, including for landfill cell construction, landfill development, landfill closure activities and intermodal facility construction in the future.

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We made $606.9 million $170.0 million in capital expenditures for property and equipment net of proceeds from disposal of assets, during the nine three months ended September 30, 2023 March 31, 2024, and we expect to make total capital expenditures for property and equipment of approximately $920 million $1.150 billion in 2023, net of proceeds from disposal of assets. 2024, including approximately $150 million associated with renewable natural gas facilities. We have funded and intend to fund the balance of our planned 2023 2024 capital expenditures principally through cash on hand, internally generated funds and borrowings under our Revolving Credit Agreement. In addition, we may make substantial additional capital expenditures in acquiring land and solid waste businesses. If we acquire additional landfill disposal facilities, we may also have to make significant expenditures to bring them into compliance with applicable regulatory requirements, obtain permits or expand our available disposal capacity. We cannot currently determine the amount of these expenditures because they will depend on the number, nature, condition and permitted status of any acquired landfill disposal facilities. We believe that our cash and equivalents, Revolving Credit Agreement and the funds we expect to generate from operations will provide adequate cash to fund our working capital and other cash needs for the foreseeable future. However, disruptions in the capital and credit markets could adversely affect our ability to draw on our Revolving Credit Agreement or raise other capital. Our access to funds under the Revolving Credit Agreement is dependent on the ability of the banks that are parties to the agreement to meet their funding

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commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

At September 30, 2023 On February 21, 2024, $650.0 million we completed an underwritten public offering of $750.0 million aggregate principal amount of our 5.00% Senior Notes due 2034 (the "2034 Senior Notes"). The 2034 Senior Notes were issued under the term Indenture, dated as of November 16, 2018, by and between the Company and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee, as supplemented by the Eighth Supplemental Indenture, dated as of February 21, 2024. See Note 9 to our Condensed Consolidated Financial Statements for further details on the 2034 Senior Notes.

On February 27, 2024, the Company used a portion of the proceeds from borrowings under the Revolving Credit Agreement (as defined and described below) to (i) prepay the amounts outstanding under that certain Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of July 30, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "2021 Revolving and Term Credit Agreement"), among the Company, as borrower, Bank of America, N.A., acting through its Canada Branch, as the global agent, the swing line lender and a letter of credit issuer, Bank of America, N.A., as the U.S. agent and a letter of credit issuer, and the lenders and any other financial institutions from time to time party thereto and (ii) terminate the 2021 Revolving and Term Credit Agreement and the loan documents associated therewith.

On February 27, 2024, the Company used a portion of the proceeds from borrowings under the Revolving Credit Agreement to (i) prepay the amounts outstanding under that certain Term Loan Agreement, dated as of October 31, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "2022 Term Loan Agreement"), among the Company, as borrower, Bank of America, N.A., as administrative agent, and $531.6 million the lenders and any other financial institutions from time to time party thereto and (ii) terminate the 2022 Term Loan Agreement and the loan documents associated therewith.

On February 27, 2024, the Company, as borrower, Bank of America, N.A., acting through its Canada Branch, as the global agent, the swing line lender, and a letter of credit issuer, Bank of America, N.A., as the U.S. agent and a letter of credit issuer, and the other lenders from time to time party thereto (the "Lenders") entered into that certain Revolving Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement"), pursuant to which the Lenders made loans and other credit extensions to the Company under a revolving credit facility. The Company intends to use substantially all of the proceeds of the borrowings under the Revolving Credit Agreement (i) to repay certain outstanding indebtedness under other credit facilities, (ii) to finance acquisitions, dividends or other equity distributions, in each case as permitted thereunder, (iii) for capital expenditures, working capital and payment of certain transaction fees, costs and expenses and (iv) other lawful corporate purposes. See Note 9 to our Condensed Consolidated Financial Statements for further details on the new Revolving Credit Agreement.

At March 31, 2024, $2.238 billion under the revolving credit facility were was outstanding under the Revolving Credit Agreement, exclusive of outstanding standby letters of credit of $39.5 million $38.8 million. We also had $102.2 million $103.0 million of letters of

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credit issued and outstanding at September 30, 2023 March 31, 2024 under a facility other than the Revolving Credit Agreement. Our Revolving Credit Agreement matures in July 2026. At September 30, 2023, $800.0 million under the term loan was outstanding under the Term Loan Agreement, which matures in July 2026. on February 27, 2029.

We are a well-known seasoned issuer with an effective shelf registration statement on Form S-3 filed in September 2021, which registers an unspecified amount of debt securities, including debentures, notes or other types of debt. In the future, we may issue debt securities under our shelf registration statement or in private placements from time to time on an opportunistic basis, based on market conditions and available pricing. Unless otherwise indicated in the relevant offering documents, we expect to use the proceeds from any such offerings for general corporate purposes, including repaying, redeeming or repurchasing debt, acquiring additional assets or businesses, capital expenditures and increasing our working capital.

At September 30, 2023 March 31, 2024, we had the following contractual obligations:

	Payments Due by Period (amounts in thousands of U.S. dollars)					Payments Due by Period (amounts in thousands of U.S. dollars)				
Recorded Obligations	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Long-term debt	$6,898,437	$ 32,760	$1,844,515	$162,470	$4,858,692	$7,884,210	$ 16,096	$ 13,523	$2,747,572	$5,107,019
Cash interest payments	$2,339,767	$266,921	$ 524,424	$313,896	$1,234,526	$2,998,960	$322,299	$665,493	$ 667,584	$1,343,584
Contingent consideration	$ 139,227	$100,813	$ 3,224	$ 3,224	$ 31,966	$ 133,733	$ 96,931	$ 3,224	$ 3,224	$ 30,354
Operating leases	$ 349,634	$ 11,634	$ 75,635	$ 63,583	$ 198,782	$ 363,369	$ 35,850	$ 81,893	$ 67,712	$ 177,914
Final capping, closure and post-closure	$2,195,752	$ 16,385	$ 14,514	$ 15,399	$2,149,454	$2,158,430	$ 85,919	$ 70,697	$ 49,042	$1,952,772

Long-term debt payments include:

1) $531.6 million 2.238 billion in principal payments due July 2026 February 27, 2029 related to our revolving credit facility under our Revolving Credit Agreement. We may elect to draw amounts on our Revolving Credit Agreement in U.S. dollar Term term SOFR rate loans, U.S. dollar base rate loans, Canadian-based bankers' acceptances or BA equivalent notes, Canadian dollar term CORRA rate loans, and Canadian dollar prime rate loans. At September 30, 2023 March 31, 2024, $365.0 million $1.195 billion of the outstanding borrowings drawn under the revolving credit facility were in U.S. Term term SOFR rate loans, which bear interest at the Term SOFR rate plus the applicable margin (for a total rate ranging from 6.42% to 6.43% on such date). At September 30, 2023, $15.0 million of the outstanding borrowings drawn under the revolving credit facility were in U.S. base rate loans, which bear interest at the base rate plus the applicable margin (for a total rate of 8.50% on such date). At September 30, 2023, $11.1 million of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based prime rate loans, which bear interest at the Canadian prime rate plus the applicable margin (for a total rate of 7.20% on such date). At September 30, 2023, $140.5 million of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based bankers' acceptances, which bear interest at the Canadian Dollar Offered Rate plus the applicable acceptance fee (for a total rate of 6.38% on such date).

2) $650.0 million in principal payments due July 2026 related to our term loan under our Credit Agreement. Outstanding amounts on the term loan can be either base rate loans or Term SOFR loans. At September 30, 2023, all amounts outstanding under the term loan were in Term SOFR loans which bear interest at the Term SOFR rate plus the applicable margin (for a total rate of 6.43% on such date).

3) $800.0 million in principal payments due July 2026 related to our term loan under our Term Loan Agreement. Outstanding amounts on At March 31, 2024, $1.043 billion of the term loan can be either base rate loans or Term SOFR loans. At September 30, 2023, all amounts outstanding borrowings drawn under the term loan revolving credit facility were in Term SOFR Canadian-based CORRA rate loans, which bear interest at the Term SOFR term CORRA rate plus the applicable margin (for a total rate of 6.43% ranging from 6.30% to 6.31% on such date).

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4) 2) $500.0 million in principal payments due 2028 related to our 2028 Senior Notes. The 2028 Senior Notes bear interest at a rate of 4.25%.

5) 3) $500.0 million in principal payments due 2029 related to our 2029 Senior Notes. The 2029 Senior Notes bear interest at a rate of 3.50%.

6) 4)$600.0 million in principal payments due 2030 related to our 2030 Senior Notes. The 2030 Senior Notes bear interest at a rate of 2.60%.

7) 5)$650.0 million in principal payments due 2032 related to our 2032 Senior Notes. The 2032 Senior Notes bear interest at a rate of 2.20%.

8) 6)$500.0 million in principal payments due 2032 related to our New 2032 Senior Notes. The New 2032 Senior Notes bear interest at a rate of 3.20%.

9) 7)$750.0 million in principal payments due 2033 related to our 2033 Senior Notes. The 2033 Senior Notes bear interest at a rate of 4.20%.

8) 10)$750.0 million in principal payments due 2034 related to our 2034 Senior Notes. The 2034 Senior Notes bear interest at a rate of 5.00%.

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9) $500.0 million in principal payments due 2050 related to our 2050 Senior Notes. The 2050 Senior Notes bear interest at a rate of 3.05%.

11) 10)$850.0 million in principal payments due 2052 related to our 2052 Senior Notes. The 2052 Senior Notes bear interest at a rate of 2.95%.

12) 11)$56.0 37.1 million in principal payments related to our notes payable to sellers and other third parties. Our notes payable to sellers and other third parties bear interest at rates between 2.42% and 10.35% at September 30, 2023 March 31, 2024, and have maturity dates ranging from 2024 2028 to 2036.

13) 12)$10.8 9.3 million in principal payments related to our financing leases. Our financing leases bear interest at rates between 1.89% and 5.07% at September 30, 2023 March 31, 2024, and have expiration dates ranging from 2026 to 2029.

The following assumptions were made in calculating cash interest payments:

1) We calculated cash interest payments on the Revolving Credit Agreement using the Term term SOFR rate plus the applicable Term term SOFR margin, the base rate plus the applicable base rate margin, the Canadian Dollar Offered Rate term CORRA rate plus the applicable acceptance fee margin and the Canadian prime rate plus the applicable prime rate margin at September 30, 2023 March 31, 2024. We assumed the Revolving Credit Agreement is paid off when it matures in July 2026. on February 27, 2024.

2) We calculated cash interest payments on the Term Loan Agreement using the Term SOFR rate plus the applicable Term SOFR margin at September 30, 2023. We assumed the Term Loan Agreement is paid off when it matures in July 2026.

3) We calculated cash interest payments on our interest rate swaps using the stated interest rate in the swap agreement less the Term SOFR rate through the earlier expiration of the term of the swaps or the term of the credit facility.

Contingent consideration payments include $122.0 million $117.7 million recorded as liabilities in our Condensed Consolidated Financial Statements at September 30, 2023 March 31, 2024, and $17.2 million $16.0 million of future interest accretion on the recorded obligations.

We are party to operating lease agreements and finance leases. These lease agreements are established in the ordinary course of our business and are designed to provide us with access to facilities and equipment at competitive, market-driven prices.

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The estimated final capping, closure and post-closure expenditures presented above are in current dollars.

	Amount of Commitment Expiration Per Period (amounts in thousands of U.S. dollars)					Amount of Commitment Expiration Per Period (amounts in thousands of U.S. dollars)				
Unrecorded Obligations(1)	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Unconditional purchase obligations	$ 188,595	$ 114,992	$ 51,011	$ 15,140	$ 7,452	$143,185	$113,353	$28,280	$1,242	$310

(1) We are party to unconditional purchase obligations. These purchase obligations are established in the ordinary course of our business and are designed to provide us with access to products at competitive, market-driven prices. At September 30, 2023 March 31, 2024, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 64.1 million 47.2 million gallons remaining to be purchased for a total of $188.6 million $143.2 million. The current fuel purchase contracts expire on or before September 30, 2029. These arrangements have not materially affected our financial position, results of operations or liquidity during the nine three months ended September 30, 2023 March 31, 2024, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

We have obtained financial surety bonds, primarily to support our financial assurance needs and landfill and E&P waste operations. We provided customers and various regulatory authorities with surety bonds in the aggregate amounts of approximately $1.580 billion $1.688 billion and $1.447 $1.645 billion at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. These arrangements have not materially affected our financial position, results of operations or liquidity during the nine three months ended September 30, 2023 March 31, 2024, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

From time to time, we evaluate our existing operations and their strategic importance to us. If we determine that a given operating unit does not have future strategic importance, we may sell or otherwise dispose of those operations. Although we believe our reporting units would not be impaired by such dispositions, we could incur losses on them.

The disposal tonnage that we received in the nine three month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, at all of our landfills during the respective period, is shown below (tons in thousands):

	Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2022		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
	Number of Sites	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**
Owned operational landfills and landfills operated under life-of-site agreements	96	37,631	91	35,291	105	11,820	94	11,681
Operated landfills	7	512	5	449	7	170	7	160
	103	38,143	96	35,740	112	11,990	101	11,841

NON-GAAP FINANCIAL MEASURES

Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a liquidity measure in the solid waste industry. We calculate adjusted free cash flow as net cash provided by operating activities, plus or minus change in book overdraft, plus proceeds from disposal of assets, less capital expenditures for property and equipment and periodic distributions to noncontrolling interests. We further adjust this calculation to exclude the effects of items management believes impact the ability to evaluate the liquidity of our business operations. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the nine three month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, are calculated as follows (amounts in thousands of U.S. dollars):

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Net cash provided by operating activities	$ 1,570,876	$ 1,500,137	$ 490,309	$ 442,358
Plus (less): Change in book overdraft	137	(5,983)	(271)	5,421
Plus: Proceeds from disposal of assets	8,678	23,341	1,085	1,260
Less: Capital expenditures for property and equipment	(615,554)	(618,313)	(169,951)	(175,786)
Adjustments:				
Payment of contingent consideration recorded in earnings (a)	—	2,982		
Cash received for divestitures (b)	—	(5,671)		
Transaction-related expenses (c)	3,836	37,558		
Executive separation costs (d)	1,686	—		
Pre-existing Progressive Waste share-based grants (e)	841	286		
Tax effect (f)	(1,221)	(5,377)		
Transaction-related expenses (a)			4,976	1,249
Pre-existing Progressive Waste share-based grants (b)			14	(2)
Tax effect (c)			(1,369)	(519)
Adjusted free cash flow	$ 969,279	$ 928,960	$ 324,793	$ 273,981

(a) Reflects the addback of acquisition-related payments for contingent consideration that were recorded as expenses in earnings and as a component of cash flows from operating activities as the amounts paid exceeded the fair value of the contingent consideration recorded at the acquisition date. transaction costs.

(b) Reflects the elimination of cash received in conjunction with the divestiture of certain operations.

(c) Reflects the addback of acquisition-related transaction costs and the settlement of an acquired tax liability.

(d) Reflects the cash component of severance expense associated with an executive departure.

(e) Reflects the cash settlement of pre-existing Progressive Waste share-based awards during the period.

(f) (c)The aggregate tax effect of footnotes (a) through (e) (b) is calculated based on the applied tax rates for the respective periods.

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Adjusted EBITDA

We present adjusted EBITDA, a non-GAAP financial measure, supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. Management uses adjusted EBITDA as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted EBITDA as net income attributable to Waste Connections, plus or minus net income (loss) attributable to noncontrolling interests, plus income tax provision, plus interest expense, less interest income, plus depreciation and amortization expense, plus closure and post-closure accretion expense, plus or minus any loss or gain on impairments *and other operating items, plus other expense, less other income. We further adjust this calculation to exclude the effects of other items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted EBITDA differently. Our adjusted EBITDA for the three and nine month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, are calculated as follows (amounts in thousands of U.S. dollars):*

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net income attributable to Waste Connections	$ 229,026	$ 236,912	$ 636,047	$ 641,310	$230,054	$197,813
Plus: Net income attributable to noncontrolling interests	165	213	150	390		
Plus (less): Net income (loss) attributable to noncontrolling interests					(927)	23
Plus: Income tax provision	62,975	48,753	185,915	155,899	59,413	54,389
Plus: Interest expense	69,016	51,161	204,914	137,565	78,488	68,353
Less: Interest income	(2,833)	(1,784)	(6,886)	(2,574)	(2,051)	(2,715)
Plus: Depreciation and amortization	254,371	232,146	750,087	676,130	262,981	243,341
Plus: Closure and post-closure accretion	4,609	4,061	13,696	12,148	9,405	4,520
Plus: Impairments and other operating items	56,477	13,438	69,201	19,467	354	1,865
Less: Other income, net	(5,372)	(8,487)	(8,346)	(2,373)		
Plus (less): Other expense (income), net					1,823	(3,174)
Adjustments:						
Plus: Transaction-related expenses (a)	3,108	10,461	7,014	18,694	9,847	2,081
Plus (less): Fair value changes to equity awards (b)	(379)	1,196	65	349		
Plus: Executive separation costs (c)	—	—	15,063	—		
Plus: Fair value changes to equity awards (b)					1,286	373
Adjusted EBITDA	$ 671,163	$ 588,070	$1,866,920	$1,657,005	$650,673	$566,869

(a) Reflects the addback of acquisition-related transaction costs.
(b) Reflects fair value accounting changes associated with certain equity awards.
(c) Reflects the cash and non-cash components of severance expense associated with an executive departure.

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Adjusted Net Income Attributable to Waste Connections and Adjusted Net Income per Diluted Share Attributable to Waste Connections

We present adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections, both non-GAAP financial measures, supplementally because they are widely used by investors as valuation measures in the solid waste industry. Management uses adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We provide adjusted net income attributable to Waste Connections to exclude the effects of items management believes impact the comparability of operating results between periods. Adjusted net income attributable to Waste Connections has limitations due to the fact that it excludes items that have an impact on our financial condition and results of operations. Adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections are not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate these non-GAAP financial measures differently. Our adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections for the three and nine month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, are calculated as follows (amounts in thousands of U.S. dollars, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Reported net income attributable to Waste Connections	$ 229,026	$ 236,912	$636,047	$641,310	$230,054	$197,813
Adjustments:						
Amortization of intangibles (a)	39,405	38,859	117,740	113,956	40,290	39,282
Impairments and other operating items (b)	56,477	13,438	69,201	19,467	354	1,865
Transaction-related expenses (c)	3,108	10,461	7,014	18,694	9,847	2,081
Fair value changes to equity awards (d)	(379)	1,196	65	349	1,286	373
Executive separation costs (e)	—	—	15,063	—		
Tax effect (f)	(24,586)	(15,944)	(49,356)	(38,260)		
Tax effect (e)					(13,162)	(11,024)
Adjusted net income attributable to Waste Connections	$ 303,051	$ 284,922	$795,774	$755,516	$268,669	$230,390
Diluted earnings per common share attributable to Waste Connections' common shareholders:						
Reported net income	$ 0.89	$ 0.92	$ 2.46	$ 2.49	$ 0.89	$ 0.77
Adjusted net income	$ 1.17	$ 1.10	$ 3.08	$ 2.93	$ 1.04	$ 0.89

(a) Reflects the elimination of the non-cash amortization of acquisition-related intangible assets.
(b) Reflects the addback of adjustments for impairments and other operating items.
(c) Reflects the addback of acquisition-related transaction costs.
(d) Reflects fair value accounting changes associated with certain equity awards.
(e) Reflects the cash and non-cash components of severance expense associated with an executive departure.
(f) The aggregate tax effect of the adjustments in footnotes (a) through (e) (d) is calculated based on the applied tax rates for the respective periods.

INFLATION

In the current environment, we have seen inflationary pressures resulting from higher fuel, materials and labor costs in certain markets and higher resulting third-party costs in areas such as brokerage, repairs and construction. Consistent with industry practice, many of our contracts allow us to pass through certain costs to our customers, including increases in landfill tipping fees and, in some cases, fuel costs. To the extent that there are decreases in fuel costs, in some cases, a portion of these reductions are passed through to customers in the form of lower fuel and material surcharges. Therefore, we believe that we should be able to increase prices to offset many cost increases that result from inflation in the ordinary course of business. However, competitive pressures or delays in the timing of rate increases under certain of our contracts may require us to absorb at least part of these cost increases, especially if cost increases exceed the average rate of inflation. Management's estimates associated with inflation have an impact on our accounting for landfill liabilities.

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SEASONALITY

Based on historic trends, excluding any impact from the COVID-19 pandemic or an economic recession, we would expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters and lower in the fourth quarter than in the second and third quarters. This seasonality reflects (a) the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during winter months in Canada and the U.S. and (b) reduced E&P activity during harsh weather conditions, with expected fluctuation due to such seasonality between our highest and lowest quarters of approximately 10%. In addition, some of our operating costs may be higher in the winter months. Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected municipal solid waste, resulting in higher disposal costs, which are calculated on a per ton basis.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

In the normal course of business, we are exposed to market risk, including changes in interest rates, prices of certain commodities and foreign currency exchange rate risks. We use hedge agreements to manage a portion of our risks related to interest rates. While we are exposed to credit risk in the event of non-performance by counterparties to our hedge agreements, in all cases such counterparties are highly rated financial institutions and we do not anticipate non-performance under current market conditions. We do not hold or issue derivative financial instruments for trading purposes. We monitor our hedge positions by regularly evaluating the positions at market and by performing sensitivity analyses over the unhedged variable rate debt positions.

At September 30, 2023 March 31, 2024, our derivative instruments included four interest rate swap agreements that effectively fix the interest rate on the applicable notional amounts of our variable rate debt as follows (dollars in thousands of U.S. dollars):

Date Entered	Notional Amount	Fixed Interest Rate Paid (a)	Variable Interest Rate Received	Effective Date (b)	Expiration Date
August 2017	$ 200,000	2.1230 %	1-month Term SOFR	November 2022	October 2025
June 2018	$ 200,000	2.8480 %	1-month Term SOFR	November 2022	October 2025
June 2018	$ 200,000	2.8284 %	1-month Term SOFR	November 2022	October 2025
December 2018	$ 200,000	2.7715 %	1-month Term SOFR	November 2022	July 2027

(a) Plus applicable margin.

(b) In October 2022, we amended the reference rate in all of our outstanding interest rate swap contracts to replace One-Month LIBOR with One-Month Term SOFR and certain credit spread adjustments. We did not record any gains or losses upon the conversion of the reference rates in these interest rate swap contracts, and we believe these amendments will not have a material impact on our Condensed Consolidated Financial Statements.

Under derivatives and hedging guidance, the interest rate swap agreements are considered cash flow hedges for a portion of our variable rate debt, and we apply hedge accounting to account for these instruments. The notional amounts and all other significant terms of the swap agreements are matched to the provisions and terms of the variable rate debt being hedged.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged floating rate debt. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. We are exposed to cash flow risk due to changes in interest rates with respect to the unhedged floating rate balances owed at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, of $1.182 billion $1.438 billion and $1.115 billion $1.099 billion, respectively, including floating rate debt under our Revolving Credit Agreement (or, as of December 31, 2023, the 2021 Revolving and Term Credit Agreement and the 2022 Term Loan Agreement. Agreement). A one percentage point increase in interest rates on our variable-rate debt at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, would decrease our annual pre-tax income by approximately $11.8 $14.4 million and $11.1 $11.0 million, respectively. All of our remaining debt instruments are at fixed rates, or effectively fixed under the interest rate swap agreements described above; therefore, changes in market interest rates under these instruments would not significantly impact our cash flows or results of operations, subject to counterparty default risk.

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The market price of diesel fuel is unpredictable and can fluctuate significantly. Because of the volume of fuel we purchase each year, a significant increase in the price of fuel could adversely affect our business and reduce our operating margins. To manage a portion of this risk, we periodically enter into fuel hedge agreements related to forecasted diesel fuel purchases, and we also enter into fixed price fuel purchase contracts. At September 30, 2023 March 31, 2024, we had no fuel hedge agreements in place; however, we have entered into fixed price diesel fuel purchase contracts for 2023 the three months ended March 31, 2024 as described below.

For the year ending December 31, 2023 December 31, 2024, we expect to purchase approximately 89.3 89.6 million gallons of diesel fuel, of which 47.0 million 50.3 million gallons will be purchased at market prices and 42.3 million 39.3 million gallons will be purchased under our *fixed price diesel fuel purchase contracts. We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged, market rate diesel fuel purchases. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. During the threenine month period of October 1, 2023April 1, 2024 to December 31, 2023December 31, 2024, we expect to purchase approximately 11.737.7 million gallons of diesel fuel at market prices; therefore, a $0.10 per gallon increase in the price of diesel fuel over the remaining threenine months in 20232024 would decrease our pre-tax income during this period by approximately $1.2$3.8 million.*

We market a variety of recyclable materials, including compost, cardboard, mixed paper, plastic containers, glass bottles and ferrous and aluminum metals. We own and operate recycling operations and market collected recyclable materials to third parties for processing before resale. Where possible, to reduce our exposure to commodity price risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volume collected from third parties. In the event of a decline in recycled commodity prices, a 10% decrease in average recycled commodity prices from the average prices that were in effect during the ninethree months ended September 30, 2023March 31, 2024 and 2022,2023, would have had a $10.3 million$4.7 million and $17.1 million$3.1 million impact on revenues, respectively.

We have operations in Canada and, where significant, we have quantified and described the impact of foreign currency translation on components of income, including operating revenue and operating costs. However, the impact of foreign currency has not materially affected our results of operations in 20232024 or 2022.2023. A $0.01 change in the Canadian dollar to U.S. dollar exchange rate would impact our annual revenue and EBITDA by approximately $13.0 million$17.0 million and $5.0 million$7.0 million, respectively.

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Item 4. *Controls and Procedures*

As required by Rule 13a-15(b) under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of the end of the fiscal quarter covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on this evaluation, our President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded as of September 30, 2023March 31, 2024, that our disclosure controls and procedures were effective at the reasonable assurance level such that information required to be disclosed in our Exchange Act reports: (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (2) is accumulated and communicated to our management, including our President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the quarter ended September 30, 2023March 31, 2024, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings*

Information regarding our legal proceedings can be found in Note 18 17 of our Condensed Consolidated Financial Statements included in Part I, Item 1 of this report and is incorporated herein by reference.

Item 6. *Exhibits*

Exhibit Number	Description of Exhibits
3.1	Articles of Amendment (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on May 26, 2017)
3.2	Articles of Amalgamation (incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K filed on June 7, 2016)
3.3	Articles of Amendment (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on June 7, 2016)
3.4	By-law No. 1 of the Registrant (incorporated by reference to Exhibit 3.3 of the Registrant's Form 8-K filed on June 7, 2016)
10.1 + 4.1	Employment Agreement Indenture, dated as of November 16, 2018, by and between Waste Connections of Canada Connections, Inc. and Dan Pio, effective October 20, 2023 U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on November 16, 2018)
4.2	Eighth Supplemental Indenture, dated as of February 21, 2024, by and between Waste Connections, Inc. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on February 21, 2024)
4.3	Revolving Credit Agreement, dated as of February 27, 2024 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on February 29, 2024)
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a)
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a)
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. §1350
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. §1350
101.INS	*The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*
101.SCH	*XBRL Taxonomy Extension Schema Document*
101.CAL	*XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	*XBRL Taxonomy Extension Labels Linkbase Document*
101.PRE	*XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	*XBRL Taxonomy Extension Definition Linkbase Document*
104	*Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*

\+ *Management contract or compensatory plan, contract or arrangement.*

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 thereunto duly authorized.

WASTE CONNECTIONS, INC.

Date: October 26, 2023 April 25, 2024	BY: /s/ Ronald J. Mittelstaedt Ronald J. Mittelstaedt President and Chief Executive Officer
Date: October 26, 2023 April 25, 2024	BY: /s/ Mary Anne Whitney Mary Anne Whitney Executive Vice President and Chief Financial Officer

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Exhibit 10.1

EMPLOYMENT AGREEMENT

*This **EMPLOYMENT AGREEMENT** (this "Agreement"), is made and entered into effective as of the 20th day of October, 2023 (the "Effective Date") by and between WASTE CONNECTIONS OF CANADA INC. (the "Company") and DAN PIO ("Employee") (the Company and Employee are sometimes collectively referred to herein as the "Parties"). The Parties acknowledge and agree that for purposes of this Agreement, the Company and its parent, subsidiaries and affiliates, past or current, including but not limited to Waste Connections, Inc. (the "Parent"), shall be collectively referred to as "WCI."*

***WHEREAS**, the Company desires to employ Employee for the period provided in this Agreement, and Employee wishes to accept employment by the Company for such period, on the terms and conditions set forth below;*

***AND WHEREAS**, Employee acknowledges that the nature of his role with the Company is a chief executive position, and that he owes fiduciary obligations to the Company;*

***AND WHEREAS**, the Company recognizes Employee's service to March 23, 2010 as minimally required under Applicable Employment Standards Legislation (as defined in Section 4.6 below);*

***NOW, THEREFORE**, in consideration of the Company: (a) offering to employ Employee under the terms of this Agreement; (b) providing Employee eligibility to receive Waste Connections, Inc. equity grants, thereby aligning Employee's interests with WCI's interest in long-term success; (c) entrusting to Employee new and updated Confidential Information (as defined in Section 5 below) on a past and ongoing basis relating to WCI's business; (d) providing Employee specialized training related to WCI's business; (e) allowing Employee access to Company business plans, customers and prospective customers and the ability to use and develop goodwill with them; (f) providing Employee eligibility and participation in the Waste Connections, Inc. 2016 Incentive Award Plan (as amended, restated or superseded, if applicable) for 2024; (g) providing the Accelerated RSU Vesting defined and described in Section 7.3(b) below; (h) providing the salary increase described is Section 4.1 below; (i) offering* *the Transitional Employment Status/benefit contemplated in Section 11 below; and (j) providing a one-time signing bonus of $100 to be paid within 30 days of signing, each of which Employee acknowledges and agrees constitutes good and valuable consideration, Employee agrees to and accepts the conditions of employment set forth in this Agreement.*

1. ***Employment; Acceptance.*** *The Company hereby employs Employee and Employee hereby accepts employment by the Company on the terms and conditions hereinafter set forth.*

2. ***Duties and Powers.*** *During the Term (as defined below in Section 3), Employee will be directly employed by the Company, will serve as Senior Vice President—Operations of the Parent and certain of its subsidiaries, including the Company and Waste Connections US, Inc., and will perform such other duties and responsibilities as may be reasonably assigned to him from time to time by the Parent's Executive Vice President and Chief Operating Officer (the "COO"), Chief Executive Officer (the "CEO") and/or Board of Directors (the "Board"). Employee will devote his attention, energies and abilities in those capacities to the proper oversight and operation of the*

business of WCI to the exclusion of any other occupation. As Senior Vice President—Operations of the Parent and certain of its subsidiaries, including the Company and Waste Connections US, Inc., Employee will: (i) report to the COO or his designee, (ii) be based primarily at the Company's offices in Woodbridge, Ontario, Canada, but also maintain an office at Waste Connections US, Inc. in The Woodlands, TX, and (iii) be responsible for all duties, authority and responsibility customary for such positions. Employee will devote such time and attention to his duties as are reasonably necessary to the proper discharge of his responsibilities hereunder. Employee agrees to perform all duties consistent with: (a) policies established from time to time by WCI; and (b) all applicable legal requirements.

3. ***Term.*** *The term of this Agreement shall commence on the Effective Date and shall continue through to the third anniversary of the Effective Date (the "Term"). On each anniversary of the Effective Date, this Agreement shall be extended automatically an additional year, thus extending the Term of this Agreement to three years from such date, unless the Company shall have given Notice of Termination or non-renewal hereof to Employee or Employee shall have given Notice of Termination to the Company, as provided herein.*

4. ***Compensation.***

4.1 **Base Salary.** During the Term, the Company hereby agrees to pay to Employee an annual base salary of Seven Hundred and Thirty Thousand Dollars ($730,000). When used herein, "Base Salary" shall refer to the base salary described in the preceding sentence that is in effect at that time, and as may be adjusted from time to time. Such Base Salary shall be payable in accordance with the Company's normal payroll practices. Further increases in Base Salary will be considered by the Board. Notwithstanding the Effective Date of this Agreement, Employee's Base Salary described herein shall be effective as of July 10, 2023.

4.2 **Performance Bonus.** Employee shall be entitled to an annual cash bonus (the "**Bonus**") based on the Parent's attainment of reasonable financial objectives to be determined annually by the Board. Employee's target annual Bonus will equal Eighty Percent (80%) of the applicable year's ending Base Salary and will be payable if the Board determines, in its sole and exclusive discretion, that that year's financial objectives have been fully met. Nothing in this Agreement shall invalidate any cash bonus plan approval by the Board or a Committee of the Board providing for higher payments in the event extraordinary or "stretch" goals are met. The Bonus will be paid in accordance with the Parent's bonus plan, as approved by the Board; provided, that in no case shall any portion of the Bonus with respect to any such fiscal year be paid more than three (3) months after the end of such fiscal year.

4.3 **Equity Grants.** Employee shall be eligible for annual grants of restricted share units, performance share units, restricted shares, share options, or any other unvested equity awards related to the common shares of the Parent ("Equity Awards") on such terms and to such level of participation as the Board or a Committee of the Board determines to be appropriate, bearing in mind Employee's positions and responsibilities. The terms of any

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such Equity Awards shall be governed by the relevant plans under which they are issued and described in detail in applicable agreements between the Parent and Employee.

4.4 **Other Benefits.** Employee shall be entitled to paid annual vacation time, on the same basis as other employees of the Company of similar rank and in accordance with the Company's generally established policies, but which shall in no event be less than four (4) weeks for any twelve (12)-month period (and pro-rated for any partial period) over the vacation year, which runs from January to December. Vacation time must be accrued before it is taken and Employee must take his minimum entitlement to vacation as prescribed by Applicable Employment Standards Legislation (as defined below in Section 4.6) no later than March 31st of the following vacation year. Any vacation time that is in excess of minimums set forth under Applicable Employment Standards Legislation (that is not taken by Employee by March 31st of the following vacation year shall be forfeited and lost by Employee without notice or payment to Employee by the Company. Employee also shall be entitled to participate, on the same terms as other Canadian employees of the Company participate, in any medical, dental or other health benefit plan, pension plan and life insurance plan that the Company may adopt or maintain, any of which may be changed, terminated or eliminated by the Company at any time in its exclusive discretion. Employee will be responsible for paying the employee portion of any such benefit premiums.

4.5 **Expenses.** Employee shall be entitled to receive reimbursement for all reasonable, documented business expenses incurred by Employee in accordance with the performance of Employee's duties under this Agreement. This includes reimbursement for business-related mileage driven in Employee's personal vehicle, which must be submitted via expense report and will be reimbursed in accordance with Canada Revenue Agency standard mileage rates.

4.6 **Applicable Employment Standards Legislation.** For clarity, the term "Applicable Employment Standards Legislation" when used in this Agreement shall mean the *Employment Standards Act, 2000* (in Ontario), including regulations proclaimed thereunder, as may be amended from time to time or such successor legislation.

5. ***Confidentiality.***

5.1 "Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the business of the Company, or WCI more generally, and that has not made public or authorized public disclosure of, and that is not generally known to the public through proper means, whether such information is labeled "confidential" or not. Employee acknowledges that in Employee's position, Employee has obtained or had access to, and/or will obtain and/or have access to, on an ongoing basis, new and updated Confidential Information regarding the business of the Company, and WCI. Confidential Information includes, but is not limited to, knowledge, information and materials about trade secrets, mailing lists, methods of operation, advertiser lists, advertisers, customer lists, customers or clients, customer or client preferences, needs, use patterns and contract terms, products, services, know-how, and business plans, as well as confidential information about finances, marketing, prices, operational matters, human resources matters, and other proprietary matters relating to the

Company or its related entities, all of which constitute a valuable part of the assets of the Company and WCI, as applicable, and Employee acknowledges his agreement to protect such Confidential Information is a material inducement to the terms of consideration being offered to Employee as part of this Agreement.

5.2 Accordingly, until such time as the Confidential Information is readily available publicly (other than as a result of disclosure by Employee), Employee shall not knowingly reveal, disclose or make known to any person (other than as may be required by law or otherwise set forth below) or use for Employee's own or another's account or benefit, any such Confidential Information, whether or not developed, devised or otherwise created in whole or in part by the efforts of Employee. Employee represents and warrants that Employee will only reveal or disclose such Confidential Information as minimally required by law or as necessary in the performance of Employee's duties on behalf of the Company. Employee represents and warrants that Employee will not use, for Employee's own or another's account or benefit, any such Confidential Information, whether or not developed, devised or otherwise created in whole or in part by the efforts of Employee. If Employee has any questions about what constitutes Confidential Information, Employee shall contact the Parent's General Counsel in writing seeking and receiving direction (subject to the exclusions noted above) prior to disclosure of such information. The Company and Employee agree that this Agreement does not alter, reduce or modify any and all obligations Employee owes to the Company or to WCI under any policy, applicable statute or the common law.

5.3 Notwithstanding the foregoing, nothing herein shall be construed to prohibit the reporting of a violation of law or regulation to any governmental agency or entity, or making other disclosures that are protected under whistleblower provisions of applicable laws or regulations. Further, nothing herein shall be construed to prohibit a disclosure of information that is compelled by law; provided, however, that to the extent allowed by law, Employee will (a) give WCI as much written notice as possible under the circumstances; (b) disclose only the minimal amount of Confidential Information necessary to be responsive to the disclosure being required by law; and (c) will cooperate with WCI in any legal action undertaken to protect the confidentiality of the Confidential Information.

6. ***Property and Electronic Resources.***

6.1 Both during the Term of Employee's employment and thereafter, Employee shall not remove from WCI's offices or premises any WCI documents, records, notebooks, files, correspondence, reports, memoranda, Confidential Information, and similar materials or property of any kind unless necessary in accordance with the duties and responsibilities of Employee's employment. In the event that any such material or property is removed, it shall be safeguarded in accordance with the Waste Connections Handbook and Waste Connections Code of Conduct and Ethics, and returned to its proper file or place of safekeeping as promptly as possible. Employee shall not make, retain, remove or distribute any copies, or divulge to any third person the nature or contents of any of the foregoing or of any other oral or written information to which Employee may have access, except as disclosure shall be necessary in the performance of Employee's assigned duties. On the termination of Employee's employment with the Company, or as may otherwise be requested or required by the Company, Employee shall leave with or return to the Company all originals and copies of the foregoing then in Employee's possession or subject to Employee's control, whether in hard-copy or electronic format and whether prepared by Employee or by others.

6.2 Employee is only authorized to access Company and WCI computers that are within the course and scope of Employee's duties for the Company, and may only do so while in the active employment of the Company. All such authorization ends immediately upon the termination of employment and/or as may otherwise be reasonably advised by the Company, including for any suspension or paid administrative leave. Employee is not authorized to access or use the Company's computers, email, related computer systems, including more broadly those of WCI, or Company or WCI property in contravention of any applicable policies, his obligations as a fiduciary or that may compromise the WCI's legitimate business interests. In addition to any other actions or remedies available to the Company, violation of Employees' obligations set forth under this Section 6 may subject Employee to civil and/or criminal liability.

6.3 Upon request, Employee will immediately provide for inspection any personal electronic storage devices or other property that the Company believes may contain Confidential Information, in a condition that makes inspection possible (e.g., unlocked and with all necessary passwords), to permit the Company to confirm, among other things, that Employee has completely removed all Confidential Information from the devices and/or adhered to his obligations under this Agreement or applicable policies. If Employee stores any Company (or more broadly WCI) information with any service provider (*e.g.*, gmail, DropBox, iCloud), Employee will provide the Company with any required passwords and access to inspect such account directly. Upon the Company's request, Employee will also consent to the service provider's disclosure of such information to the Company. Employee will, upon the Company's request where allowed by law, execute any additional authorizations required by the service provider to disclose such information or potential Confidential Information to the Company or its designated agent.

7. ***Termination.***

7.1 **Termination for Cause at Common Law in Accordance with Section 9.3.** The Company may terminate this Agreement and Employee's employment for Cause (as defined in Section 9.4 below) on delivery to Employee of a Notice of Termination (as defined in Section 9.1 below). On such termination for Cause (if it is not also for a reason under Applicable Employment Standards Legislation as described below in Section 7.2), Employee shall be entitled only to, to the Date of Termination (as defined in Section 9.2 below), Employee's Base Salary, accrued but unused vacation, unreimbursed business expenses, and any other wages and/or entitlements required to be provided to Employee pursuant to Applicable Employment Standards Legislation ("Accrued Entitlements"), plus the minimum amount of his then regular wages in lieu of working notice of termination prescribed by the Applicable Employment Standards Legislation, plus statutory severance pay, if any, prescribed by the Applicable Employment Standards Legislation and any other benefits, payments and entitlements, without duplication, which are prescribed by the Applicable Employment Standards Legislation as minimally owed to Employee. Employee

shall not be entitled to the Severance (as defined in Section 7.3(a) below). Without limitation of the foregoing, on termination pursuant to this Section 7.1, Employee shall forfeit as of the Date of Termination, and subject to any minimum requirements prescribed under Applicable Employment Standards Legislation: (a) any eligibility to earn and/or receive Employee's Bonus (including under the Parent’s Bonus Plan) as set forth under Section 4.2; (b) any right to receive future annual Equity Awards contemplated in Section 4.3; and (c) all Equity Awards issued to Employee that as of the Date of Termination are still unvested.

7.2 **Termination for cause under Applicable Employment Standards Legislation.** The Company may terminate the Employee's employment for any reason that gives the Company right to do so without notice under Applicable Employment Standards Legislation (currently defined as wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Company), without any working notice, pay in lieu of working notice, statutory severance pay, or any other compensation or entitlements either by way of anticipated earnings or damages of any kind, except for Employee's Accrued Entitlements and any other payments, benefits and entitlements without duplication as may be minimally required by Applicable Employment Standards Legislation. Without limitation of the foregoing, on termination pursuant to this Section 7.2, Employee shall forfeit as of the Date of Termination, and subject to any minimum requirements prescribed under Applicable Employment Standards Legislation: (a) any eligibility to earn and/or receive Employee's Bonus (including under the Parent's Bonus Plan) as set forth under Section 4.2; (b) any right to receive future annual Equity Awards contemplated in Section 4.3; and (c) all Equity Awards issued to Employee that as of the Date of Termination are still unvested.

7.3 **Termination Without Cause**. This Agreement and Employee's employment may be terminated without Cause or cause under Applicable Employment Standards Legislation at any time by the Company on delivery to Employee of a written Notice of Termination. In the event of such a termination without Cause or cause under Applicable Employment Standards Legislation pursuant to this Section 7.3, Employee shall be provided with the following only:

(a) The Company shall provide to Employee his Accrued Entitlements and: (i) payments equivalent to Employee's Base Salary for a period of twelve (12) months from the Date of Termination ("Severance Period"); and (ii) the target Bonus available to Employee under Section 4.2 for the year in which the termination occurs (together (i) and (ii) being the "Severance"). The Company will continue the benefit plan contributions necessary to maintain Employee's participation in all benefit plans provided to Employee by the Company immediately before the termination of Employee's employment (except for short-term and long-term disability insurance and life insurance, for which the period of contributions will be the minimum duration required by Applicable Employment Standards Legislation) until the earlier of: (x) the date Employee obtains alternative coverage and (y) the end of the Severance Period, provided in either case that the insurer of such benefits agrees to continue coverage of Employee (the "Health Insurance Benefit"). Provided that Employee has complied with the provisions of Sections 5, 6 and 12

herein as of the date a payment is scheduled to be paid, the Severance payment by the Company shall be paid in accordance with the Company's normal payroll practices through such Severance Period. To confirm, the Severance is inclusive of statutory termination pay and statutory severance pay that may be payable under Applicable Employment Standards Legislation. Employee agrees that the Company may deduct from any payments hereunder Employee's benefit plan contributions which were regularly made during the term of this Agreement and Employee's employment in accordance with the benefit plans' terms.

(b) In addition, in exchange for Employee's compliance with the provisions of Sections 5, 6 and 12 herein, on termination of Employee under this Section 7.3, the Accelerated Vesting Benefit shall apply to Employee's then outstanding Equity Awards. "Accelerated Vesting Benefit" shall mean, with respect to Employee's Equity Awards, the following:

1. all outstanding but unvested Equity Awards for which, on the Date of Termination, only time-based vesting is applicable, shall, on the Date of Termination (i) for share options, immediately vest and become exercisable, and (ii) for all other Equity Awards, any and all restrictions thereon shall immediately lapse and such Equity Awards shall become fully vested and settled as soon as administratively practicable thereafter;

2. all outstanding but unvested Equity Awards for which, on the Date of Termination, performance-based vesting is applicable, the de performance goals for such awards shall be deemed to have been satisfied (and, for any award with different levels of potential payment, such performance shall be deemed to be at the target level) and any remaining vesting conditions shall be deemed to be satisfied on the Date of Termination and such Equity Awards shall be settled as soon as administratively practicable thereafter; and

3. the term of any share options shall be extended to the earlier of (i) the third anniversary of the Date of Termination or (ii) the expiration of the original term of such share options.

By executing this Agreement, Employee acknowledges that extending the term of any incentive share option to which the Accelerated Vesting Benefit applies could cause such Equity Award to lose its tax-qualified status, and agrees that the Company shall have no obligation to compensate Employee or, if applicable Employee's heirs, executors, administrators, legatees, beneficiaries or assigns, for any additional taxes incurred as a result of such extension.

(c) On termination of Employee under this Section 7.3, the Company shall also provide the Outplacement Benefit to Employee. "Outplacement Benefit" means reimbursement by the Company of Employee's post-termination expenses for career counseling and resume development; provided, however, that (i) such amount shall not exceed Fifteen Thousand Dollars ($15,000), and (ii) such expenses shall be incurred within twelve (12) months after the Date of Termination. At

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Employee's discretion, he may elect to receive a lump sum payment of Fifteen Thousand Dollars ($15,000) in lieu of the Outplacement Benefit. The election to take payment in lieu of the Outplacement Benefit must occur before Employee has received any reimbursement under the Outplacement Benefit.

7.4 **Termination on Disability**. Subject to Applicable Employment Standards Legislation, if during the Term Employee becomes Disabled, the Board shall have the right, on written Notice of Termination delivered to Employee, to terminate Employee's employment under this Agreement. During the period that Employee shall have been incapacitated due to Disability, Employee shall continue to receive the full Base Salary at the rate then in effect until the Date of Termination pursuant to this Section 7.4. On a termination of Employee's employment due to Disability, in lieu of any payments under Section 4 for the remainder of the Term, the Company shall make each of the payments to Employee as would be made if Employee's employment had been terminated by the Company without Cause under Section 7.3; provided, however, that (i) Employee shall not receive the Outplacement Benefit, and (ii) if, following the Date of Termination pursuant to this Section 7.4, Employee dies, any unpaid portion of the Severance Amount shall be paid to Employee's heirs, executors, administrators, legatees, beneficiaries or assigns, in a single lump sum payment as soon as administratively practicable after the date on which such death occurs. For purposes of this Section 7.4, "Disabled" or "Disability" means Employee is unable to perform his duties to the Company on account of physical or mental illness or other incapacity which the Board shall in good faith determine renders Employee incapa ble of performing his or her duties to the Company, and such illness or other incapacity shall continue for a period of more than six (6) consecutive months.

7.5 **Termination on Death.** If Employee shall die during the Term, Employee's employment shall thereupon terminate. The Company shall pay to Employee's estate any Accrued Entitlements through the date of Employee's death. Within a reasonable time after the Date of Termination pursuant to this Section 7.5, the Company shall pay to Employee's estate the payments and other entitlements applicable to termination without Cause/cause under Applicable Employment Standards Legislation set forth in Section 7.3 at the time and subject to the conditions set forth therein, including for the avoidance of doubt, the Severance; provided, however, that the Health Insurance Benefit and the Outplacement Benefit described in Section 7.3 shall not be available in the event of termination for death. The provisions of this Section 7.5 shall not affect the entitlements of Employee's heirs, executors, administrators, legatees, beneficiaries or assigns under any employee benefit plan, fund or program of the Company or the Parent. The provision of any payments or other entitlements under this Section 7.5 that exceed minimum obligations under Applicable Employment Standards Legislation shall at all times be subject to: (a) Employee's estate providing the Company with a general release as provided for in Section 7.6; and (b) execution by Employee's estate of any such documents necessary to effect such payments or other entitlements.

7.6 The Company's obligations to make payments and provide other entitlements to Employee, as provided in Sections 7.3, 7.4 and 7.5, are contingent on Employee's: (i) compliance with the terms of this Agreement and execution of a general release to be provided in a f orm by the Company that includes a release of all claims against the Company, WCI, and related

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entities/persons, including, subject to applicable law, a release of all claims under all relevant plans pursuant to which Employee's Equity Awards were granted and any related agreements between the Company and/or the Parent and Employee (as amended, restated or superseded from time to time, the "Plan Documents"). For greater certainty, except to the extent such entitlements are required by Applicable Employment Standards Legislation, no Severance shall be paid, and none of the Accelerated Vesting Benefit, Health Insurance Benefit or Outplacement Benefit shall be provided, until Employee has executed a general release as provided for in this Section 7.6. Should Employee fail to comply with the terms of the general release or this Agreement, the Company shall be relieved of any obligation to make payments or provide other entitlements to Employee under Sections 7.3, 7.4 and 7.5 that are in excess of those minimally required by Applicable Employment Standards Legislation and in its sole discretion may seek repayment of any payments already made to Employee under Sections 7.3, 7.4 or 7.5 that are in excess of minimum payments and other entitlements due to Employee pursuant to Applicable Employment Standards Legislation. Repayment is due within thirty (30) days of written demand by the Company.

7.7 **No Limitation on Company's Right to Terminate.** Any other provision in this Agreement to the contrary notwithstanding, the Company shall have the right, in its absolute discretion, to terminate Employee's employment hereunder at any time in accordance with the foregoing provisions of this Section 7, it being the intent and purpose of the foregoing provisions of this Section 7 only to set forth the consequences of termination with respect to Severance or other compensation payable to Employee on termination in the circumstances indicated, if applicable.

*8. **Termination by Employee.** Employee may terminate this Agreement and Employee's employment, effective, if not otherwise agreed in writing by the Parties, the fifteenth (15th) calendar day after the Company receives Employee's written Notice of Termination. The Company may, in its sole discretion, elect to provide Employee with transition-related duties and/or direct Employee to work from another location (within reason), not attend or perform work and/or have access to systems disabled, and such changes shall not constitute constructive dismissal of Employee's employment. On such Date of Termination by Employee, Employee shall be entitled only to Employee's Accrued Entitlements to the Date of Termination specified in the written Notice of Termination, and shall not be entitled to any other compensation of any nature or kind, including, without limitation,* *any Bonus or Severance, or any vesting of unvested Equity Awards or right to receive future Equity Awards. The obligations set forth in this Section 8 shall survive the termination of this Agreement.*

9. Provisions Applicable to Termination of Employment.

9.1 **Notice of Termination.** For all purposes of this Agreement, "Notice of Termination" means written notice delivered by the Board or Employee, as applicable, which states that Employee's employment with the Company is being terminated and, to the extent applicable, cites the specific termination provisions in this Agreement relied on and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment. The Notice of Termination shall specify the Employee's Date of Termination.

9.2 **Date of Termination.** For all purposes of this Agreement, "Date of Termination" means: (i) if Employee's employment is terminated by the Board for Disability, thirty (30) days after Notice of Termination is given to Employee (provided Employee has not returned to duty on a full-time basis during such 30-day period); (ii) if Employee's employment is terminated by the Board for any reason other than Disability, the date specified in the Notice of Termination; (iii) if Employee's employment is terminated due to Employee's death, the date such death occurred; and (iv) if Employee's employment is terminated by Employee for any reason, the date specified in the Notice of Termination which shall be within 30 days of the date such Notice of Termination is given.

9.3 **Non-Renewal of this Agreement**. For the avoidance of doubt, the Company's notice of its intent not to extend the Term of this Agreement shall be treated as a termination of Employee by the Company without Cause.

9.4 **Cause.** For purposes of this Agreement, the term "Cause" as applicable to Section 7.1 shall mean:

(a) gross negligence or willful misconduct of a material nature in connection with the performance of Employee's duties;

(b) Employee's conviction of (or pleading guilty to) an indictable offense;

(c) a non-*de minimis* intentional act of dishonesty or misappropriation (or attempted misappropriation) of property belonging to the Company and/or any of its affiliates (other than a good faith expense account dispute related to a business expense);

(d) any act, omission or conduct that constitutes just cause at common law;

(e) a material breach by Employee of any of the obligations under this Agreement or any other agreement with the Company or an affiliate of the Company or any policy of the Company or the Parent; or

(f) a breach (material or otherwise) of any of the provisions of Sections 5 or 6 above or Section 12 below, or with respect to Employee's fiduciary obligations;

9.5 **Benefits on Termination.** On termination of this Agreement by the Company pursuant to Section 7 or by Employee pursuant to Section 8, all retirement benefits payable to Employee under benefit plans in which Employee then participated shall be provided to Employee in accordance with the provisions of the respective plans.

10. Change in Control.

10.1 **Payments on Termination within Two Years Following Change in Control.** If a Change in Control (as defined in Section 10.2 below) occurs during the Term and Employee's employment with the Company is terminated pursuant to Section 7.3 without Cause within two (2) years after the effective date of the Change in Control, then Employee shall be entitled to receive his Accrued Entitlements, and the Severance as set forth in Section 7.3(a) (together, the "Change in Control Payment"); provided, however, that such

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amount shall be payable in a lump sum on or within sixty (60) days following the Date of Termination. Employee's participation in all benefits shall continue for the minimum duration required by Applicable Employment Standards Legislation, if any. In addition, Employee shall be entitled to receive the Accelerated Vesting Benefit, the Health Insurance Benefit and the Outplacement Benefit (together with the Change in Control Payment, the "**Change in Control Benefits**"). Employee's receipt of Change in Control Benefits under this Section 10.1 is contingent on the same terms as set out above in Section 7.3. For clarity, in order to receive any payments and other entitlements under this Section 10.1 that are in excess of the minimum payments as required by Applicable Employment Standards Legislation, Employee must execute a general release in favour of the Company, in a form provided by the Company. Should Employee fail to execute or fail to comply with the general release agreement, or should Employee violate his obligations under Sections 5, 6, or 12, herein, the Company shall be relieved of any obligation to make payments under this Section 10.1 that are in excess of those minimum entitlements as required by Applicable Employment Standards Legislation, and the Company, in its sole discretion, may seek repayment from Employee of any payments already made to Employee under Section 10.1 that are in excess of minimum payments or other entitlements due to Employee pursuant to Applicable Employment Standards Legislation. Repayment is due within thirty (30) days of written demand by the Company.

10.2 **Definitions.** For the purposes of this Agreement, a Change in Control shall be deemed to have occurred if: (a) there shall be consummated (i) any reorganization, liquidation or consolidation of the Parent, or any merger, amalgamation, arrangement or other business combination of the Parent with any other corporation or entity, other than any such merger, amalgamation, arrangement or other combination that would result in the voting securities of the Parent outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or continuing entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Parent or such surviving or continuing entity outstanding immediately after such transaction, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Parent; or (b) if any person or group of persons acting jointly or in concert, acquires beneficial ownership or control or direction, directly or indirectly, of fifty percent (50%) or more of the Parent's outstanding voting securities; or (c) during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board shall cease for any reason to constitute at least one-half (½) of the membership of the Board, unless the election, or the nomination for election by the Parent's shareholders, of each new director was approved by a vote of at least one-half of the directors then still in office who were directors at the beginning of the period.

11. Transitional Employment Status.

11.1 **Application Process**. If Employee satisfies the criteria described in Section 11.3 below and wishes to retire at a future date certain, Employee may submit an application to the CEO to be placed on Transitional Employment status. An application for Transitional Employment status must be submitted not later than December 31st of the calendar year immediately preceding the calendar year of the desired effective date of the change in status. The CEO shall review each application and, in his or her sole discretion, may approve such status change; provided, however, that the CEO may, in his or her sole discretion, decline to approve Employee's application under this Section 11. In such event, Employee may choose to continue in employment under the terms of this Agreement, or may choose to resign pursuant to Section 8 of this Agreement.

11.2 **Written Agreement**. If Employee's application for Transitional Employment status is approved, Employee will enter into a Transitional Employment Agreement with the Company that will include: (a) the effective date of the change in status, which shall not be earlier than six (6) months or later than twelve (12) months after the date the request is made; (b) a reduced level of Base Salary; (c) Employee's new title and service location; (d) Employee's fixed period of continued employment, which shall be not less than two (2) years from the effective date of the change in status, unless a shorter period of continued service is approved by the CEO at the time Transitional Employment status is granted; and (e) an acknowledgment by Employee of the applicability of the policies established from time to time by the Company and Parent, including the Code of Conduct and Ethics, to Employee's continued employment during his or her Transitional Employment status.

11.3 **Eligibility**. Employee shall be eligible to apply for Transitional Employment status if Employee has: (a) completed at least fifteen (15) years of continuous service with the Company (including its subsidiaries and affiliates); (b) attained the age of sixty (60); and (c) completed at least ten (10) years in an RVP equivalent role or above. Employee may include in his or her application a request for a waiver from the CEO of one or more of the criteria listed in this Section 11.3. Any waiver of an eligibility criteria shall be made in the CEO's sole discretion.

11.4 **Additional Terms**. Notwithstanding any provision of this Agreement to the contrary, the following shall apply to Employee upon the effective date of the change in status specified in his or her Transitional Employment Agreement: (a) Employee will retain all then outstanding Equity Awards as described in Section 4.3, which shall continue to be administered in accordance with their terms; and (b) Employee will not, in the ordinary course of business, receive any additional Bonuses, Equity Awards, grants or awards under the Company's and/or Parent's performance bonus plan, equity compensation plan, or similar incentive compensation programs.

*12. **Non-Competition and Non-Solicitation.***

12.1 Employee acknowledges that Employee occupies a position of trust and confidence and is a fiduciary to the Company. Employee agrees that the consideration and other benefits provided to Employee described herein clearly justify the following restrictions which, in any event, given Employee's skills and abilities and his position as a chief executive of the Company, will not prevent Employee from earning a living. Employee acknowledges that all restrictions contained in this Section 12 are reasonable and valid as to time, geographical area, and scope of activity to be restrained for the adequate protection of the legitimate business interests and goodwill of WCI and are no broader than is necessary to protect such interests and goodwill. Employee agrees and acknowledges that due to the high-level nature of Employee's duties for the Company, his key role within the Company (and which is a chief executive role with the Company), the opportunity being provided by the Company to receive Equity Awards and thereby align Employee's interests with WCI's interests in long-term success, and the nature and depth of the Confidential Information that WCI shares with Employee, it is reasonable for the Company to expect Employee not to engage in any business principally focused on liquid, semi-solid or solid waste collection, transportation, disposal, recycling and/or composting, and the operation of transfer stations, recycling facilities, materials recovery facilities or landfills, and/or any other business engaged in by WCI and as to which Employee had involvement and/or received Confidential Information (the "Restricted Business"), anywhere in any county of any U.S. state, or any province or territory in Canada over which Employee has management authority with WCI, or about which Employee has access to Confidential Information relating to WCI's current or planned operations in such province or territory (the "Restricted Territory")[1] during his employment and for the time periods set out below in Section 12.2. The Parties agree that for the purposes of this Agreement, Employee has management authority over all locations of the Company in Canada and in WCI's Southern and Eastern Regions in the U.S.

12.2 In consideration of the provisions hereof, during the Term and for the twelve (12)-month period following the Date of Termination (the "Restricted Period"), Employee will not, except as specifically provided below and/or for the benefit of WCI, anywhere in the Restricted Territory, directly or indirectly, acting individually or as the owner, shareholder, partner or management employee of any entity:

(a) engage or prepare to engage with the Restricted Business; or

(b) enter the employ as a manager or executive of, or render any personal services to or for the benefit of, or assist in or facilitate the solicitation of customers for, or receive remuneration in the form of management salary, commissions or otherwise from, or act as a consultant or in any other advisory role, whether paid or unpaid, to the Restricted Business; or

(c) receive or purchase a financial interest in, make a loan to, make a gift in support of, or otherwise provide financial support to any Restricted Business in any capacity, including without limitation, as a sole proprietor, partner, shareholder, officer, director, principal agent or trustee.

For purposes of this Section 12:

The term "solicit" and related terms such as "soliciting" or "solicitation" mean to knowingly engage in acts or communications, in person or through others, that are intended or can

[1] *Within the state of Louisiana, the Restricted Territory shall include the following parishes: Caddo, Bossier, Webster, Bienville, Lincoln, Jackson, Union, Morehouse, West Carroll, East Carroll, Madison, Richland, Franklin, Tensas, Quachita, Winn, Caldwell, Red River, Desoto, Sabine, Natchitoches, Grant, LaSalle, Avoyelles, Beauregard, Allen, Evangeline, St Landry, Lafayette, Point Coupee, East Baton Rouge, West Baton Rouge, Iberville, Assumption, St. Martin, St. Mary, Calcasieu, Jeff Davis, Allen, Acadia, Vermillion, Cameron, Iberia, Terrebonne, Lafourche, Ascension, St John, St James, St Charles, Jefferson, St Tammany, Orleans, St Bernard, Plaquemines, and Tangipahoa.*

reasonably be expected to induce or encourage a particular responsive action (such as buying a good or service), regardless of which party first initiates the contact or communication or whether the communication is in response to an inquiry or not. Provided, the provisions of this Section 12 shall be limited to those situations where Employee is: (a) providing services that are the same as or similar to those services Employee provided to WCI; (b) supervising or managing individuals performing such services; and/or (c) providing such other duties and services the performance of which would result in the use or disclosure of Confidential Information. Provided, further, that Employee may own, directly or indirectly, solely as an investment, securities of any business traded on any national securities exchange or quoted on any

NASDAQ market, provided Employee is not a controlling person of, or a member of a group which controls, such business and furtherprovided that Employee does not, in the aggregate, directly or indirectly, own two percent (2%) or more of any class of securities of such business. And further provided that nothing herein shall be construed to prohibit Employee's employment in a separately operated subsidiary or other business unit of a company that would not be a Restricted Business but for common ownership with a Restricted Business, so long as written assurances regarding the non-competitive nature of Employee's position that are satisfactory to the Company have been provided by Employee and the new employer in advance.

12.3 During the Term and for the Restricted Period, except for the benefit of WCI, Employee shall not: (a) solicit any customer of WCI to whom WCI has provided services to enter into a relationship involving the Restricted Business; or (b) solicit on behalf of a competitor of WCI any prospective customer of WCI as to which WCI has actively sought to provide services to enter into a relationship involving the Restricted Business. The provisions of this Section 12.3 shall be limited to customers or prospective customers that Employee: (x) called on or was involved in soliciting on behalf of WCI; (y) supervised others who called on or solicited on behalf of WCI; and (z) received Confidential Information about.

12.4 During the Term and for the Restricted Period, Employee shall not solicit any officer, employee or contractor of WCI. The restriction in this Section 12.4 is necessary to protect Confidential Information, workforce stability and other legitimate business interests of WCI and to prevent unfair competition. Nothing herein is intended or to be construed as a prohibition against general advertising such as "help wanted" ads that are not targeted specifically at WCI's officer, employee or contractor.

12.5 If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 12 is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specified words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

*13. **Indemnification.** Employee shall be fully indemnified by the Company to the fullest extent permitted by applicable law in connection with his employment hereunder, unless Employee is*

asserting claims against the Company or WCI or engaged in conduct contrary to this Agreement, his fiduciary obligations, or any obligations under policy, statue or applicable insurance.

*14. **No Improper Use of Prior Employer Information.** Employee warrants and represents that Employee's employment by the Company does not and will not breach any agreement with any former employer, including any non-compete agreement or any agreement to keep in confidence information acquired by Employee in confidence or trust prior to Employee's employment by the Company. During employment with the Company, Employee agrees not to improperly use or disclose any confidential information or trade secrets of any former employer or other third party to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of WCI or use any unpublished documents or any property belonging to any former employer or other third party to whom Employee has an obligation of confidentiality, unless consented to in writing by that former employer or person.*

*15. **Notice & Early Resolution Obligations.** During employment and for the Restricted Period thereafter, Employee will notify the Company in writing if Employee accepts a position with a Restricted Business and provide the Company with the information needed to conduct a reasonable evaluation of the position as it relates to this Agreement; and within thirty (30) calendar days of the Company's request, if there is such a request, participate in* *a mediation or in-person conference to discuss and/or resolve any issues raised by Employee's new position. Employee will be responsible for all consequential damages caused by failure to give the Company notice as provided in this paragraph. Employee covenants not to sue or take other legal action to challenge the application or enforceability of the restrictions in this Agreement without first seeking, in writing to the Company, to resolve any issue or concern Employee has with this Agreement. Employee understands that the Company has the right to provide another party an opinion about interpretation and/or application of Sections 5, 6 and 12 of this Agreement; Employee consents to such communications, and agrees not to assert a claim of wrongdoing by the Company as a result of such a communication.*

16. ***Survival of Provisions.*** *The obligations of the Company under Sections 7, 8, 10 and 13 of this Agreement, and of Employee under Sections 5, 6, 12 and 15 of this Agreement, shall survive both the termination of Employee's employment and this Agreement. The obligations of Employee under Sections 5, 6, 12 and 15 shall also continue to apply and be valid notwithstanding any change in Employee's duties, responsibilities, position or title.*

17. ***Assignment; Binding Agreement.*** *The Company may assign this Agreement to any parent, subsidiary, affiliate or successor of the Company and to any entity that acquires its assets or business and this Agreement may be enforced by any one or more of them without the need for further consent or approval by Employee. This Agreement is not assignable by Employee and is binding on Employee and his executors and other legal representatives. This Agreement shall bind the Company and its successors and assigns and inure to the benefit of Employee and his heirs, executors, administrators, personal representatives, legatees or devisees.*

18. ***Paid Administrative Leave.*** *The Company may place Employee on a paid administrative leave, in which case Employee shall not perform his regular duties, nor attend the Company's premises, provided that the Company continues to provide Base Salary and benefits to Employee ("Paid Administrative Leave"), and informs Employee of the reason for the leave. During any*

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period Employee is placed on Paid Administrative Leave, Employee must observe all obligations of employment and this Agreement (which are not inconsistent with any direction given). Employee must also observe all common law duties as an employee of the Company, such as the duty of good faith, fidelity and confidentiality. During a period Employee is on Paid Administrative Leave, Employee must not obtain or engage in employment or work from any other source (whether or not a competitor of the Company) without the prior written consent of the Company.

19. ***Currency.*** *Unless otherwise stated, all amounts referenced herein are in Canadian Dollars.*

20. ***Notice.*** *Any written notice under this Agreement shall be personally delivered to the other Party or sent by a nationally recognized overnight delivery service or by certified or registered mail, return receipt requested and postage prepaid, to such Party at the address set forth in the records of the Company or to such other address as either Party may from time to time specify by written notice.*

21. ***Entire Agreement; Amendments.*** *This Agreement contains the entire agreement of the Parties relating to Employee's employment and supersedes all oral or written prior discussions, agreements and understandings of every nature between the Company and/or any parent, subsidiary, affiliate, predecessor or successor of the Company, on the one hand, and Employee, on the other hand. This Agreement may not be changed except by an agreement in writing signed by the Company and Employee.*

22. ***Waiver.*** *The waiver of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other provision or subsequent breach of this Agreement.*

*23. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario, without regard to principles of conflict of laws.*

*24. **Applicable Employment Standards Legislation:** Nothing in this Agreement is intended to conflict with the Applicable Employment Standards Legislation. In the event Applicable Employment Standards Legislation provides superior statutory entitlements than the terms provided for under this Agreement, the Company shall provide Employee with Employee's statutory entitlements in substitution for the terms under this Agreement.*

*25. **Severability.** The provisions of this Agreement are separate and severable, and to the extent that any illegal or unenforceable provision of this Agreement cannot be cured by reformation, then such offending portion or language shall be stricken from this Agreement and the remainder of this Agreement shall continue in effect.*

*26. **Enforcement.** It is agreed that it is impossible to measure fully, in money, the damage which will accrue to the Company in the event of a breach or threatened breach of Sections 5, 6 or 12 of this Agreement, and, in any action or proceeding to enforce the provisions of Sections 5, 6 or 12 hereof, Employee waives the claim or defense that the Company has an adequate remedy at law and will not assert the claim or defense that such a remedy at law exists. The Company is entitled to injunctive relief to enforce the provisions of such Sections as well as any and all other remedies available to it at law or in equity.*

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*27. **Withholding.** All amounts referenced herein are gross amounts. All compensation and other amounts payable to Employee are subject to all source withholding requirements under applicable law.*

*28. **Due Authorization.** The execution of this Agreement has been duly authorized by the Company by all necessary corporate action.*

[Signatures appear on the following page.]

IN WITNESS WHEREOF, this Employment Agreement has been duly executed by or on behalf of the Parties hereto as of the date first above written.

EMPLOYEE

/s/ Dan Pio
Dan Pio

Address:

WASTE CONNECTIONS OF CANADA INC.

By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) OR RULE 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald J. Mittelstaedt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Waste Connections, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2023 April 25, 2024

/s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt

President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) OR RULE 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mary Anne Whitney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Waste Connections, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2023 April 25, 2024

/s/ Mary Anne Whitney

Mary Anne Whitney
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

I, Ronald J. Mittelstaedt, being the duly elected and acting President and Chief Executive Officer of Waste Connections, Inc., a corporation organized under the laws of Ontario, Canada (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2023 March 31, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2023 April 25, 2024	By: /s/ Ronald J. Mittelstaedt
	Ronald J. Mittelstaedt
	President and Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

I, Mary Anne Whitney, being the duly elected and acting Executive Vice President and Chief Financial Officer of Waste Connections, Inc., a corporation organized under the laws of Ontario, Canada (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2023 March 31, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2023 April 25, 2024	By: /s/ Mary Anne Whitney
	Mary Anne Whitney
	Executive Vice President and
	Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates it by reference.

DISCLAIMER

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