

The Management's Discussion and Analysis of Financial Condition and Results of Operations for Waste Connections, Inc. is also included in the Form 10-Q for the period ended September 30, 2025 filed on SEDAR+ on October 22, 2025 in its entirety. All references to \$ are to U.S. dollars unless otherwise indicated.

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, leachate and the ETLF event at the Chiquita Canyon Landfill;
- 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 amount of, certain capital expenditures for our existing and newly acquired properties and equipment and the funding thereof;
- 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 inflation, the impacts of trade policies or tariffs, general economic conditions, credit risk of customers, seasonality, labor/pension costs and labor union activity, employee retention costs, operational and safety risks, acquisitions and their contribution to the Company's strategy, dividends, share repurchases, 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 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 continuously monitor and evaluate new technologies and investments that can enhance our commitment to the environment, to our employees and to the communities we serve. These investments align with our focus on value creation for all stakeholders and we remain committed to expanding these efforts 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, and we have incorporated progress towards their achievement into compensation metrics. These targets include reducing environmental impact through reductions in absolute Scope 1 and 2 emissions and emissions intensity, expanded resource recovery processing, increased landfill gas recovery and beneficial reuse, and increased on-site leachate treatment at our landfills. In addition, the targets focus on enhancing employee safety and engagement.

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.

All references to “dollars” or “\$” used herein refer to U.S. dollars, and all references to “CAD \$” used herein refer to Canadian dollars, unless otherwise stated.

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.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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,			
	2025		2024		2025		2024	
Revenues	\$ 2,458,378	100.0 %	\$ 2,338,488	100.0 %	\$ 7,093,609	100.0 %	\$ 6,659,308	100.0 %
Cost of operations	1,406,854	57.2	1,344,079	57.5	4,091,153	57.7	3,866,932	58.1
Selling, general and administrative	236,476	9.6	222,526	9.5	729,576	10.3	672,110	10.1
Depreciation	263,999	10.7	248,473	10.7	763,727	10.7	712,392	10.7
Amortization of intangibles	51,331	2.1	45,170	1.9	149,209	2.1	129,584	2.0
Impairments and other operating items	60,127	2.5	2,897	0.1	70,598	1.0	11,441	0.1
Operating income	439,591	17.9	475,343	20.3	1,289,346	18.2	1,266,849	19.0
Interest expense	(84,449)	(3.5)	(83,520)	(3.6)	(248,074)	(3.5)	(244,385)	(3.6)
Interest income	5,090	0.2	3,331	0.2	9,174	0.1	9,391	0.1
Other income, net	14,542	0.6	4,904	0.2	26,463	0.4	12,727	0.2
Income tax provision	(88,503)	(3.6)	(92,012)	(3.9)	(258,852)	(3.7)	(232,008)	(3.5)
Net income	286,271	11.6	308,046	13.2	818,057	11.5	812,574	12.2
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	1,003	0.0
Net income attributable to Waste Connections	\$ 286,271	11.6 %	\$ 308,046	13.2 %	\$ 818,057	11.5 %	\$ 813,577	12.2 %

Revenues. Total revenues increased \$119.9 million, or 5.1%, to \$2.458 billion for the three months ended September 30, 2025, from \$2.338 billion for the three months ended September 30, 2024. Total revenues increased \$434.3 million, or 6.5%, to \$7.094 billion for the nine months ended September 30, 2025, from \$6.659 billion for the nine months ended September 30, 2024.

Acquisitions closed during, or subsequent to, the three and nine months ended September 30, 2024, increased revenues by \$79.7 million and \$325.7 million, respectively, for the three and nine months ended September 30, 2025.

Operations that were divested during, or subsequent to, the three and nine months ended September 30, 2024, decreased revenues by \$3.1 million and \$6.9 million, respectively, for the three and nine months ended September 30, 2025.

The impact of operations that were closed during, or subsequent to, the three and nine months ended September 30, 2024, decreased revenues by \$14.4 million and \$49.3 million, respectively, for the three and nine months ended September 30, 2025.

During the three months ended September 30, 2025, the net increase in prices charged to our customers at our existing operations was \$132.1 million, consisting of \$134.3 million of core price increases and decreases in surcharges of \$2.2 million. During the nine months ended September 30, 2025, the net increase in prices charged to our customers at our existing operations was \$394.4 million, consisting of \$404.4 million of core price increases and decreases in surcharges of \$10.0 million.

During the three and nine months ended September 30, 2025, we recognized volume losses totaling \$59.4 million and \$181.4 million, respectively, resulting from a decrease in roll off volumes, lower post-collection volumes in our Eastern and Central segments, lower residential collection volumes due primarily to the purposeful shedding of certain low-margin municipal contracts and lower commercial revenues.

E&P waste revenues at facilities owned during the three and nine months ended September 30, 2025 increased \$10.4 million and \$13.5 million, respectively, due to nominal increases in overall activity levels in our Canada segment.

Revenues from sales of recyclable commodities at facilities owned during the three and nine months ended September 30, 2025 and 2024 decreased \$17.1 million and \$26.1 million, respectively. The decreases were primarily attributable to lower prices for old corrugated cardboard, partially offset by an increase in volumes and an increase in the prices of certain grades of metal as compared to the prior periods.

A decrease in the average Canadian dollar to U.S. dollar currency exchange rate resulted in a decrease in revenues of \$3.4 million and \$23.7 million for the three and nine months ended September 30, 2025, respectively. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7260 and 0.7333 for the three months ended September 30, 2025 and 2024, respectively. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7158 and 0.7348 for the nine months ended September 30, 2025 and 2024, respectively.

Other revenues decreased \$4.9 million during the three months ended September 30, 2025, due primarily to a \$6.4 million decrease in landfill gas revenues on lower values of renewable energy credits, partially offset by contributions from new facilities, as well as a \$0.8 million increase in other non-core revenue sources and a \$0.7 million increase in intermodal revenues. Other revenues decreased \$11.9 million during the nine months ended September 30, 2025, due primarily to an \$11.4 million decrease in landfill gas revenues on lower values of renewable energy credits and a \$2.0 million decrease in intermodal revenues, partially offset by a \$1.5 million increase in other non-core revenue sources.

Cost of Operations. Total cost of operations increased \$62.8 million, or 4.7%, to \$1.407 billion for the three months ended September 30, 2025, from \$1.344 billion for the three months ended September 30, 2024. The increase was primarily the result of \$38.3 million of additional operating costs from acquisitions closed during, or subsequent to, the three months ended September 30, 2024, and an increase in operating costs at our existing operations of \$28.6 million, assuming foreign currency parity, partially offset by a decrease in operating costs of \$1.5 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$2.6 million from operations divested during, or subsequent to, the three months ended September 30, 2024.

The increase in operating costs of \$28.6 million, assuming foreign currency parity, at our existing operations for the three months ended September 30, 2025, consisted of higher labor and recurring incentive compensation expenses of \$14.5 million, an increase in trucking costs of \$7.7 million, higher risk management expenses of \$6.9 million, an increase in other landfill operating costs of \$2.8 million, an increase in taxes on revenues of \$2.2 million and a net increase of other expenses of \$1.8 million, partially offset by a decrease in disposal costs of \$3.6 million, lower truck, container, equipment and facility maintenance and repair expenses of \$2.4 million and a decrease in fuel expense of \$1.3 million due to diesel prices.

Total cost of operations increased \$224.2 million, or 5.8%, to \$4.091 billion for the nine months ended September 30, 2025, from \$3.867 billion for the nine months ended September 30, 2024. The increase was primarily the result of \$161.2 million of additional operating costs from acquisitions closed during, or subsequent to, the nine months ended September 30, 2024, and an increase in operating costs at our existing operations of \$80.1 million, assuming foreign currency parity, partially offset by a decrease in operating costs of \$11.6 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$5.5 million from operations divested during, or subsequent to, the nine months ended September 30, 2024.

The increase in operating costs of \$80.1 million, assuming foreign currency parity, at our existing operations for the nine months ended September 30, 2025, consisted of higher labor and recurring incentive compensation expenses of \$41.6 million, an increase in risk management expenses of \$21.3 million, higher trucking costs of \$15.5 million, an increase in post-closure liability interest accretion expense of \$12.2 million, an increase in benefits costs of \$8.3 million and higher taxes on revenues of \$4.4 million, partially offset by a decrease in fuel expense of \$11.0 million due to diesel prices, lower disposal costs of \$3.7 million, a decrease in other landfill operating costs of \$3.2 million, lower truck, container, equipment and facility maintenance and repair expenses of \$3.1 million and a net decrease of other expenses of \$2.2 million.

Cost of operations as a percentage of revenues decreased 0.3 percentage points to 57.2% for the three months ended September 30, 2025, from 57.5% for the three months ended September 30, 2024. The decrease as a percentage of revenues was primarily driven by the impact of price-led revenue growth, a 0.4 percentage point decrease in disposal costs, a 0.3 percentage point decrease in truck, container, equipment and facility maintenance and repair expenses and a 0.2 percentage

point decrease in fuel costs due to diesel prices, partially offset by a 0.2 percentage point increase due to operations closed subsequent to the prior period, a 0.2 percentage point increase due to higher risk management costs and a 0.2 percentage point increase due to higher trucking costs.

Cost of operations as a percentage of revenues decreased 0.4 percentage points to 57.7% for the nine months ended September 30, 2025, from 58.1% for the nine months ended September 30, 2024. The decrease as a percentage of revenues was primarily driven by the impact of price-led revenue growth, a 0.3 percentage point decrease due to the impact of acquisitions having lower operating costs as a percentage of revenue as compared to existing operations, a 0.3 percentage point decrease in fuel costs due to diesel prices, a 0.2 percentage point decrease in disposal costs as a result of increased internalization in certain markets and a 0.2 percentage point decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by a 0.3 percentage point increase due to higher risk management costs, a 0.2 percentage point increase in labor and benefits costs and a 0.1 percentage point increase from all other net changes.

SG&A. SG&A expenses increased \$14.0 million, or 6.3%, to \$236.5 million for the three months ended September 30, 2025, from \$222.5 million for the three months ended September 30, 2024. The increase was comprised of \$9.7 million, assuming foreign currency parity, at our existing operations and \$4.6 million from acquisitions closed during, or subsequent to, the three months ended September 30, 2024, partially offset by a decrease of \$0.3 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 \$9.7 million, assuming foreign currency parity, for the three months ended September 30, 2025, was comprised of an increase in incentive compensation expense of \$7.6 million, higher administrative payroll expenses of \$4.4 million and \$1.9 million of other net expense increases, partially offset by a decrease in direct acquisition expenses of \$4.2 million.

SG&A expenses increased \$57.5 million, or 8.6%, to \$729.6 million for the nine months ended September 30, 2025, from \$672.1 million for the nine months ended September 30, 2024. The increase was comprised of \$38.0 million, assuming foreign currency parity, at our existing operations and \$21.8 million from acquisitions closed during, or subsequent to, the nine months ended September 30, 2024, partially offset by a decrease of \$2.3 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 \$38.0 million, assuming foreign currency parity, for the nine months ended September 30, 2025, was comprised of higher administrative payroll expenses of \$23.5 million, an increase in professional fees of \$8.9 million, an increase in incentive compensation expense of \$7.5 million, a collective increase in travel and meetings expenses and charitable contributions of \$3.4 million, higher software license fees of \$2.2 million, an increase in lease costs of \$2.1 million and \$0.9 million of other net expense increases, partially offset by a decrease in direct acquisition expenses of \$5.4 million and decreased expenses for uncollectible accounts receivable of \$5.1 million.

SG&A expenses as a percentage of revenues increased 0.1 percentage point to 9.6% for the three months ended September 30, 2025, from 9.5% for the three months ended September 30, 2024. The increase as a percentage of revenues was primarily driven by a 0.3 percentage point increase in administrative payroll and incentive compensation expenses as a percentage of revenue, partially offset by a 0.2 percentage point decrease in direct acquisition expenses as a percentage of revenue.

SG&A expenses as a percentage of revenues increased 0.2 percentage points to 10.3% for the nine months ended September 30, 2025, from 10.1% for the nine months ended September 30, 2024. The increase as a percentage of revenues was primarily driven by a 0.3 percentage point increase in administrative payroll and incentive compensation expenses, partially offset by a 0.1 percentage point decrease in SG&A expenses from acquisitions closed during, or subsequent to, the nine months ended September 30, 2024.

Depreciation. Depreciation expense increased \$15.5 million, or 6.2%, to \$264.0 million for the three months ended September 30, 2025, from \$248.5 million for the three months ended September 30, 2024. The increase was comprised of an increase in depreciation expense of \$10.7 million from the impact of additions to our fleet and equipment purchased to support our existing operations and an increase in depreciation and depletion expense of \$8.2 million from acquisitions

closed during, or subsequent to, the three months ended September 30, 2024, partially offset by a decrease of \$2.8 million in depletion expense, a decrease of \$0.4 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$0.2 million from operations divested during, or subsequent to, the three months ended September 30, 2024.

Depreciation expense increased \$51.3 million, or 7.2%, to \$763.7 million for the nine months ended September 30, 2025, from \$712.4 million for the nine months ended September 30, 2024. The increase was comprised of an increase in depreciation and depletion expense of \$36.7 million from acquisitions closed during, or subsequent to, the nine months ended September 30, 2024, and an increase in depreciation expense of \$31.1 million from the impact of additions to our fleet and equipment purchased to support our existing operations, partially offset by a decrease of \$13.1 million in depletion expense, a decrease of \$2.8 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$0.6 million from operations divested during, or subsequent to, the nine months ended September 30, 2024.

Depreciation expense as a percentage of revenues remained flat at 10.7% for the three and nine months ended September 30, 2025 and the three and nine months ended September 30, 2024. For both comparable periods, depreciation expense as a percentage of revenues was impacted by capital expenditures to support our existing operations and acquisitions closed during, or subsequent to, the three and nine months ended September 30, 2024 having higher depreciation expense as a percentage of revenue than our company average, partially offset by the impact of decreased depletion expenses as a result of lower landfill volumes.

Amortization of Intangibles. Amortization of intangibles expense increased \$6.1 million, or 13.6%, to \$51.3 million for the three months ended September 30, 2025, from \$45.2 million for the three months ended September 30, 2024. The increase was the result of \$6.6 million from intangible assets acquired in acquisitions closed during, or subsequent to, the three months ended September 30, 2024, partially offset by a decrease of \$0.4 million from certain intangible assets becoming fully amortized subsequent to September 30, 2024 and a decrease of \$0.1 million due to a lower average foreign currency exchange rate in effect during the current period.

Amortization of intangibles expense increased \$19.6 million, or 15.1%, to \$149.2 million for the nine months ended September 30, 2025, from \$129.6 million for the nine months ended September 30, 2024. The increase was the result of \$27.8 million from intangible assets acquired in acquisitions closed during, or subsequent to, the nine months ended September 30, 2024, partially offset by a decrease of \$7.4 million from certain intangible assets becoming fully amortized subsequent to September 30, 2024, a decrease of \$0.7 million due to a lower average foreign currency exchange rate in effect during the current period and a decrease of \$0.1 million due to intangible assets divested subsequent to the nine months ended September 30, 2024.

Amortization of intangibles expense as a percentage of revenues increased 0.2 percentage points to 2.1% for the three months ended September 30, 2025, from 1.9% for the three months ended September 30, 2024. The increase as a percentage of revenues was primarily driven by a 0.2 percentage point increase related to acquisitions closed during, or subsequent to, the three months ended September 30, 2024 having higher amortization expense as a percentage of revenue than our company average.

Amortization of intangibles expense as a percentage of revenues increased 0.1 percentage points to 2.1% for the nine months ended September 30, 2025, from 2.0% for the nine months ended September 30, 2024. The increase as a percentage of revenues was primarily driven by a 0.3 percentage point increase related to acquisitions closed during, or subsequent to, the nine months ended September 30, 2024 having higher amortization expense as a percentage of revenue than our company average, partially offset by a 0.2 percentage point decrease related to certain intangible assets becoming fully amortized subsequent to September 30, 2024.

Impairments and Other Operating Items. Impairments and other operating items increased \$57.2 million, to net losses totaling \$60.1 million for the three months ended September 30, 2025, from net losses totaling \$2.9 million for the three months ended September 30, 2024.

The net losses of \$60.1 million recorded during the three months ended September 30, 2025 consisted of net losses of \$30.4 million for an environmental liability at an operating facility in the period, net losses of \$25.4 million for charges to write off the carrying cost of certain contracts and non-operating facility permits that were not, or are not expected to be, renewed prior to the original estimated termination date and net losses of \$4.3 million on the disposal of property and equipment.

The net losses of \$2.9 million recorded during the three months ended September 30, 2024 consisted of \$2.1 million of net losses on the disposal of property and equipment and \$0.8 million of other net losses.

Impairments and other operating items increased \$59.2 million, to net losses totaling \$70.6 million for the nine months ended September 30, 2025, from net losses totaling \$11.4 million for the nine months ended September 30, 2024.

The net losses of \$70.6 million recorded during the nine months ended September 30, 2025 consisted of net losses of \$30.4 million for an environmental liability at an operating facility in the period, net losses of \$29.1 million for charges to write off the carrying cost of certain contracts and non-operating facility permits that were not, or are not expected to be, renewed prior to the original estimated termination date and net losses of \$12.1 million on the disposal of property and equipment, partially offset by other net gains of \$1.0 million.

The net losses of \$11.4 million recorded during the nine months ended September 30, 2024 consisted of \$8.1 million of net losses on the disposal of property and equipment, \$3.1 million due to increases associated with uninsured damages to an operating facility and \$1.6 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 \$1.4 million of other net gains.

Operating Income. Operating income decreased \$35.7 million, or 7.5%, to \$439.6 million for the three months ended September 30, 2025, from \$475.3 million for the three months ended September 30, 2024. Operating income increased \$22.5 million, or 1.8%, to \$1.289 billion for the nine months ended September 30, 2025, from \$1.267 billion for the nine months ended September 30, 2024.

The decrease in our operating income for the three months ended September 30, 2025 was due primarily to increased impairments and other operating expenses, increased labor and benefits costs, an increase in trucking costs and higher risk management costs, partially offset by price increases for our solid waste services and operating income generated from acquisitions closed during, or subsequent to, the three months ended September 30, 2024.

The increase in our operating income for the nine months ended September 30, 2025 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, 2024, and lower fuel costs, partially offset by increased impairments and other operating items, higher labor and benefits costs, higher risk management costs and an increase in trucking costs.

Operating income as a percentage of revenues decreased 2.4 percentage points to 17.9% for the three months ended September 30, 2025, from 20.3% for the three months ended September 30, 2024. The decrease as a percentage of revenues was comprised of a 2.4 percentage point increase in impairments and other operating items, a 0.2 percentage point increase in amortization expense and a 0.1 percentage point increase in selling, general and administrative expenses, partially offset by a 0.3 percentage point decrease in cost of operations.

Operating income as a percentage of revenues decreased 0.8 percentage points to 18.2% for the nine months ended September 30, 2025, from 19.0% for the nine months ended September 30, 2024. The decrease as a percentage of revenues was comprised of a 0.9 percentage point increase in impairments and other operating items, a 0.2 percentage point increase in selling, general and administrative expenses and a 0.1 percentage point increase in amortization expense, partially offset by a 0.4 percentage point decrease in cost of operations.

Interest Expense. Interest expense increased \$0.9 million, or 1.1%, to \$84.4 million for the three months ended September 30, 2025, from \$83.5 million for the three months ended September 30, 2024. The increase was primarily attributable to an increase of \$6.5 million from the issuance of \$500.0 million of senior unsecured notes in June 2025 and an increase of \$0.6 million due to an increase in the average borrowings outstanding under our credit facilities during the

three months ended September 30, 2025, partially offset by a decrease of \$6.2 million from lower interest rates on borrowings outstanding during the comparable periods.

Interest expense increased \$3.7 million, or 1.5%, to \$248.1 million for the nine months ended September 30, 2025, from \$244.4 million for the nine months ended September 30, 2024. The increase was primarily attributable to an increase of \$8.5 million from the issuance of \$500.0 million of senior unsecured notes during the nine months ended September 30, 2025, an increase of \$7.2 million from the issuance of CAD \$500.0 million of senior unsecured notes and an increase of \$5.3 million from the issuance of \$750.0 million of senior unsecured notes in the prior period and an increase of \$3.1 million due to higher average borrowings outstanding under our credit facilities during the nine months ended September 30, 2025, partially offset by a decrease of \$18.5 million from lower interest rates on borrowings outstanding during the comparable periods and a decrease of \$1.9 million for other net expense decreases.

Interest Income. Interest income increased \$1.8 million, or 52.8%, to \$5.1 million for the three months ended September 30, 2025, from \$3.3 million for the three months ended September 30, 2024. The increase was primarily attributable to higher average investment rates in the current periods. Interest income decreased \$0.2 million, or 2.3%, to \$9.2 million for the nine months ended September 30, 2025, from \$9.4 million for the nine months ended September 30, 2024. The decrease was primarily attributable to lower average investment rates in the current periods.

Other Income, Net. Other income, net increased \$9.6 million to an income total of \$14.5 million for the three months ended September 30, 2025, from an income total of \$4.9 million for the three months ended September 30, 2024.

Other income of \$14.5 million recorded during the three months ended September 30, 2025 consisted of \$8.1 million from proceeds on insurance claims, \$2.9 million from a decrease in the average foreign currency exchange rate in effect during the comparable reporting period, \$2.3 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations and \$1.2 million of income from other sources.

Other income of \$4.9 million recorded during the three months ended September 30, 2024 consisted of a \$2.1 million increase in the value of investments purchased to fund our employee deferred compensation obligations and \$2.8 million in other net income sources.

Other income, net increased \$13.8 million to an income total of \$26.5 million for the nine months ended September 30, 2025, from an income total of \$12.7 million for the nine months ended September 30, 2024.

Other income of \$26.5 million recorded during the nine months ended September 30, 2025 consisted of \$10.5 million from proceeds on insurance claims, \$6.8 million of gains from a decrease in the average foreign currency exchange rate in effect during the comparable reporting period, \$3.7 million from a vendor rebate and the reimbursement of expenditures, \$3.7 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations and \$1.8 million of income from other sources.

Other income of \$12.7 million recorded during the nine months ended September 30, 2024 consisted of \$12.0 million from a gain on sale of certain investments and \$3.9 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations, partially offset by \$2.3 million from the write off of unamortized loan fees as a result of the early extinguishment of our 2021 Revolving and Term Credit Agreement and 2022 Term Loan Agreement and \$0.9 million from a decrease in the average foreign currency exchange rate in effect during the comparable reporting period reducing the U.S. dollar consideration required to settle international liabilities.

Income Tax Provision. Income taxes decreased \$3.5 million, to \$88.5 million for the three months ended September 30, 2025, from \$92.0 million for the three months ended September 30, 2024. Our effective tax rate for the three months ended September 30, 2025 was 23.6%. Our effective tax rate for the three months ended September 30, 2024 was 23.0%. Income taxes increased \$26.9 million, to \$258.9 million for the nine months ended September 30, 2025, from \$232.0 million for the nine months ended September 30, 2024. Our effective tax rate for the nine months ended September 30, 2025 was 24.0%. Our effective tax rate for the nine months ended September 30, 2024 was 22.2%.

The income tax provision for the three and nine months ended September 30, 2025 included a benefit of \$0.1 million and \$4.9 million, respectively, 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 three and nine months ended September 30, 2024 included a benefit of \$0.1 million and \$5.5 million, respectively, 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.

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).

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Commercial	\$ 750,384	\$ 680,444	\$ 2,194,417	\$ 1,980,228
Residential	600,832	574,305	1,764,676	1,687,899
Industrial and construction roll off	379,123	367,559	1,083,107	1,052,339
Total collection	1,730,339	1,622,308	5,042,200	4,720,466
Landfill	414,614	418,508	1,155,449	1,177,899
Transfer	389,828	358,420	1,091,031	1,010,528
Recycling	58,351	69,748	188,855	182,071
E&P	188,679	154,202	517,695	375,176
Intermodal and other	42,686	47,341	133,170	145,979
Intercompany	(366,119)	(332,039)	(1,034,791)	(952,811)
Total	<u>\$ 2,458,378</u>	<u>\$ 2,338,488</u>	<u>\$ 7,093,609</u>	<u>\$ 6,659,308</u>

For the nine months ended September 30, 2025, we managed our operations through the following six geographic solid waste operating segments: Western, Southern, Eastern, Central, Canada and MidSouth. 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. Certain corporate or regional overhead expense allocations may affect comparability of the segment information presented herein on a period-over-period basis.

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, 2025		EBITDA Margin	
	Revenue	Segment Expenses	EBITDA ^(b)	EBITDA Margin
Western	\$ 486,255	\$ 342,473	\$ 143,782	29.6 %
Southern	485,394	327,038	158,356	32.6 %
Eastern	440,770	319,770	121,000	27.5 %
Central	413,389	262,741	150,648	36.4 %
Canada	349,766	189,851	159,915	45.7 %
MidSouth	282,804	202,163	80,641	28.5 %
Corporate ^(a)	—	(706)	706	—
	<u>\$ 2,458,378</u>	<u>\$ 1,643,330</u>	<u>\$ 815,048</u>	33.2 %

	Three Months Ended September 30, 2024		EBITDA Margin	
	Revenue	Segment Expenses	EBITDA ^(b)	EBITDA Margin
Western	\$ 476,237	\$ 328,747	\$ 147,490	31.0 %
Southern	453,215	308,831	144,384	31.9 %
Eastern	407,668	293,661	114,007	28.0 %
Central	391,740	248,254	143,486	36.6 %
Canada	342,058	188,478	153,580	44.9 %
MidSouth	267,570	190,559	77,011	28.8 %
Corporate ^(a)	—	8,075	(8,075)	—
	<u>\$ 2,338,488</u>	<u>\$ 1,566,605</u>	<u>\$ 771,883</u>	33.0 %

	Nine Months Ended September 30, 2025		EBITDA Margin	
	Revenue	Segment Expenses	EBITDA	EBITDA Margin
Western	\$ 1,386,322	\$ 1,002,225	\$ 384,097	27.7 %
Southern	1,415,741	954,378	461,363	32.6 %
Eastern	1,286,253	947,818	338,435	26.3 %
Central	1,188,859	763,082	425,777	35.8 %
Canada	995,914	544,487	451,427	45.3 %
MidSouth	820,520	592,471	228,049	27.8 %
Corporate ^(a)	—	16,268	(16,268)	—
	<u>\$ 7,093,609</u>	<u>\$ 4,820,729</u>	<u>\$ 2,272,880</u>	32.0 %

	Nine Months Ended September 30, 2024		EBITDA Margin	
	Revenue	Segment Expenses	EBITDA	EBITDA Margin
Western	\$ 1,352,449	\$ 957,475	\$ 394,974	29.2 %
Southern	1,311,437	900,117	411,320	31.4 %
Eastern	1,153,835	841,734	312,101	27.0 %
Central	1,138,708	730,491	408,217	35.8 %
Canada	941,629	530,540	411,089	43.7 %
MidSouth	761,250	551,999	209,251	27.5 %
Corporate ^(a)	—	26,686	(26,686)	—
	<u>\$ 6,659,308</u>	<u>\$ 4,539,042</u>	<u>\$ 2,120,266</u>	31.8 %

- (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 10 to our Condensed Consolidated Financial Statements included in Part 1, Item 1 of this report.

Significant changes in revenue, segment expenses and EBITDA for our reportable segments for the three and nine month periods ended September 30, 2025, compared to the three and nine month periods ended September 30, 2024, are discussed below.

Western

Revenue increased \$10.1 million to \$486.3 million for the three months ended September 30, 2025, from \$476.2 million for the three months ended September 30, 2024. Revenue increased \$33.9 million to \$1.386 billion for the nine months ended September 30, 2025, from \$1.352 billion for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to price increases, contributions from acquisitions and increases in residential and commercial collection volumes, partially offset by a decrease from an operation closed subsequent to the prior period and a decrease in recyclable commodity revenues as compared to the prior period.

Segment expenses increased \$13.8 million to \$342.5 million for the three months ended September 30, 2025, from \$328.7 million for the three months ended September 30, 2024. Segment expenses increased \$44.7 million to \$1.002 billion for the nine months ended September 30, 2025, from \$957.5 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in expenses from acquisitions closed during the comparable periods, increased labor and benefits costs, an increase in allocated corporate overhead, increased operating costs associated with higher collection volumes and higher risk management expenses, partially offset by a decrease from an operation closed subsequent to the prior period and lower landfill monitoring and maintenance costs.

EBITDA decreased \$3.7 million to \$143.8 million, or a 29.6% EBITDA margin for the three months ended September 30, 2025, from \$147.5 million, or a 31.0% EBITDA margin for the three months ended September 30, 2024. EBITDA decreased \$10.9 million to \$384.1 million, or a 27.7% EBITDA margin for the nine months ended September 30, 2025, from \$395.0 million, or a 29.2% EBITDA margin for the nine months ended September 30, 2024. The decreases in our EBITDA margin for the three and nine months ended September 30, 2025 were due to an operation closed subsequent to the prior period, an increase in allocated corporate overhead expenses, higher risk management costs and an increase in fuel costs, partially offset by price-led increases in revenue and a decrease in landfill monitoring and maintenance costs.

Southern

Revenue increased \$32.2 million to \$485.4 million for the three months ended September 30, 2025, from \$453.2 million for the three months ended September 30, 2024. Revenue increased \$104.3 million to \$1.416 billion for the nine months ended September 30, 2025, from \$1.311 billion for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to contributions from acquisitions and price increases, partially offset by lower commercial and residential collection volumes, a decrease in roll off volumes, lower E&P waste revenues attributable to decreases in drilling and production activity and a decrease in recyclable commodity revenues as compared to the prior period.

Segment expenses increased \$18.2 million to \$327.0 million for the three months ended September 30, 2025, from \$308.8 million for the three months ended September 30, 2024. Segment expenses increased \$54.3 million to \$954.4 million for the nine months ended September 30, 2025, from \$900.1 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in expenses from acquisitions closed during the comparable periods, an increase in allocated corporate overhead, higher risk management costs, higher labor costs, an increase in third-party brokerage and higher landfill monitoring and maintenance costs, partially offset by a decrease in truck, container, equipment and facility maintenance and repair expenses, lower fuel costs, a decrease in expenses from operations divested during the current period and lower disposal expense.

EBITDA increased \$14.0 million to \$158.4 million, or a 32.6% EBITDA margin for the three months ended September 30, 2025, from \$144.4 million, or a 31.9% EBITDA margin for the three months ended September 30, 2024. EBITDA increased \$50.1 million to \$461.4 million, or a 32.6% EBITDA margin for the nine months ended September 30, 2025, from \$411.3 million, or a 31.4% EBITDA margin for the nine months ended September 30, 2024. The increases in our EBITDA margin for the three and nine months ended September 30, 2025 were due to price-led increases in revenue, the impact of acquisitions having higher EBITDA margins than our segment average, lower fuel costs and a decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by lower E&P activity from decreases in drilling and production activity, higher risk management costs, higher allocated corporate overhead and increased landfill monitoring and maintenance costs.

Eastern

Revenue increased \$33.1 million to \$440.8 million for the three months ended September 30, 2025, from \$407.7 million for the three months ended September 30, 2024. Revenue increased \$132.4 million to \$1.286 billion for the nine months ended September 30, 2025, from \$1.154 billion for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to contributions from acquisitions and price increases, partially offset by decreases in roll off and post-collection volumes, lower commercial collection volumes due to the purposeful non-renewal of lower margin contracts and a decrease in recyclable commodity revenues as compared to the prior period.

Segment expenses increased \$26.1 million to \$319.8 million for the three months ended September 30, 2025, from \$293.7 million for the three months ended September 30, 2024. Segment expenses increased \$106.1 million to \$947.8 million for the nine months ended September 30, 2025, from \$841.7 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in expenses from acquisitions closed during the comparable periods, increases in allocated corporate overhead, an increase in labor costs, higher risk management expenses, an increase in trucking costs due to higher transfer volumes and an increase in truck, container, equipment and facility maintenance and repair expenses, partially offset by lower fuel costs due to diesel prices, a decrease in landfill monitoring and maintenance costs and lower disposal expense.

EBITDA increased \$7.0 million to \$121.0 million, or a 27.5% EBITDA margin for the three months ended September 30, 2025, from \$114.0 million, or a 28.0% EBITDA margin for the three months ended September 30, 2024. EBITDA increased \$26.3 million to \$338.4 million, or a 26.3% EBITDA margin for the nine months ended September 30, 2025, from \$312.1 million, or a 27.0% EBITDA margin for the nine months ended September 30, 2024. The decreases in our EBITDA margin for the three and nine months ended September 30, 2025 were due primarily to higher allocated corporate overhead, higher risk management expenses, higher labor costs and an increase in truck, container, equipment and facility maintenance and repair expenses, partially offset by price-led revenue growth, the impact of acquisitions having higher EBITDA margins than our segment average, lower fuel costs and a decrease in landfill monitoring and maintenance costs.

Central

Revenue increased \$21.7 million to \$413.4 million for the three months ended September 30, 2025, from \$391.7 million for the three months ended September 30, 2024. Revenue increased \$50.2 million to \$1.189 billion for the nine months ended September 30, 2025, from \$1.139 billion for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to price increases and contributions from acquisitions, partially offset by lower roll-off and post-collection volumes and a decrease in recyclable commodity revenues.

Segment expenses increased \$14.4 million to \$262.7 million for the three months ended September 30, 2025, from \$248.3 million for the three months ended September 30, 2024. Segment expenses increased \$32.6 million to \$763.1 million for the nine months ended September 30, 2025, from \$730.5 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in labor and benefits expenses, an increase in allocated corporate overhead, higher risk management costs, higher disposal expense and an increase in truck, container, equipment and facility maintenance and repair expenses partially offset by decreased expenses for uncollectible accounts receivable.

EBITDA increased \$7.1 million to \$150.6 million, or a 36.4% EBITDA margin for the three months ended September 30, 2025, from \$143.5 million, or a 36.6% EBITDA margin for the three months ended September 30, 2024. EBITDA increased \$17.6 million to \$425.8 million, or a 35.8% EBITDA margin for the nine months ended September 30, 2025, from \$408.2 million, or a 35.8% EBITDA margin for the nine months ended September 30, 2024. The decrease in our EBITDA margin for the three months ended September 30, 2025 was due to higher risk management costs and an increase in allocated corporate overhead, partially offset by price-led revenue growth, lower fuel costs and a reduction in expenses related to uncollectible accounts receivable driven by improved collection efforts. EBITDA margin for the nine months ended September 30, 2025 was favorably impacted by price-led revenue growth, lower fuel costs and a decrease in labor and benefits expenses relative to revenue, offset by higher risk management costs and an increase in allocated corporate overhead.

Canada

Revenue increased \$7.7 million to \$349.8 million for the three months ended September 30, 2025, from \$342.1 million for the three months ended September 30, 2024. Revenue increased \$54.3 million to \$995.9 million for the nine months ended September 30, 2025, from \$941.6 million for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to price increases, contributions from acquisitions and higher E&P waste revenues attributable to an increase in volumes, partially offset by a decrease in commercial and residential collection volumes, lower landfill gas sales primarily from lower renewable energy credits and a decrease in recyclable commodity revenues.

Segment expenses increased \$1.4 million to \$189.9 million for the three months ended September 30, 2025, from \$188.5 million for the three months ended September 30, 2024. Segment expenses increased \$14.0 million to \$544.5 million for the nine months ended September 30, 2025, from \$530.5 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in expenses from acquisitions closed during the comparable periods, higher labor and benefits costs, increased trucking costs and higher taxes associated with incremental volume, partially offset by lower risk management expenses, lower disposal expenses associated with a decrease in roll off and transfer station volumes and a decrease in truck, container, equipment and facility maintenance and repair expenses.

EBITDA increased \$6.3 million to \$159.9 million, or a 45.7% EBITDA margin for the three months ended September 30, 2025, from \$153.6 million, or a 44.9% EBITDA margin for the three months ended September 30, 2024. EBITDA increased \$40.3 million to \$451.4 million, or a 45.3% EBITDA margin for the nine months ended September 30, 2025, from \$411.1 million, or a 43.7% EBITDA margin for the nine months ended September 30, 2024. The increases in our EBITDA margin for the three and nine months ended September 30, 2025 were due to price-led increases in revenue, the impact of acquisitions having higher EBITDA margins than our segment average, favorable fuel pricing, lower risk management expenses and a decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by an increase in labor and benefits expenses and the decline in renewal energy credit pricing.

MidSouth

Revenue increased \$15.2 million to \$282.8 million for the three months ended September 30, 2025, from \$267.6 million for the three months ended September 30, 2024. Revenue increased \$59.3 million to \$820.5 million for the nine months ended September 30, 2025, from \$761.2 million for the nine months ended September 30, 2024. The increases for the three and nine months ended September 30, 2025 were due to price increases and contributions from acquisitions, partially offset by a decrease in recyclable commodity revenues and a decrease in roll off and residential collection volumes.

Segment expenses increased \$11.6 million to \$202.2 million for the three months ended September 30, 2025, from \$190.6 million for the three months ended September 30, 2024. Segment expenses increased \$40.5 million to \$592.5 million for the nine months ended September 30, 2025, from \$552.0 million for the nine months ended September 30, 2024. The increases to segment expenses for the three and nine months ended September 30, 2025 were due to an increase in expenses from acquisitions closed during the comparable periods, higher labor and benefits expenses, increases in allocated corporate overhead, an increase in landfill monitoring and maintenance costs and higher risk management costs.

EBITDA increased \$3.6 million to \$80.6 million, or a 28.5% EBITDA margin for the three months ended September 30, 2025, from \$77.0 million, or a 28.8% EBITDA margin for the three months ended September 30, 2024. EBITDA increased \$18.7 million to \$228.0 million, or a 27.8% EBITDA margin for the nine months ended September 30, 2025, from \$209.3 million, or a 27.5% EBITDA margin for the nine months ended September 30, 2024. The decrease in our EBITDA margin for the three months ended September 30, 2025 was due primarily to an increase in landfill monitoring and maintenance costs, an increase in allocated corporate overhead and an increase in professional fees, partially offset by price-led revenue growth and lower fuel costs. The increase in our EBITDA margin for the nine months ended September 30, 2025 was due primarily to price-led revenue growth, lower fuel costs due to diesel prices and a reduction in expenses related to uncollectible accounts receivable, partially offset by increased landfill monitoring and maintenance costs, an increase in allocated corporate overhead and higher risk management costs.

Corporate

Segment expenses decreased \$8.8 million to income of \$0.7 million for the three months ended September 30, 2025, from expenses of \$8.1 million for the three months ended September 30, 2024. Segment expenses decreased \$10.4 million to \$16.3 million for the nine months ended September 30, 2025, from \$26.7 million for the nine months ended September 30, 2024. The decreases to segment expenses for the three and nine months ended September 30, 2025 were due to increased allocation of costs to our operating segments and a decrease in deal costs associated with acquisitions closed during the comparable periods, partially offset by higher incentive compensation costs and higher administrative payroll costs to support continued growth in the business and increased professional fees. EBITDA increased \$8.8 million and \$10.4 million for the three and nine months ended September 30, 2025, respectively, as compared to the prior periods, due to the decrease in segment expenses.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth cash flow information for the nine months ended September 30, 2025 and 2024 (in thousands of U.S. dollars):

	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 1,857,190	\$ 1,659,998
Net cash used in investing activities	(1,433,913)	(2,645,810)
Net cash provided by (used in) financing activities	(331,492)	1,040,357
Effect of exchange rate changes on cash, cash equivalents and restricted cash	627	(75)
Net increase in cash, cash equivalents and restricted cash	92,412	54,470
Cash, cash equivalents and restricted cash at beginning of period	198,173	184,038
Cash, cash equivalents and restricted cash at end of period	<u>\$ 290,585</u>	<u>\$ 238,508</u>

Operating Activities Cash Flows

Net cash provided by operating activities increased \$197.2 million to \$1.857 billion for the nine months ended September 30, 2025, from net cash provided by operating activities of \$1.660 billion for the nine months ended September 30, 2024. 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 \$211.8 million from an increase in net income, excluding depreciation, adjustments to and payments of contingent consideration, amortization of intangibles, loss on disposal of assets and impairments, adjustments to closure and post-closure liabilities and share-based compensation, 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, 2024, and lower fuel costs, partially offset by increased impairments and other operating items, labor and benefits costs, higher risk management costs and an increase in trucking costs.

- 2) *Accounts payable and accrued liabilities* — Our increase in net cash provided by operating activities was favorably impacted by \$62.1 million from accounts payable and accrued liabilities as changes in accounts payable and accrued liabilities resulted in an increase to operating cash flows of \$147.8 million for the nine months ended September 30, 2025, compared to an increase to operating cash flows of \$85.7 million for the nine months ended September 30, 2024. The increase for the nine months ended September 30, 2025 was due primarily to an increase in accrued insurance costs, outstanding obligations to vendors and an increase in accrued payroll. The increase for the nine months ended September 30, 2024 was due primarily to an increase in accrued insurance costs, an increase in outstanding obligations to vendors and an increase in accrued interest due to the timing of interest payments.
- 3) *Prepaid expenses* — Our increase in net cash provided by operating activities was favorably impacted by \$43.5 million from prepaid expenses as changes in prepaid expenses resulted in an increase to operating cash flow of \$8.6 million for the nine months ended September 30, 2025, compared to a decrease to operating cash flow of \$34.9 million for the nine months ended September 30, 2024. The increase for the nine months ended September 30, 2025 was due primarily to a decrease in prepaid expenses related to the quarterly tax provision and a reduction of prepaid insurance costs. The decrease for the nine months ended September 30, 2024 was due primarily to an increase in prepaid expenses related to higher insurance payments.
- 4) *Deferred revenue* — Our increase in net cash provided by operating activities was favorably impacted by \$13.1 million from deferred revenue as changes in deferred revenue resulted in an increase to operating cash flows of \$24.0 million for the nine months ended September 30, 2025, compared to an increase to operating cash flows of \$10.9 million for the nine months ended September 30, 2024. For both comparative periods, deferred revenue increased due to price increases on our advanced billed residential and commercial collection services.
- 5) *Closure and post-closure expenditures* — Our increase in net cash provided by operating activities was unfavorably impacted by \$78.1 million from an increase in payments for closure and post-closure activities as changes in expenditures for these items resulted in a decrease to operating cash flows of \$223.3 million for the nine months ended September 30, 2025 as compared to a decrease to operating cash flows of \$145.2 million for the nine months ended September 30, 2024.
- 6) *Accounts receivable* — Our increase in net cash provided by operating activities was unfavorably impacted by \$58.9 million from accounts receivable as changes in accounts receivable resulted in a decrease to operating cash flows of \$116.7 million for the nine months ended September 30, 2025, compared to a decrease to operating cash flows of \$57.8 million for the nine months ended September 30, 2024. The decrease for the nine months ended September 30, 2025 was driven by higher revenues, which remained as outstanding receivables at the end of the period, and a reduction of receivables turnover relative to the prior period. The decrease for the nine months ended September 30, 2024 was due to increases in revenue, which remained as outstanding receivables at September 30, 2024, partially offset by one additional collection day in the period.

At September 30, 2025, we had a working capital deficit of \$684.0 million, including cash and equivalents of \$117.6 million. Our working capital deficit increased \$32.1 million from a working capital deficit of \$651.9 million at December 31, 2024 including cash and equivalents of \$62.4 million, due primarily to an increase in accounts payable from an increase in accrued insurance costs, outstanding obligations to vendors and an increase in accrued payroll, adjustments to contingent consideration and an increase in deferred revenue, partially offset by an increase in outstanding receivables driven by higher revenues and a reduction of receivables turnover relative to the prior period as well as an increase in cash and cash equivalents. 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 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 \$1.212 billion to \$1.434 billion for the nine months ended September 30, 2025, from \$2.646 billion for the nine months ended September 30, 2024. The significant components of the decrease included the following:

- 1) A decrease in cash paid for acquisitions of \$1.383 billion; less
- 2) An increase in capital expenditures at operations owned in the comparable period of \$102.1 million due to ongoing projects, expenditures for trucks and equipment and landfill site costs, partially offset by a decrease in expenditures for containers and compactors, land and facility improvements;
- 3) An increase of \$37.0 million from proceeds from the sale of investment in noncontrolling interests in the prior period; and
- 4) An increase in capital expenditures at operations acquired during the comparable period of \$33.5 million due to expenditures for facility improvements, landfill site costs and trucks and equipment.

Financing Activities Cash Flows

Net cash used in financing activities was \$331.5 million for the nine months ended September 30, 2025, compared to net cash provided by financing activities of \$1.040 billion for the nine months ended September 30, 2024, representing a decrease of \$1.372 billion. The significant components of the decrease included the following:

- 1) A decrease from the net change in long-term borrowings of \$918.3 million in which long-term borrowings increased \$416.6 million during the nine months ended September 30, 2025 and increased \$1.335 billion during the nine months ended September 30, 2024;
- 2) A decrease from higher payments to repurchase our common shares of \$442.2 million during the nine months ended September 30, 2025;
- 3) A decrease from higher cash dividends paid of \$22.7 million due primarily to an increase in our quarterly dividend rate for the nine months ended September 30, 2025 to \$0.315 per share, from \$0.285 per share for the nine months ended September 30, 2024; less
- 4) An increase from lower payments related to the issuance of debt of \$8.6 million in which debt issuance costs increased \$4.8 million during the nine months ended September 30, 2025 and increased \$13.4 million during the nine months ended September 30, 2024.

On July 22, 2025, 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 12,855,691 of our common shares during the period of August 12, 2025 to August 11, 2026 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 the 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 can be found under the section “Normal Course Issuer Bid” in Note 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 October 2025, we announced that our Board of Directors increased our regular quarterly cash dividend by \$0.035, from \$0.315 to \$0.350 per share. Cash dividends of \$244.0 million and \$221.3 million were paid during the nine months ended September 30, 2025 and 2024, 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. We made \$794.9 million in capital expenditures for property and equipment during the nine months ended September 30, 2025, and we expect to make total capital expenditures for property and equipment in 2025 of between approximately

\$1.200 billion and \$1.250 billion, including \$75 million to \$125 million for renewable natural gas facilities. We have funded and intend to fund the balance of our planned 2025 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 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.

On June 4, 2025, we completed an underwritten public offering of \$500.0 million aggregate principal amount of our 5.25% Senior Notes due 2035 (the “2035 Senior Notes”). The 2035 Senior Notes were issued under an indenture, dated as of November 16, 2018 (as amended, restated, supplemented or otherwise modified from time to time), 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 a tenth supplemental indenture, dated as of June 4, 2025. See Note 9 to our Condensed Consolidated Financial Statements for further details on the 2035 Senior Notes.

At September 30, 2025, \$2.199 billion under the revolving credit facility was outstanding under the Revolving Credit Agreement, exclusive of outstanding standby letters of credit of \$37.6 million. We also had \$184.0 million of letters of credit issued and outstanding at September 30, 2025 under a facility other than the Revolving Credit Agreement. Our Revolving Credit Agreement matures on February 27, 2029.

We are a well-known seasoned issuer with an effective shelf registration statement on Form S-3 filed in October 2024, 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, 2025, we had the following contractual obligations:

Recorded Obligations	Payments Due by Period				
	(amounts in thousands of U.S. dollars)				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years
Long-term debt	\$ 8,700,901	\$ 8,619	\$ 13,594	\$ 4,169,179	\$ 4,509,509
Cash interest payments	\$ 2,700,297	\$ 339,711	\$ 670,370	\$ 447,284	\$ 1,242,932
Contingent consideration	\$ 123,556	\$ 89,044	\$ 3,224	\$ 3,224	\$ 28,064
Operating leases	\$ 395,601	\$ 13,818	\$ 108,688	\$ 82,688	\$ 190,407
Final capping, closure and post-closure	\$ 2,362,832	\$ 161,230	\$ 151,199	\$ 47,404	\$ 2,002,999

Long-term debt payments include:

- 1) \$2.199 billion in principal payments due 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 SOFR rate loans, U.S. dollar base rate loans, Canadian dollar term CORRA rate loans, and Canadian dollar prime rate loans. At September 30, 2025, \$985.0 million of the outstanding borrowings drawn under the revolving credit facility were in U.S. term SOFR rate loans, which bear interest at the term SOFR rate plus the

applicable margin (for a total rate ranging from 5.04% to 5.16% on such date). At September 30, 2025, \$40.0 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 7.25% on such date). At September 30, 2025, \$1.167 billion of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based CORRA rate loans, which bear interest at the term CORRA rate plus the applicable margin (for a total rate ranging from 3.71% to 3.88% on such date). At September 30, 2025, \$7.2 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 prime rate margin (for a total rate of 4.70% on such date).

- 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%.
- 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%.
- 4) \$359.2 million in principal payments due 2029 related to our New 2029 Senior Notes. The New 2029 Senior Notes bear interest at a rate of 4.50%.
- 5) \$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%.
- 6) \$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%.
- 7) \$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%.
- 8) \$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%.
- 9) \$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%.
- 10) \$500.0 million in principal payments due 2035 related to our 2035 Senior Notes. The 2035 Senior Notes bear interest at a rate of 5.25%.
- 11) \$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%.
- 12) \$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%.
- 13) \$27.5 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, 2025, and have maturity dates ranging from 2028 to 2044.
- 14) \$14.9 million in principal payments related to our financing leases. Our financing leases bear interest at rates between 1.89% and 5.35% at September 30, 2025, and have expiration dates ranging from 2026 to 2032.

The following assumptions were made in calculating cash interest payments:

- 1) We calculated cash interest payments on the Revolving Credit Agreement using the term SOFR rate plus the applicable term SOFR margin, the base rate plus the applicable base rate margin, the term CORRA rate plus the

applicable margin and the Canadian prime rate plus the applicable prime rate margin at September 30, 2025. We assumed the Revolving Credit Agreement is paid off when it matures in February 2029.

- 2) 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 \$109.1 million recorded as liabilities in our Condensed Consolidated Financial Statements at September 30, 2025, and \$14.4 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.

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)				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years
Unrecorded Obligations⁽¹⁾					
Unconditional purchase obligations	\$ 152,768	\$ 120,987	\$ 31,160	\$ 621	\$ —

- (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, 2025, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 50.8 million gallons remaining to be purchased for a total of \$152.8 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 months ended September 30, 2025, 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 \$2.143 billion and \$2.011 billion at September 30, 2025 and December 31, 2024, respectively. These arrangements have not materially affected our financial position, results of operations or liquidity during the nine months ended September 30, 2025, 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 month periods ended September 30, 2025 and 2024, at all of our landfills during the respective period, is shown below (tons in thousands):

	Nine Months Ended September 30,			
	2025		2024	
	Number of Sites	Total Tons	Number of Sites	Total Tons
Owned operational landfills and landfills operated under life-of-site agreements	106	38,667	107	39,418
Operated landfills	7	527	7	538
	<u>113</u>	<u>39,194</u>	<u>114</u>	<u>39,956</u>

NON-GAAP FINANCIAL MEASURES

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, 2025 and 2024, is calculated as follows (amounts in thousands of U.S. dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income attributable to Waste Connections	\$ 286,271	\$ 308,046	\$ 818,057	\$ 813,577
Less: Net loss attributable to noncontrolling interests	—	—	—	(1,003)
Plus: Income tax provision	88,503	92,012	258,852	232,008
Plus: Interest expense	84,449	83,520	248,074	244,385
Less: Interest income	(5,090)	(3,331)	(9,174)	(9,391)
Plus: Depreciation and amortization	315,330	293,643	912,936	841,976
Plus: Closure and post-closure accretion	11,963	7,387	35,779	22,879
Plus: Impairments and other operating items	60,127	2,897	70,598	11,441
Less: Other income, net	(14,542)	(4,904)	(26,463)	(12,727)
Adjustments:				
Plus: Transaction-related expenses ^(a)	3,835	8,067	19,778	25,169
Plus (less): Fair value changes to equity awards ^(b)	(509)	99	527	1,602
Adjusted EBITDA	\$ 830,337	\$ 787,436	\$ 2,328,964	\$ 2,169,916

(a) Reflects the addback of acquisition-related transaction costs.

(b) Reflects fair value accounting changes associated with certain equity awards.

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, 2025 and 2024, are calculated as follows (amounts in thousands of U.S. dollars, except per share amounts):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Reported net income attributable to Waste Connections	\$ 286,271	\$ 308,046	\$ 818,057	\$ 813,577
Adjustments:				
Amortization of intangibles ^(a)	51,331	45,170	149,209	129,584
Impairments and other operating items ^(b)	60,127	2,897	70,598	11,441
Transaction-related expenses ^(c)	3,835	8,067	19,778	25,169
Fair value changes to equity awards ^(d)	(509)	99	527	1,602
Tax effect ^(e)	<u>(29,005)</u>	<u>(14,275)</u>	<u>(59,903)</u>	<u>(42,655)</u>
Adjusted net income attributable to Waste Connections	<u>\$ 372,050</u>	<u>\$ 350,004</u>	<u>\$ 998,266</u>	<u>\$ 938,718</u>
Diluted earnings per common share attributable to Waste Connections' common shareholders:				
Reported net income	<u>\$ 1.11</u>	<u>\$ 1.19</u>	<u>\$ 3.16</u>	<u>\$ 3.15</u>
Adjusted net income	<u>\$ 1.44</u>	<u>\$ 1.35</u>	<u>\$ 3.86</u>	<u>\$ 3.63</u>

(a) Reflects the elimination of the non-cash amortization of acquisition-related intangible assets.

(b) Reflects the addback of 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) The aggregate tax effect of the adjustments in footnotes (a) through (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 materials or labor costs in certain markets and higher resulting third-party costs in areas such as brokerage, repairs and construction. Additionally, significant changes in trade policies, including tariffs in the U.S. or retaliatory policies in other countries, including Canada, may increase the cost of certain equipment we purchase in the U.S. and Canada. 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. We believe that, over time, we should be able to increase prices to offset many cost increases that result from inflation and any potential impact from changes in trade policies or tariffs within 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.

SEASONALITY

Based on historic trends, excluding any impact from 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 primarily 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, 2025, 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, 2025 and December 31, 2024, of \$1.399 billion and \$1.364 billion, respectively, including floating rate debt under our Revolving Credit Agreement. A one percentage point increase in interest rates on our variable-rate debt at September 30, 2025 and December 31, 2024, would decrease our annual pre-tax income by approximately \$14.0 million and \$13.6 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.

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, 2025, we had no fuel hedge agreements in place; however, we have entered into fixed price diesel fuel purchase contracts for the nine months ended September 30, 2025 as described below.

For the year ending December 31, 2025, we expect to purchase approximately 92.7 million gallons of diesel fuel, of which 52.2 million gallons will be purchased at market prices and 40.5 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 three month period of October 1, 2025 to December 31, 2025, we expect to purchase approximately 13.0 million gallons of diesel fuel at market prices; therefore, a \$0.10 per gallon increase in the price of diesel fuel over the remaining three months in 2025 would decrease our pre-tax income during this period by approximately \$1.3 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 nine months ended September 30, 2025 and 2024, would have had a \$18.2 million and \$17.5 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 2025 or 2024. A \$0.01 change in the Canadian dollar to U.S. dollar exchange rate would impact our annual revenue and EBITDA by approximately \$19.0 million and \$9.0 million, respectively.

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, 2025, 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, 2025, 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 17 of our Condensed Consolidated Financial Statements included in Part I, Item 1 of this report and is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 22, 2025, our Board of Directors approved, subject to receipt of regulatory approvals, the annual renewal of our NCIB to purchase up to 12,855,691 of our common shares during the period of August 12, 2025 to August 11, 2026 or until such earlier time as the NCIB is completed or terminated at our option. The renewal followed the conclusion of our NCIB that expired August 11, 2025. We received TSX approval for our annual renewal of the NCIB on August 8, 2025. Under the NCIB, we may make share repurchases only in the open market, including on the TSX, the NYSE, the NYSE Texas, and/or alternative Canadian trading systems, at the prevailing market price at the time of the transaction. The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including our capital structure, the market price of the common shares, any buyback taxes applicable and overall market conditions. All common shares purchased under the NCIB shall be immediately cancelled following their repurchase. As of September 30, 2025, we have repurchased 2.4 million of our common shares pursuant to the NCIB in effect during that period at an aggregate cost of \$442.2 million, or an average price of \$184.75 per share. The table below reflects repurchases we made during the three months ended September 30, 2025 (in thousands of U.S. dollars, except share and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under the Program
7/1/25 - 7/31/25	1,297,239	\$ 185.18	1,297,239	11,602,642
8/1/25 - 8/31/25	524,352	\$ 187.41	524,352	12,331,339
9/1/25 - 9/30/25	569,660	\$ 181.33	569,660	11,761,679
	<u>2,391,251</u>	\$ 184.75	<u>2,391,251</u>	

(1) This amount represents the weighted average price paid per common share. This price includes a per share commission and buyback taxes paid for all repurchases.

Item 5. Other Information

Rule 10b5-1 Trading Plans.

During the quarter ended September 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.