

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 June 30, 2025 filed on SEDAR+ on July 24, 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 SIX MONTHS ENDED JUNE 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 June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Revenues	\$ 2,407,055	100.0 %	\$ 2,248,166	100.0 %	\$ 4,635,231	100.0 %	\$ 4,320,819	100.0 %
Cost of operations	1,392,857	57.9	1,301,070	57.9	2,684,299	57.9	2,522,853	58.4
Selling, general and administrative	242,966	10.1	228,848	10.2	493,100	10.7	449,583	10.4
Depreciation	257,421	10.7	241,229	10.7	499,728	10.8	463,920	10.7
Amortization of intangibles	50,236	2.1	44,124	2.0	97,878	2.1	84,414	2.0
Impairments and other operating items	4,030	0.1	8,190	0.4	10,471	0.2	8,544	0.2
Operating income	459,545	19.1	424,705	18.8	849,755	18.3	791,505	18.3
Interest expense	(82,751)	(3.4)	(82,377)	(3.6)	(163,626)	(3.5)	(160,864)	(3.7)
Interest income	2,314	0.1	4,009	0.2	4,084	0.1	6,060	0.1
Other income, net	10,050	0.4	9,647	0.4	11,922	0.3	7,823	0.2
Income tax provision	(98,882)	(4.1)	(80,584)	(3.6)	(170,348)	(3.7)	(139,996)	(3.2)
Net income	290,276	12.1	275,400	12.2	531,787	11.5	504,528	11.7
Net loss attributable to noncontrolling interests	—	—	77	0.0	—	—	1,003	0.0
Net income attributable to Waste Connections	\$ 290,276	12.1 %	\$ 275,477	12.2 %	\$ 531,787	11.5 %	\$ 505,531	11.7 %

Revenues. Total revenues increased \$158.9 million, or 7.1%, to \$2.407 billion for the three months ended June 30, 2025, from \$2.248 billion for the three months ended June 30, 2024. Total revenues increased \$314.4 million, or 7.3%, to \$4.635 billion for the six months ended June 30, 2025, from \$4.321 billion for the six months ended June 30, 2024.

Acquisitions closed during, or subsequent to, the three and six months ended June 30, 2024, increased revenues by \$115.0 million and \$246.0 million, respectively, for the three and six months ended June 30, 2025.

Operations that were divested during, or subsequent to, the three and six months ended June 30, 2024, decreased revenues by \$2.1 million and \$3.8 million, respectively, for the three and six months ended June 30, 2025.

The impact of operations that were closed during, or subsequent to, the three and six months ended June 30, 2024, decreased revenues by \$17.6 million and \$34.9 million, respectively, for the three and six months ended June 30, 2025.

During the three months ended June 30, 2025, the net increase in prices charged to our customers at our existing operations was \$132.8 million, consisting of \$136.9 million of core price increases and decreases in surcharges of \$4.1 million. During the six months ended June 30, 2025, the net increase in prices charged to our customers at our existing operations was \$262.3 million, consisting of \$270.1 million of core price increases and decreases in surcharges of \$7.8 million.

During the three and six months ended June 30, 2025, we recognized volume losses totaling \$56.2 million and \$122.1 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 six months ended June 30, 2025 increased \$2.8 million and \$3.2 million, respectively, due to nominal increases in overall activity levels in certain basins in our Canada segment.

Revenues from sales of recyclable commodities at facilities owned during the three and six months ended June 30, 2025 and 2024 decreased \$7.0 million and \$9.0 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 and plastic 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 \$3.5 million and \$20.2 million for the three and six months ended June 30, 2025, respectively. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7228 and 0.7308 for the three months ended June 30, 2025 and 2024, respectively. The average Canadian dollar to U.S. dollar exchange rates on our Canadian revenues were 0.7104 and 0.7356 for the six months ended June 30, 2025 and 2024, respectively.

Other revenues decreased \$5.3 million during the three months ended June 30, 2025, due primarily to a \$4.5 million decrease in landfill gas revenues on lower values of renewable energy credits and a \$2.1 million decrease in intermodal revenues, partially offset by a \$1.3 million increase in other non-core revenue sources. Other revenues decreased \$7.1 million during the six months ended June 30, 2025, due primarily to a \$4.9 million decrease in landfill gas revenues on lower values for renewable energy credits and a \$2.7 million decrease in intermodal revenues, partially offset by a \$0.5 million increase in other non-core revenue sources.

Cost of Operations. Total cost of operations increased \$91.8 million, or 7.1%, to \$1.393 billion for the three months ended June 30, 2025, from \$1.301 billion for the three months ended June 30, 2024. The increase was primarily the result of \$55.5 million of additional operating costs from acquisitions closed during, or subsequent to, the three months ended June 30, 2024, and an increase in operating costs at our existing operations of \$39.9 million, assuming foreign currency parity, partially offset by a decrease in operating costs of \$1.8 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$1.8 million from operations divested during, or subsequent to, the three months ended June 30, 2024.

The increase in operating costs of \$39.9 million, assuming foreign currency parity, at our existing operations for the three months ended June 30, 2025, consisted of higher labor and recurring incentive compensation expenses of \$17.7 million, an increase in risk management expenses of \$6.9 million, higher trucking costs of \$6.4 million, an increase in post-closure liability interest accretion expense of \$4.9 million, an increase in benefits costs of \$4.9 million, an increase in disposal costs of \$2.5 million and a net increase of other expenses of \$2.2 million, partially offset by a decrease in fuel expense of \$5.6 million due to diesel prices.

Total cost of operations increased \$161.4 million, or 6.4%, to \$2.684 billion for the six months ended June 30, 2025, from \$2.523 billion for the six months ended June 30, 2024. The increase was primarily the result of \$122.8 million of additional operating costs from acquisitions closed during, or subsequent to, the six months ended June 30, 2024, and an increase in operating costs at our existing operations of \$51.2 million, assuming foreign currency parity, partially offset by a decrease in operating costs of \$9.8 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$2.8 million from operations divested during, or subsequent to, the six months ended June 30, 2024.

The increase in operating costs of \$51.2 million, assuming foreign currency parity, at our existing operations for the six months ended June 30, 2025, consisted of higher labor and recurring incentive compensation expenses of \$26.8 million, an increase in risk management expenses of \$14.3 million, an increase in post-closure liability interest accretion expense of \$7.7 million, higher trucking costs of \$7.7 million and an increase in benefits costs of \$6.5 million, partially offset by a decrease in fuel expense of \$9.8 million due to diesel prices and a net decrease of other expenses of \$2.0 million.

Cost of operations as a percentage of revenues remained flat at 57.9% for the three months ended June 30, 2025 and the three months ended June 30, 2024. Cost of operations as a percentage of revenues was impacted by price-led revenue growth, a 0.4 percentage point decrease due to the impact of acquisitions having lower operating costs as a percentage of revenue as compared to existing operations and a 0.4 percentage point decrease in fuel costs due to diesel prices, partially offset by a 0.3 percentage point increase in labor and benefits costs, a 0.2 percentage point increase due to higher risk management costs and a 0.3 percentage point increase due to higher costs associated with other expenses.

Cost of operations as a percentage of revenues decreased 0.5 percentage points to 57.9% for the six months ended June 30, 2025, from 58.4% for the six months ended June 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 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 truck, container, equipment and facility maintenance and repair expenses and a 0.2 percentage point decrease in disposal costs as a result of increased internalization in certain markets, partially offset by a 0.3 percentage point increase due to higher risk management costs and a 0.3 percentage point increase in labor and benefits costs.

SG&A. SG&A expenses increased \$14.1 million, or 6.2%, to \$243.0 million for the three months ended June 30, 2025, from \$228.9 million for the three months ended June 30, 2024. The increase was comprised of \$7.3 million from acquisitions closed during, or subsequent to, the three months ended June 30, 2024 and an increase of \$7.2 million, assuming foreign currency parity, at our existing operations, partially offset by a decrease of \$0.4 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 \$7.2 million, assuming foreign currency parity, for the three months ended June 30, 2025, was comprised of higher administrative payroll expenses of \$5.2 million, a collective increase in travel expenses and charitable contributions of \$2.6 million, an increase in deferred compensation costs of \$2.3 million due to an increase in the market value of investments held to fund our deferred compensation liability, an increase in professional fees of \$2.1 million and an increase in incentive compensation expense of \$1.7 million, partially offset by a decrease in direct acquisition expenses of \$3.3 million, decreased expenses for uncollectible accounts receivable of \$3.3 million and \$0.1 million of other net expense decreases.

SG&A expenses increased \$43.5 million, or 9.7%, to \$493.1 million for the six months ended June 30, 2025, from \$449.6 million for the six months ended June 30, 2024. The increase was comprised of an increase of \$28.4 million, assuming foreign currency parity, at our existing operations and \$17.1 million from acquisitions closed during, or subsequent to, the six months ended June 30, 2024, partially offset by a decrease of \$2.0 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 \$28.4 million, assuming foreign currency parity, for the six months ended June 30, 2025, was comprised of higher administrative payroll expenses of \$13.6 million, an increase in professional fees of \$8.4 million, an increase in incentive compensation expense of \$5.8 million, a collective increase in travel and meetings expenses and charitable contributions of \$4.3 million and \$1.2 million of other net expense increases, partially offset by decreased expenses for uncollectible accounts receivable of \$4.9 million.

SG&A expenses as a percentage of revenues decreased 0.1 percentage point to 10.1% for the three months ended June 30, 2025, from 10.2% for the three months ended June 30, 2024. The decrease as a percentage of revenues was primarily driven by a 0.2 percentage point decrease due to the impact of acquisitions having lower operating costs as a percentage of revenue as compared to existing operations, partially offset by a 0.1 percentage point increase in administrative payroll expenses as a percentage of revenue.

SG&A expenses as a percentage of revenues increased 0.3 percentage points to 10.7% for the six months ended June 30, 2025, from 10.4% for the six months ended June 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 and a 0.2 percentage point increase in professional fees, partially offset by a 0.2 percentage point decrease in SG&A expenses from acquisitions closed during, or subsequent to, the six months ended June 30, 2024.

Depreciation. Depreciation expense increased \$16.2 million, or 6.7%, to \$257.4 million for the three months ended June 30, 2025, from \$241.2 million for the three months ended June 30, 2024. The increase was comprised of an increase in depreciation and depletion expense of \$12.0 million from acquisitions closed during, or subsequent to, the three months ended June 30, 2024, and an increase in depreciation expense of \$9.5 million from the impact of additions to our fleet and equipment purchased to support our existing operations, partially offset by a decrease of \$4.7 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 June 30, 2024.

Depreciation expense increased \$35.8 million, or 7.7%, to \$499.7 million for the six months ended June 30, 2025, from \$463.9 million for the six months ended June 30, 2024. The increase was comprised of an increase in depreciation and depletion expense of \$28.3 million from acquisitions closed during, or subsequent to, the six months ended June 30, 2024, and an increase in depreciation expense of \$20.5 million from the impact of additions to our fleet and equipment purchased to support our existing operations, partially offset by a decrease of \$10.3 million in depletion expense, a decrease of \$2.3 million resulting from a lower average foreign currency exchange rate in effect during the current period and a decrease of \$0.4 million from operations divested during, or subsequent to, the six months ended June 30, 2024.

Depreciation expense as a percentage of revenues remained flat at 10.7% for the three months ended June 30, 2025 and the three months ended June 30, 2024. Depreciation expense as a percentage of revenues increased 0.1 percentage point to 10.8% for the six months ended June 30, 2025, from 10.7% for the six months ended June 30, 2024. For both comparable periods, depreciation expense as a percentage of revenue was impacted by capital expenditures to support our existing operations and acquisitions closed during, or subsequent to, the three and six months ended June 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 13.9%, to \$50.2 million for the three months ended June 30, 2025, from \$44.1 million for the three months ended June 30, 2024. The increase was the result of \$9.5 million from intangible assets acquired in acquisitions closed during, or subsequent to, the three months ended June 30, 2024, partially offset by a decrease of \$3.3 million from certain intangible assets becoming fully amortized subsequent to June 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 \$13.5 million, or 15.9%, to \$97.9 million for the six months ended June 30, 2025, from \$84.4 million for the six months ended June 30, 2024. The increase was the result of \$21.2 million from intangible assets acquired in acquisitions closed during, or subsequent to, the six months ended June 30, 2024, partially offset by a decrease of \$7.1 million from certain intangible assets becoming fully amortized subsequent to June 30, 2024 and a decrease of \$0.6 million due to a lower average foreign currency exchange rate in effect during the current period.

Amortization of intangibles expense as a percentage of revenues increased 0.1 percentage points to 2.1% for the three and six months ended June 30, 2025, from 2.0% for the three and six months ended June 30, 2024. The increases as a percentage of revenues were primarily attributable to acquisitions closed during, or subsequent to, the three and six months ended June 30, 2024 having higher amortization expense as a percentage of revenue than our company average, partially offset by price-driven revenue increases in our solid waste services.

Impairments and Other Operating Items. Impairments and other operating items decreased \$4.2 million, to net losses totaling \$4.0 million for the three months ended June 30, 2025, from net losses totaling \$8.2 million for the three months ended June 30, 2024.

The net losses of \$4.0 million recorded during the three months ended June 30, 2025 consisted of net losses of \$1.7 million on the disposal of property and equipment, \$1.0 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, net losses of \$1.0 million from damages to an operating facility and other net losses of \$0.3 million.

The net losses of \$8.2 million recorded during the three months ended June 30, 2024 consisted of \$4.9 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 \$1.0 million of charges to write off the carrying cost of certain contracts that were not, or are not expected to be, renewed prior to the original estimated termination date, partially offset by \$0.8 million of other net gains.

Impairments and other operating items increased \$2.0 million, to net losses totaling \$10.5 million for the six months ended June 30, 2025, from net losses totaling \$8.5 million for the six months ended June 30, 2024.

The net losses of \$10.5 million recorded during the six months ended June 30, 2025 consisted of \$4.5 million of net losses from operations divested during the current period, net losses of \$2.5 million on the disposal of property and equipment, \$1.7 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, losses of \$1.3 million on the disposal of an investment and other net losses of \$0.5 million.

The net losses of \$8.5 million recorded during the six months ended June 30, 2024 consisted of \$6.0 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 \$1.2 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 \$1.8 million of other net gains.

Operating Income. Operating income increased \$34.8 million, or 8.2%, to \$459.5 million for the three months ended June 30, 2025, from \$424.7 million for the three months ended June 30, 2024. Operating income increased \$58.3 million, or 7.4%, to \$849.8 million for the six months ended June 30, 2025, from \$791.5 million for the six months ended June 30, 2024.

The increases in our operating income for both the three and six months ended June 30, 2025 were due primarily to price increases for our solid waste services, operating income generated from acquisitions closed during, or subsequent to, the three and six months ended June 30, 2024, and lower fuel costs due to diesel prices, partially offset by increased risk management, labor and benefits costs.

Operating income as a percentage of revenues increased 0.3 percentage points to 19.1% for the three months ended June 30, 2025, from 18.8% for the three months ended June 30, 2024. The increase as a percentage of revenues was comprised of a 0.3 percentage point decrease in impairments and other operating items and a 0.1 percentage point decrease in selling, general and administrative expenses, partially offset by a 0.1 percentage point increase in amortization expense.

Operating income as a percentage of revenues remained flat at 18.3% for the six months ended June 30, 2025 and the six months ended June 30, 2024. Operating income as a percentage of revenues was impacted by a 0.3 percentage point increase in selling, general and administrative expenses, a 0.1 percentage point increase in depreciation expense and a 0.1 percentage point increase in amortization expense, partially offset by a 0.5 percentage point decrease in cost of operations.

Interest Expense. Interest expense increased \$0.4 million, or 0.5%, to \$82.8 million for the three months ended June 30, 2025, from \$82.4 million for the three months ended June 30, 2024. The increase was primarily attributable to an increase of \$3.3 million from the issuance of CAD \$500.0 million of senior unsecured notes in the prior period, an increase of \$3.1 million due to an increase in the average borrowings outstanding under our credit facilities during the three months ended June 30, 2025 and an increase of \$2.0 million from the issuance of \$500.0 million of senior unsecured notes during the three months ended June 30, 2025, partially offset by a decrease of \$6.6 million from lower interest rates on borrowings outstanding during the comparable periods and \$1.4 million of other net expense decreases.

Interest expense increased \$2.7 million, or 1.7%, to \$163.6 million for the six months ended June 30, 2025, from \$160.9 million for the six months ended June 30, 2024. The increase was primarily attributable to 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, an increase of \$2.5 million due to higher average borrowings outstanding under our credit facilities during the six months ended June 30, 2025 and an increase of \$2.0 million from the issuance of \$500.0 million of senior unsecured notes during the six months ended June 30, 2025, partially offset by a decrease of \$12.3 million from lower interest rates on borrowings outstanding during the comparable periods and \$2.0 million of other net expense decreases.

Interest Income. Interest income decreased \$1.7 million, or 42.3%, to \$2.3 million for the three months ended June 30, 2025, from \$4.0 million for the three months ended June 30, 2024. Interest income decreased \$2.0 million, or 32.6%, to \$4.1 million for the six months ended June 30, 2025, from \$6.1 million for the six months ended June 30, 2024. The decreases were primarily attributable to lower average investment rates in the current periods.

Other Income, Net. Other income, net increased \$0.5 million to an income total of \$10.1 million for the three months ended June 30, 2025, from an income total of \$9.6 million for the three months ended June 30, 2024.

Other income of \$10.1 million recorded during the three months ended June 30, 2025 consisted of \$3.7 million from a vendor rebate and the reimbursement of expenditures, \$2.9 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations, \$2.1 million from a decrease in the average foreign currency exchange rate in effect during the comparable reporting period and \$1.4 million of income from other sources.

Other income of \$9.6 million recorded during the three months ended June 30, 2024 consisted of \$12.0 million from a gain on sale of certain investments, partially offset by \$0.7 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 and \$1.7 million of net losses from other sources.

Other income, net increased \$4.1 million to an income total of \$11.9 million for the six months ended June 30, 2025, from an income total of \$7.8 million for the six months ended June 30, 2024.

Other income of \$11.9 million recorded during the six months ended June 30, 2025 consisted of \$3.9 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, \$2.5 million from proceeds on insurance claims, \$1.4 million from an increase in the value of investments purchased to fund our employee deferred compensation obligations and \$0.4 million of income from other sources.

Other income of \$7.8 million recorded during the six months ended June 30, 2024 consisted of \$12.0 million from a gain on sale of certain investments and \$1.8 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, \$1.3 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 and \$2.4 million of net losses from other sources.

Income Tax Provision. Income taxes increased \$18.3 million, to \$98.9 million for the three months ended June 30, 2025, from \$80.6 million for the three months ended June 30, 2024. Our effective tax rate for the three months ended June 30, 2025 was 25.4%. Our effective tax rate for the three months ended June 30, 2024 was 22.6%. Income taxes increased \$30.4 million, to \$170.4 million for the six months ended June 30, 2025, from \$140.0 million for the six months ended June 30, 2024. Our effective tax rate for the six months ended June 30, 2025 was 24.3%. Our effective tax rate for the six months ended June 30, 2024 was 21.7%.

The income tax provision for the three and six months ended June 30, 2025 included a benefit of \$0.2 million and \$4.8 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 six months ended June 30, 2024 included a benefit of \$0.2 million and \$5.4 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).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Commercial	\$ 731,573	\$ 656,926	\$ 1,444,033	\$ 1,299,785
Residential	592,225	567,383	1,163,844	1,113,594
Industrial and construction roll off	366,987	358,789	703,984	684,779
Total collection	1,690,785	1,583,098	3,311,861	3,098,158
Landfill	402,080	405,912	740,834	759,391
Transfer	381,935	350,227	701,204	652,108
Recycling	69,163	63,298	130,504	112,323
E&P	178,117	123,566	329,016	220,974
Intermodal and other	43,934	49,096	90,484	98,638
Intercompany	(358,959)	(327,031)	(668,672)	(620,773)
Total	<u>\$ 2,407,055</u>	<u>\$ 2,248,166</u>	<u>\$ 4,635,231</u>	<u>\$ 4,320,819</u>

For the six months ended June 30, 2025, we managed our operations through the following six geographic solid waste operating segments: Southern, Western, 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 June 30, 2025		Segment Expenses		EBITDA Margin	
	Revenue	Segment Expenses	EBITDA ^(b)	EBITDA Margin		
Southern	\$ 476,945	\$ 322,638	\$ 154,307	32.4 %		
Western	461,665	333,696	127,969	27.7 %		
Eastern	442,213	327,873	114,340	25.9 %		
Central	402,087	258,667	143,420	35.7 %		
Canada	343,416	187,477	155,939	45.4 %		
MidSouth	280,729	202,239	78,490	28.0 %		
Corporate ^(a)	—	3,233	(3,233)	—		
	<u>\$ 2,407,055</u>	<u>\$ 1,635,823</u>	<u>\$ 771,232</u>	32.0 %		

Three Months Ended June 30, 2024		Revenue	Segment Expenses	EBITDA ^(b)	EBITDA Margin
Southern	\$	439,275	\$ 300,751	\$ 138,524	31.5 %
Western		453,964	319,530	134,434	29.6 %
Eastern		386,103	283,026	103,077	26.7 %
Central		386,041	247,231	138,810	36.0 %
Canada		319,210	183,062	136,148	42.7 %
MidSouth		263,573	188,840	74,733	28.4 %
Corporate ^(a)		—	7,478	(7,478)	—
	\$	<u>2,248,166</u>	<u>\$ 1,529,918</u>	<u>\$ 718,248</u>	31.9 %

Six Months Ended June 30, 2025		Revenue	Segment Expenses	EBITDA	EBITDA Margin
Southern	\$	930,347	\$ 627,340	\$ 303,007	32.6 %
Western		900,067	659,752	240,315	26.7 %
Eastern		845,483	628,048	217,435	25.7 %
Central		775,470	500,341	275,129	35.5 %
Canada		646,147	354,637	291,510	45.1 %
MidSouth		537,717	390,308	147,409	27.4 %
Corporate ^(a)		—	16,973	(16,973)	—
	\$	<u>4,635,231</u>	<u>\$ 3,177,399</u>	<u>\$ 1,457,832</u>	31.5 %

Six Months Ended June 30, 2024		Revenue	Segment Expenses	EBITDA	EBITDA Margin
Southern		858,222	\$ 591,286	\$ 266,936	31.1 %
Western		876,212	628,728	247,484	28.2 %
Eastern		746,166	548,072	198,094	26.5 %
Central		746,968	482,236	264,732	35.4 %
Canada		599,571	342,062	257,509	42.9 %
MidSouth		493,680	361,441	132,239	26.8 %
Corporate ^(a)		—	18,611	(18,611)	—
	\$	<u>4,320,819</u>	<u>\$ 2,972,436</u>	<u>\$ 1,348,383</u>	31.2 %

- (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 six month periods ended June 30, 2025, compared to the three and six month periods ended June 30, 2024, are discussed below.

Southern

Revenue increased \$37.6 million to \$476.9 million for the three months ended June 30, 2025, from \$439.3 million for the three months ended June 30, 2024. Revenue increased \$72.1 million to \$930.3 million for the six months ended June 30, 2025, from \$858.2 million for the six months ended June 30, 2024. The increases for the three and six months ended June 30, 2025 were due to contributions from acquisitions and price increases, partially offset by a decrease in roll off

volumes, lower E&P waste revenues attributable to decreases in drilling and production activity, lower commercial collection revenues and lower residential collection volumes due to the purposeful non-renewal of certain contracts.

Segment expenses increased \$21.8 million to \$322.6 million for the three months ended June 30, 2025, from \$300.8 million for the three months ended June 30, 2024. Segment expenses increased \$36.0 million to \$627.3 million for the six months ended June 30, 2025, from \$591.3 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 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 and an increase in landfill monitoring and maintenance costs, partially offset by lower fuel costs due to diesel prices, a decrease in expenses from operations divested during the current period and lower disposal expense.

EBITDA increased \$15.8 million to \$154.3 million, or a 32.4% EBITDA margin for the three months ended June 30, 2025, from \$138.5 million, or a 31.5% EBITDA margin for the three months ended June 30, 2024. EBITDA increased \$36.1 million to \$303.0 million, or a 32.6% EBITDA margin for the six months ended June 30, 2025, from \$266.9 million, or a 31.1% EBITDA margin for the six months ended June 30, 2024. The increases in our EBITDA margin for the three and six months ended June 30, 2025 were due to price-led increases in revenue, the impact of acquisitions having higher EBITDA margins than our segment average, purposeful non-renewal of certain residential contracts with lower EBITDA margins than our segment average, lower fuel costs due to diesel prices and a decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by higher risk management costs, higher allocated corporate overhead and increased landfill monitoring and maintenance costs.

Western

Revenue increased \$7.7 million to \$461.7 million for the three months ended June 30, 2025, from \$454.0 million for the three months ended June 30, 2024. Revenue increased \$23.9 million to \$900.1 million for the six months ended June 30, 2025, from \$876.2 million for the six months ended June 30, 2024. The increases for the three and six months ended June 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, a decline in intermodal revenues and lower recyclable commodity revenues due to a decrease in commodity values.

Segment expenses increased \$14.2 million to \$333.7 million for the three months ended June 30, 2025, from \$319.5 million for the three months ended June 30, 2024. Segment expenses increased \$31.1 million to \$659.8 million for the six months ended June 30, 2025, from \$628.7 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 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 \$6.4 million to \$128.0 million, or a 27.7% EBITDA margin for the three months ended June 30, 2025, from \$134.4 million, or a 29.6% EBITDA margin for the three months ended June 30, 2024. EBITDA decreased \$7.2 million to \$240.3 million, or a 26.7% EBITDA margin for the six months ended June 30, 2025, from \$247.5 million, or a 28.2% EBITDA margin for the six months ended June 30, 2024. The decreases in our EBITDA margin for the three and six months ended June 30, 2025 were due to an operation closed subsequent to the prior period, an increase in allocated overhead expenses and higher risk management costs, partially offset by price-led increases in revenue, a decrease in landfill monitoring and maintenance costs, lower fuel costs due to diesel prices and decreased expenses for uncollectible accounts receivable.

Eastern

Revenue increased \$56.1 million to \$442.2 million for the three months ended June 30, 2025, from \$386.1 million for the three months ended June 30, 2024. Revenue increased \$99.3 million to \$845.5 million for the six months ended June 30, 2025, from \$746.2 million for the six months ended June 30, 2024. The increases for the three and six months ended June 30, 2025 were due to contributions from acquisitions and price increases, partially offset by decreases in hauling and post-collection volumes and a decrease in recyclable commodity revenues as compared to the prior period.

Segment expenses increased \$44.9 million to \$327.9 million for the three months ended June 30, 2025, from \$283.0 million for the three months ended June 30, 2024. Segment expenses increased \$79.9 million to \$628.0 million for the six months ended June 30, 2025, from \$548.1 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 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 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 decreased trucking costs due to lower transfer volumes.

EBITDA increased \$11.2 million to \$114.3 million, or a 25.9% EBITDA margin for the three months ended June 30, 2025, from \$103.1 million, or a 26.7% EBITDA margin for the three months ended June 30, 2024. EBITDA increased \$19.3 million to \$217.4 million, or a 25.7% EBITDA margin for the six months ended June 30, 2025, from \$198.1 million, or a 26.5% EBITDA margin for the six months ended June 30, 2024. The decreases in our EBITDA margin for the three and six months ended June 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, lower fuel costs due to diesel prices and the impact of acquisitions having higher EBITDA margins than our segment average.

Central

Revenue increased \$16.1 million to \$402.1 million for the three months ended June 30, 2025, from \$386.0 million for the three months ended June 30, 2024. Revenue increased \$28.5 million to \$775.5 million for the six months ended June 30, 2025, from \$747.0 million for the six months ended June 30, 2024. The increases for the three and six months ended June 30, 2025 were due to price increases and contributions from acquisitions, partially offset by lower hauling and post-collection volumes and a decrease in recyclable commodity revenues.

Segment expenses increased \$11.5 million to \$258.7 million for the three months ended June 30, 2025, from \$247.2 million for the three months ended June 30, 2024. Segment expenses increased \$18.1 million to \$500.3 million for the six months ended June 30, 2025, from \$482.2 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 30, 2025 were due to an increase in labor and benefits expenses, higher risk management costs, an increase in allocated corporate overhead, higher disposal expense and an increase in travel and meeting expenses.

EBITDA increased \$4.6 million to \$143.4 million, or a 35.7% EBITDA margin for the three months ended June 30, 2025, from \$138.8 million, or a 36.0% EBITDA margin for the three months ended June 30, 2024. EBITDA increased \$10.4 million to \$275.1 million, or a 35.5% EBITDA margin for the six months ended June 30, 2025, from \$264.7 million, or a 35.4% EBITDA margin for the six months ended June 30, 2024. The decrease in our EBITDA margin for the three months ended June 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 due to diesel prices and decreased expenses for uncollectible accounts receivable. The increase in our EBITDA margin for the six months ended June 30, 2025 was due to price-led revenue growth and lower fuel costs due to diesel prices, partially offset by higher allocated corporate overhead and higher risk management costs.

Canada

Revenue increased \$24.2 million to \$343.4 million for the three months ended June 30, 2025, from \$319.2 million for the three months ended June 30, 2024. Revenue increased \$46.6 million to \$646.1 million for the six months ended June 30, 2025, from \$599.6 million for the six months ended June 30, 2024. The increases for the three and six months ended June 30, 2025 were due to contributions from acquisitions, price increases 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 \$4.4 million to \$187.5 million for the three months ended June 30, 2025, from \$183.1 million for the three months ended June 30, 2024. Segment expenses increased \$12.5 million to \$354.6 million for the six

months ended June 30, 2025, from \$342.1 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 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 E&P volume, partially offset by lower risk management expenses and a decrease in truck, container, equipment and facility maintenance and repair expenses.

EBITDA increased \$19.8 million to \$155.9 million, or a 45.4% EBITDA margin for the three months ended June 30, 2025, from \$136.1 million, or a 42.7% EBITDA margin for the three months ended June 30, 2024. EBITDA increased \$34.0 million to \$291.5 million, or a 45.1% EBITDA margin for the six months ended June 30, 2025, from \$257.5 million, or a 42.9% EBITDA margin for the six months ended June 30, 2024. The increases in our EBITDA margin for the three and six months ended June 30, 2025 were due to price-led increases in revenue, the impact of acquisitions having higher EBITDA margins than our segment average, lower risk management expenses, lower fuel costs due to diesel prices and a decrease in landfill monitoring and maintenance costs, partially offset by the impact of lower landfill gas revenues and increased expenses for uncollectible accounts receivable.

MidSouth

Revenue increased \$17.1 million to \$280.7 million for the three months ended June 30, 2025, from \$263.6 million for the three months ended June 30, 2024. Revenue increased \$44.0 million to \$537.7 million for the six months ended June 30, 2025, from \$493.7 million for the six months ended June 30, 2024. The increases for the three and six months ended June 30, 2025 were due to contributions from acquisitions, price increases and an increase in recyclable commodity revenues due to an increase in recycling volumes, partially offset by a decrease in roll off and residential collection volumes.

Segment expenses increased \$13.4 million to \$202.2 million for the three months ended June 30, 2025, from \$188.8 million for the three months ended June 30, 2024. Segment expenses increased \$28.9 million to \$390.3 million for the six months ended June 30, 2025, from \$361.4 million for the six months ended June 30, 2024. The increases to segment expenses for the three and six months ended June 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, partially offset by lower fuel costs due to diesel prices and a decrease in trucking costs.

EBITDA increased \$3.8 million to \$78.5 million, or a 28.0% EBITDA margin for the three months ended June 30, 2025, from \$74.7 million, or a 28.4% EBITDA margin for the three months ended June 30, 2024. EBITDA increased \$15.2 million to \$147.4 million, or a 27.4% EBITDA margin for the six months ended June 30, 2025, from \$132.2 million, or a 26.8% EBITDA margin for the six months ended June 30, 2024. The decrease in our EBITDA margin for the three months ended June 30, 2025 was due primarily to an increase in landfill monitoring and maintenance costs, higher risk management costs and an increase in allocated corporate overhead, partially offset by lower fuel costs due to diesel prices and price-led revenue growth. The increase in our EBITDA margin for the six months ended June 30, 2025 was due primarily to price-led revenue growth, lower fuel costs due to diesel prices and a decrease in truck, container, equipment and facility maintenance and repair expenses, partially offset by an increase in landfill monitoring and maintenance costs, higher risk management costs and an increase in allocated corporate overhead.

Corporate

Segment expenses decreased \$4.3 million to \$3.2 million for the three months ended June 30, 2025, from \$7.5 million for the three months ended June 30, 2024. Segment expenses decreased \$1.6 million to \$17.0 million for the six months ended June 30, 2025, from \$18.6 million for the six months ended June 30, 2024. The decreases to segment expenses for the three and six months ended June 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 increased professional fees, higher incentive compensation costs and higher administrative payroll costs to support continued growth in the business. EBITDA decreased \$4.2 million and \$1.6 million for the three and six months ended June 30, 2025, respectively, as compared to the prior periods, due to the increase in segment expenses.

LIQUIDITY AND CAPITAL RESOURCES

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

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 1,179,741	\$ 1,101,687
Net cash used in investing activities	(1,019,972)	(1,794,104)
Net cash provided by (used in) financing activities	(92,478)	701,881
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,007	(1,096)
Net increase in cash, cash equivalents and restricted cash	69,298	8,368
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>\$ 267,471</u>	<u>\$ 192,406</u>

Operating Activities Cash Flows

Net cash provided by operating activities increased \$78.1 million to \$1.180 billion for the six months ended June 30, 2025, from net cash provided by operating activities of \$1.102 billion for the six months ended June 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 \$127.8 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, interest accretion, adjustments to closure and post-closure liabilities and share-based compensation, due primarily to price increases, operating income generated from acquisitions closed during, or subsequent to, the six months ended June 30, 2024, and lower fuel costs due to diesel prices, partially offset by increased risk management, labor and benefits costs.
- 2) *Accounts payable and accrued liabilities* — Our increase in net cash provided by operating activities was favorably impacted by \$36.2 million from accounts payable and accrued liabilities as changes in accounts payable and accrued liabilities resulted in an increase to operating cash flows of \$75.9 million for the six months ended June 30, 2025, compared to an increase to operating cash flows of \$39.7 million for the six months ended June 30, 2024. The increase for the six months ended June 30, 2025 was due primarily to outstanding obligations to vendors and an increase in accrued payroll. The increase for the six months ended June 30, 2024 was due primarily to an increase in accrued insurance costs and an increase in accrued interest due to the timing of interest payments, partially offset by outstanding obligations to vendors and accrued annual management bonus compensation as of December 31, 2023 that were paid in the prior year period.
- 3) *Deferred revenue* — Our increase in net cash provided by operating activities was favorably impacted by \$15.0 million from deferred revenue as changes in deferred revenue resulted in an increase to operating cash flows of \$24.7 million for the six months ended June 30, 2025, compared to an increase to operating cash flows of \$9.7 million for the six months ended June 30, 2024. For both comparative periods, deferred revenue increased due to price increases on our advanced billed residential and commercial collection services.
- 4) *Closure and post-closure expenditures* — Our increase in net cash provided by operating activities was unfavorably impacted by \$67.4 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 \$151.9 million for the six months ended June 30, 2025 as compared to a decrease to operating cash flows of \$84.5 million for the six months ended June 30, 2024.
- 5) *Accounts receivable* — Our increase in net cash provided by operating activities was unfavorably impacted by \$20.3 million from accounts receivable as changes in accounts receivable resulted in a decrease to operating cash flows of \$74.3 million for the six months ended June 30, 2025, compared to a decrease to operating cash flows of \$54.0 million for the six months ended June 30, 2024. The decrease for the six months ended June 30, 2025 was driven by higher revenues, which remained as outstanding receivables at the end of the period, partially offset

by improved receivables turnover from collection efforts. The decrease for the six months ended June 30, 2024 was due to increases in revenue, which remained as outstanding receivables at June 30, 2024.

At June 30, 2025, we had a working capital deficit of \$651.5 million, including cash and equivalents of \$110.2 million. Our working capital deficit decreased \$0.4 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 cash and cash equivalents, an increase in outstanding receivables driven by higher revenues and a decrease in accrued liabilities related to payments for closure and post-closure activities, partially offset by increases in accounts payable from an increase in outstanding obligations to vendors and an increase in accrued payroll, an increase in deferred revenue and adjustments to contingent consideration. 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 \$774.1 million to \$1.020 billion for the six months ended June 30, 2025, from \$1.794 billion for the six months ended June 30, 2024. The significant components of the decrease included the following:

- 1) A decrease in cash paid for acquisitions of \$925.0 million; less
- 2) An increase in capital expenditures at operations owned in the comparable period of \$90.1 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 \$20.5 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 \$92.5 million for the six months ended June 30, 2025, compared to net cash provided by financing activities of \$701.9 million for the six months ended June 30, 2024, representing a decrease of \$794.4 million. The significant components of the decrease included the following:

- 1) A decrease from the net change in long-term borrowings of \$780.6 million in which long-term borrowings increased \$126.6 million during the six months ended June 30, 2025 and increased \$907.2 million during the six months ended June 30, 2024;
- 2) A decrease from higher cash dividends paid of \$15.7 million due primarily to an increase in our quarterly dividend rate for the six months ended June 30, 2025 to \$0.315 per share, from \$0.285 per share for the six months ended June 30, 2024;
- 3) A decrease from higher payments of contingent consideration of \$10.4 million not included in earnings that occurred during the six months ended June 30, 2025; less
- 4) An increase from lower payments related to the issuance of debt of \$9.1 million that occurred during the six months ended June 30, 2024.

On July 23, 2024, 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 12,901,981 of our common shares during the period of August 12, 2024 to August 11, 2025 or until such earlier time as the NCIB is completed or terminated at our option. Shareholders may obtain a copy of our TSX Form 12 – Notice of Intention to Make a Normal Course Issuer Bid, without charge, by request directed to our Executive Vice President and Chief Financial Officer at (832) 442-2200. The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including our capital structure, the

market price of our common shares, any share buyback taxes applicable and overall market conditions. All common shares purchased under the NCIB will be immediately cancelled following their repurchase. Information regarding our NCIB 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 2024, we announced that our Board of Directors increased our regular quarterly cash dividend by \$0.03, from \$0.285 to \$0.315 per share. Cash dividends of \$163.0 million and \$147.3 million were paid during the six months ended June 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 \$497.8 million in capital expenditures for property and equipment during the six months ended June 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 \$100 million to \$150 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 June 30, 2025, \$1.906 billion under the revolving credit facility was outstanding under the Revolving Credit Agreement, exclusive of outstanding standby letters of credit of \$60.0 million. We also had \$113.6 million of letters of credit issued and outstanding at June 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 June 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	\$ 8,417,361	\$ 8,759	\$ 14,160	\$ 3,884,526	\$ 4,509,916
Cash interest payments	\$ 2,765,222	\$ 317,962	\$ 659,188	\$ 477,738	\$ 1,310,334
Contingent consideration	\$ 122,921	\$ 87,800	\$ 3,224	\$ 3,224	\$ 28,673
Operating leases	\$ 405,788	\$ 27,997	\$ 107,043	\$ 81,222	\$ 189,526
Final capping, closure and post-closure	\$ 2,496,163	\$ 176,067	\$ 220,447	\$ 47,495	\$ 2,052,154

Long-term debt payments include:

- 1) \$1.906 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 June 30, 2025, \$1.025 billion 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 of 5.20% on such date). At June 30, 2025, \$48.0 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 7.50% on such date). At June 30, 2025, \$817.3 million 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 3.86% to 3.92% on such date). At June 30, 2025, \$16.1 million of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based prime rate loans, which bear interest at the Canadian prime rate plus the applicable prime rate margin (for a total rate of 4.95% 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) \$366.5 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) \$28.4 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 June 30, 2025, and have maturity dates ranging from 2028 to 2044.
- 14) \$16.0 million in principal payments related to our financing leases. Our financing leases bear interest at rates between 1.89% and 5.35% at June 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 June 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 \$108.1 million recorded as liabilities in our Condensed Consolidated Financial Statements at June 30, 2025, and \$14.8 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)				
Unrecorded Obligations⁽¹⁾	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years
Unconditional purchase obligations	\$ 187,429	\$ 127,926	\$ 58,727	\$ 776	\$ —

- (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 June 30, 2025, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 62.1 million gallons remaining to be purchased for a total of \$187.4 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 six months ended June 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 \$2.057 billion and \$2.011 billion at June 30, 2025 and December 31, 2024, respectively. These arrangements have not materially affected our financial position, results of operations or liquidity during the six months ended June 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 six month periods ended June 30, 2025 and 2024, at all of our landfills during the respective period, is shown below (tons in thousands):

	Six Months Ended June 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	24,731	106	25,587
Operated landfills	7	348	7	351
	<u>113</u>	<u>25,079</u>	<u>113</u>	<u>25,938</u>

NON-GAAP FINANCIAL MEASURES

Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a liquidity measure in the solid waste industry. We calculate adjusted free cash flow as net cash provided by operating activities, plus or minus change in book overdraft, plus proceeds from disposal of assets, less capital expenditures for property and equipment. We further adjust this calculation to exclude the effects of items management believes impact the ability to evaluate the liquidity of our business operations. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the six month periods ended June 30, 2025 and 2024, are calculated as follows (amounts in thousands of U.S. dollars):

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 1,179,741	\$ 1,101,687
Plus: Change in book overdraft	397	1,350
Plus: Proceeds from disposal of assets	5,417	2,997
Less: Capital expenditures for property and equipment	(497,765)	(387,170)
Adjustments:		
Transaction-related expenses ^(a)	11,161	8,680
Executive separation costs ^(b)	2,119	1,670
Payment of contingent consideration recorded in earnings ^(c)	400	—
Pre-existing Progressive Waste share-based grants ^(d)	16	1,131
Tax effect ^(e)	(2,398)	(2,913)
Adjusted free cash flow	<u>\$ 699,088</u>	<u>\$ 727,432</u>

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

(b) Reflects the cash component of severance expense associated with an executive departure from 2023.

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

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

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

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 six month periods ended June 30, 2025 and 2024, are calculated as follows (amounts in thousands of U.S. dollars):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income attributable to Waste Connections	\$ 290,276	\$ 275,477	\$ 531,787	\$ 505,531
Less: Net loss attributable to noncontrolling interests	—	(77)	—	(1,003)
Plus: Income tax provision	98,882	80,584	170,348	139,996
Plus: Interest expense	82,751	82,377	163,626	160,864
Less: Interest income	(2,314)	(4,009)	(4,084)	(6,060)
Plus: Depreciation and amortization	307,657	285,353	597,606	548,334
Plus: Closure and post-closure accretion	11,942	6,087	23,816	15,492
Plus: Impairments and other operating items	4,030	8,190	10,471	8,544
Less: Other income, net	(10,050)	(9,647)	(11,922)	(7,823)
Adjustments:				
Plus: Transaction-related expenses ^(a)	3,973	7,256	15,943	17,103
Plus (less): Fair value changes to equity awards ^(b)	(734)	222	1,036	1,507
Adjusted EBITDA	\$ 786,413	\$ 731,813	\$ 1,498,627	\$ 1,382,485

(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 six month periods ended June 30, 2025 and 2024, are calculated as follows (amounts in thousands of U.S. dollars, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Reported net income attributable to Waste Connections	\$ 290,276	\$ 275,477	\$ 531,787	\$ 505,531
Adjustments:				
Amortization of intangibles ^(a)	50,236	44,124	97,878	84,414
Impairments and other operating items ^(b)	4,030	8,190	10,471	8,544
Transaction-related expenses ^(c)	3,973	7,256	15,943	17,103
Fair value changes to equity awards ^(d)	(734)	222	1,036	1,507
Tax effect ^(e)	(14,687)	(15,222)	(30,898)	(28,385)
Adjusted net income attributable to Waste Connections	<u>\$ 333,094</u>	<u>\$ 320,047</u>	<u>\$ 626,217</u>	<u>\$ 588,714</u>
Diluted earnings per common share attributable to Waste Connections' common shareholders:				
Reported net income	<u>\$ 1.12</u>	<u>\$ 1.07</u>	<u>\$ 2.05</u>	<u>\$ 1.96</u>
Adjusted net income	<u>\$ 1.29</u>	<u>\$ 1.24</u>	<u>\$ 2.42</u>	<u>\$ 2.28</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 June 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 June 30, 2025 and December 31, 2024, of \$1.106 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 June 30, 2025 and December 31, 2024, would decrease our annual pre-tax income by approximately \$11.1 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 June 30, 2025, we had no fuel hedge agreements in place; however, we have entered into fixed price diesel fuel purchase contracts for the six months ended June 30, 2025 as described below.

For the year ending December 31, 2025, we expect to purchase approximately 92.5 million gallons of diesel fuel, of which 50.5 million gallons will be purchased at market prices and 42.0 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 six month period of July 1, 2025 to December 31, 2025, we expect to purchase approximately 25.2 million gallons of diesel fuel at market prices; therefore, a \$0.10 per gallon increase in the price of diesel fuel over the remaining six months in 2025 would decrease our pre-tax income during this period by approximately \$2.5 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 six months ended June 30, 2025 and 2024, would have had a \$12.6 million and \$10.8 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 June 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 June 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 5. Other Information

Rule 10b5-1 Trading Plans.

During the quarter ended June 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.