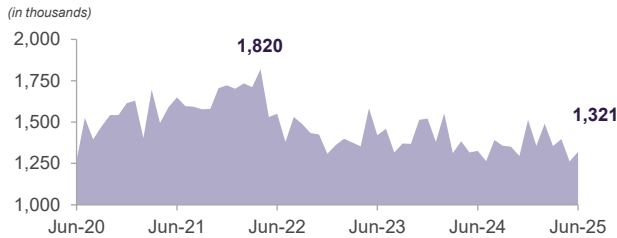


# Industry Update

## Macro drivers

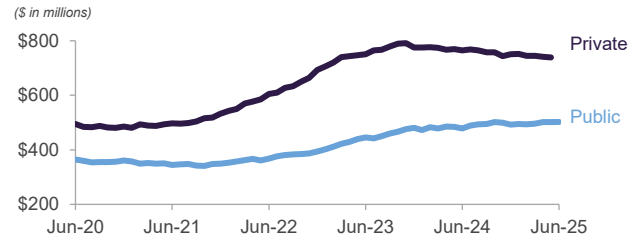
### Housing Starts

While housing starts have eased since 2022, waste volumes are holding steady in core streams and 2025 has seen incremental gains in some areas related to special projects and disaster recovery collections.



### Nonresidential Construction Spending

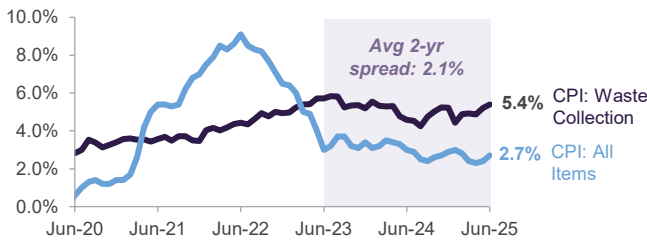
Uncertainty has disturbed non-residential construction, driving project delays. Infrastructure and advanced manufacturing initiatives have mitigated broader weakness, presenting sizable opportunities for strategically-located operators.



## Pricing mitigating volume softness

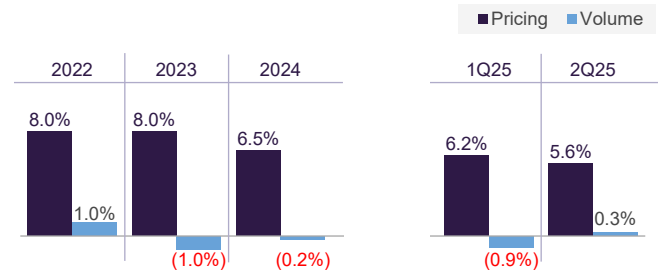
### Consumer Price Indices

Despite modest inflation figures, waste disposal pricing remains elevated and has risen in recent months. With minimal opportunities for accretive volume gains, waste operators remain diligent on maintaining pricing discipline.



### Waste Volumes

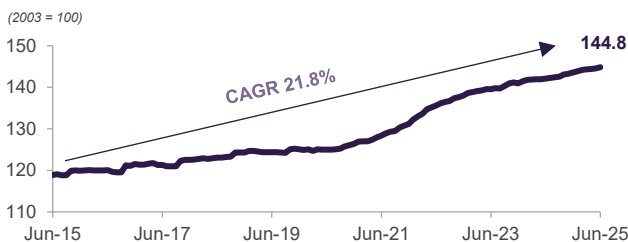
Large strategics<sup>(1)</sup> continue to push strong pricing gains, while volumes remained flat in 2Q. Earnings commentary alluded to further shedding of less profitable routes as the industry prioritizes profitability through the macro uncertainty.



## Costs will continue to rise

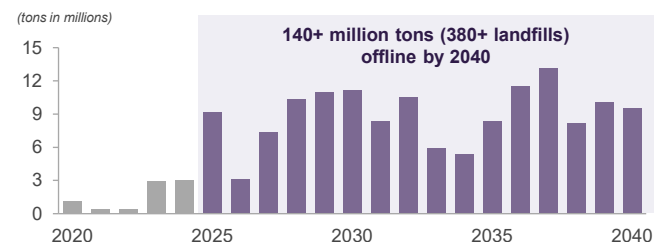
### PPI: Transportation Equipment Costs

Equipment costs and delivery delays continue to rise, driven by prices for aluminum and other machine inputs which face further tariff-related headwinds. Provisions under OBBBA<sup>(2)</sup> that include 100% bonus depreciation for equipment will provide financial flexibility.



### Annual Landfill Capacity Closures

Landfill capacity is rapidly declining, and new permitting will be minimal moving forward. Further development of transfer stations and MRFs will be essential for disposal consolidation, while long-haul disposal, including rail, become needed alternatives.



(1) Public waste companies: Waste Management, Republic Services, Waste Connections, Casella Waste Systems, GFL Environmental

(2) One Big Beautiful Bill Act



Waste & Environmental Services  
Industry Specialty Team

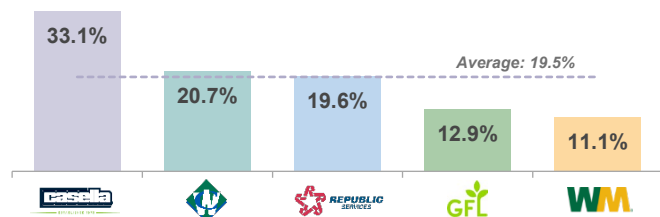
Prachi Wagner | Manager | Prachi.Wagner@Truist.com  
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Sachin Kadam | Analyst | Sachin.Kadam@Truist.com

## Performance & Valuation Metrics

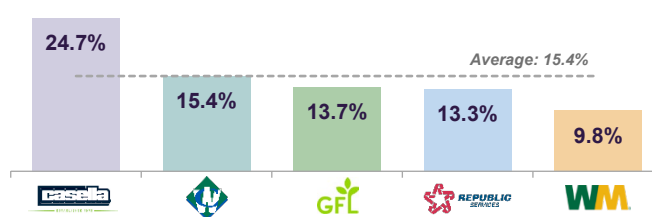
- Over the last three years, Waste industry revenue and EBITDA growth have been driven by disciplined pricing, strategic acquisitions, operational efficiencies, and value-add sustainability initiatives – further supported by volume consistency, automation, and synergy capture.
- Key plays have been through both, organic and inorganic, streams as large strategics pursue opportunities to consolidate market share in high-growth regions.

- In recent years, waste operators have seen free cash flow (“FCF”) rise during periods of moderated capex while tightening during growth investment cycles, underscoring the inverse correlation between capex and near-term FCF.
- Valuation averages are increasing as M&A activity remains strong; simultaneously investors are driven by the industry’s strong performance through the ongoing macro uncertainty.

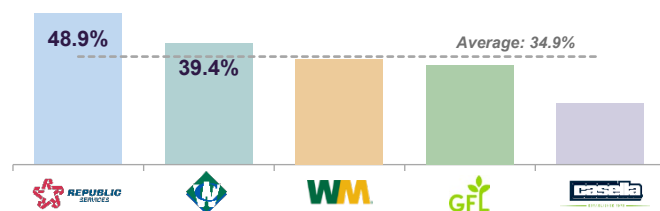
### FY21 – FY24A Revenue Growth



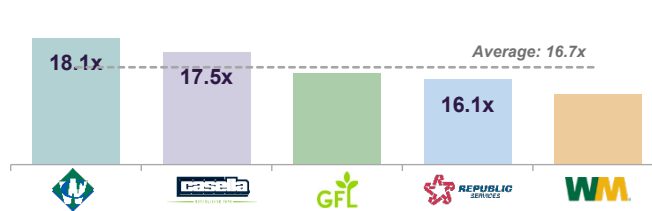
### FY21 – FY24A EBITDA Growth



### Free Cash Flow Conversion



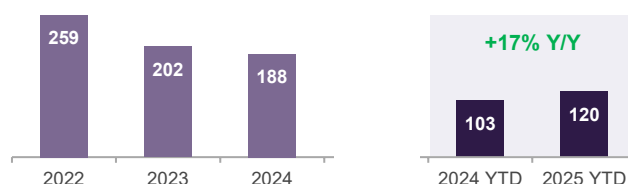
### EV / 2025E EBITDA



## Recent Mergers & Acquisitions Activity

M&A activity in the waste industry has surged to near-historic levels in recent years. Dealmaking is expected to remain strong through 2025, supported by shifts in regulation and a favorable selling environment. Strategics and sponsors are increasingly willing to pay premium multiples to consolidate regional haulers and expand into high-margin, heavily-regulated niches like medical and liquid waste. Similar themes apply for private companies that have established valuable solid waste assets such as landfills and transfer stations.

### M&A Transactions in North America



### Recent Notable Transactions

Date	Target	Acquiror	Details
Jul-25	MSW Municipal Solid Waste	Casella	Residential, and C&D waste collection in WV, OH, PA, & KY
May-25	WB Waste Solutions, LLC	WM	Commercial hauler with C&D landfill, MRF, and multiple transfer stations
May-25	Gerber's Commercial Waste Management, LLC	Casella	85-year-family-owned commercial and roll-off hauler in MD
Apr-25	4-TX Based Operators	NexWaste	Residential, roll-off and C&D haulers, and a recycling services

Sources: Bloomberg, Capital IQ, Refinitiv Workspace, U.S. Census Bureau, Federal Reserve Bank of St. Louis, Bureau of Labor Statistics, Public Company Reports, EPA, Waste Dive  
Data updated as of 7/29/2025