

Republic Services

Investor Presentation

November 2019



Forward-Looking Statements

Certain statements and information included herein constitute "forward-looking statements," including statements with respect to our anticipated 2019 and 2020 financial results, within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Words such as "will," "expect," "anticipate," "estimate," "guidance" and similar words and phrases are used in this presentation to identify the forward-looking statements. These forward-looking statements, although based on assumptions that we consider reasonable, are subject to risks and uncertainties that could cause actual results, events or conditions to differ materially from those expressed or implied by the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that the expectations will prove to be correct. Other factors which could materially affect our forward-looking statements can be found in our periodic reports filed with the Securities and Exchange Commission. Stockholders, potential investors and other readers are urged to consider these factors carefully in evaluating our forward-looking statements and are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements made herein are only made as of the date of this presentation, and except as required by law, we undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Industry Profile

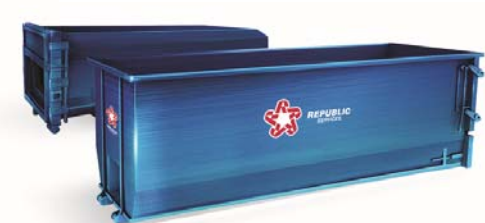
- Revenue and earnings visibility
 - Multi-year contracts
- Strong and predictable free cash flow
- Good operating leverage
 - Benefit from moderate increases in inflation
- Continues to consolidate
 - Approx. 35% of industry revenue with private entrepreneurs and regional publicly-traded companies



We provide an essential service with strong and predictable cash flow

Republic's Strengths

- National platform
 - Vertically integrated North American recycling and solid waste provider
- High-quality asset base
 - Modern fleet
 - Long-lived landfill network
 - Single-stream recycling
 - E&P waste capabilities
- Cash return to shareholders
- Investment-grade credit ratings



Our business culture centers around ROIC and Free Cash Flow

How We Create Value

- Profitably grow our business
 - Organically and through acquisitions
- Gain pricing power through differentiation and superior service
- Reduce costs and achieve operational excellence
- Generate consistent earnings & cash flow growth; improve ROIC
- Increase cash returns to shareholders

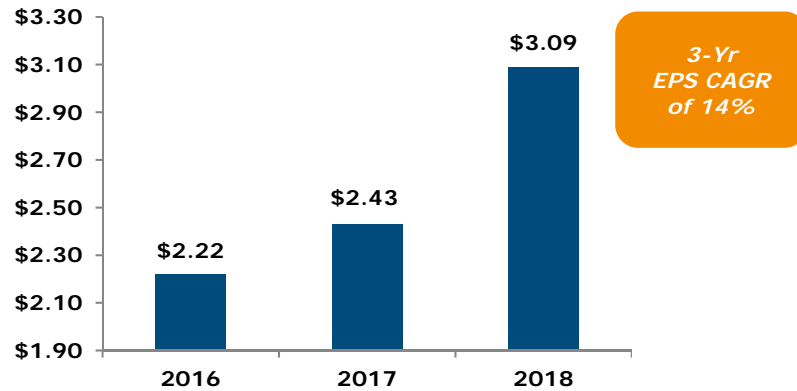


We'll handle it from here.™

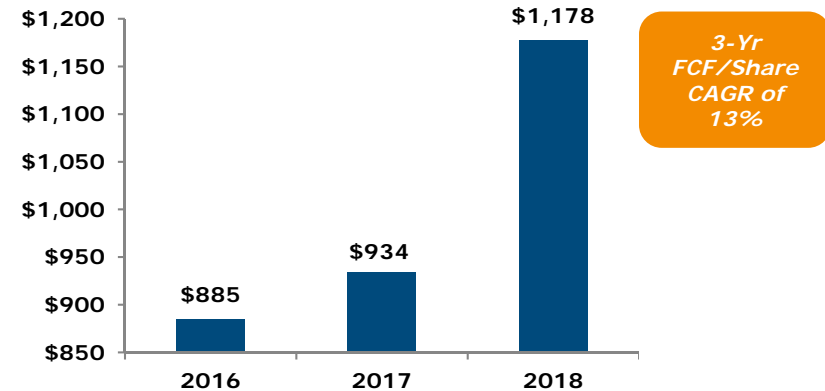
We are managing the business to create long-term shareholder value

Our Performance

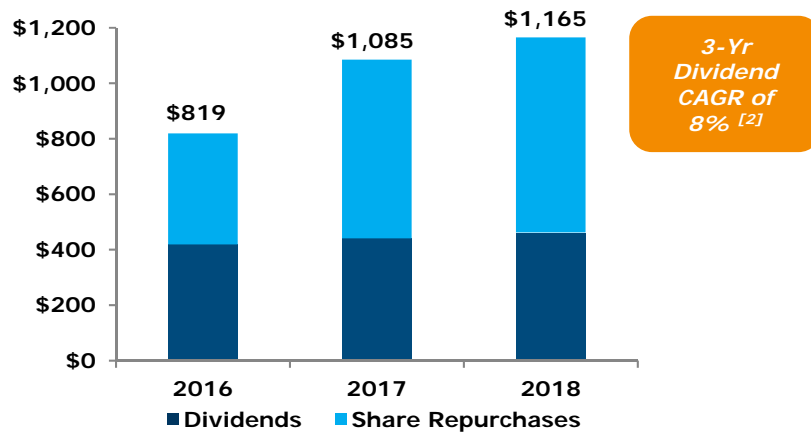
Adjusted EPS¹



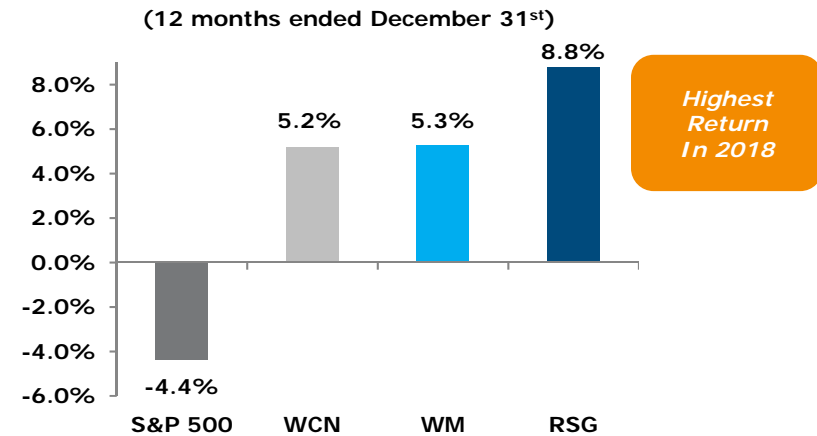
Adjusted Free Cash Flow¹



Cash Returned to Shareholders



2018 Total Shareholder Return



Solid growth in earnings & cash flow; substantial returns to shareholders

1. See "Reconciliation of Non-GAAP Measures" on pages 28-32
 2. Annualized Q4 dividend per share declared

Organizational Structure

Phoenix Headquarters

- Set strategy and direction
- Functional leadership and support
- Governance and policy setting
- Capital allocation¹

Areas

- Lead market planning process
- Provide functional resources to the Business Units
- Hold Business Units accountable for financial and operational results

Business Units

- Execute market plans and drive the Republic Way
- Achieve financial and operational results
- Own the customer experience
- Lead employee engagement

Matrix organization provides functional support; full accountability and P&L responsibility resides in the business units

1. Financial performance managed through two field groups

The Five Pillars of Our Strategy

**Profitable
Growth through Differentiation**

Market Position

Develop the best vertically integrated infrastructure to build density, expand margins and improve returns



Operating Model

Deliver the Republic Way: standardized best practices to deliver a consistent, high level of service to all of our customers



People & Talent Agenda

Create an environment to attract and retain the best talent



Customer Zeal

Drive customer loyalty by offering differentiated products and services specifically designed to meet our customers' needs



Digital Platform

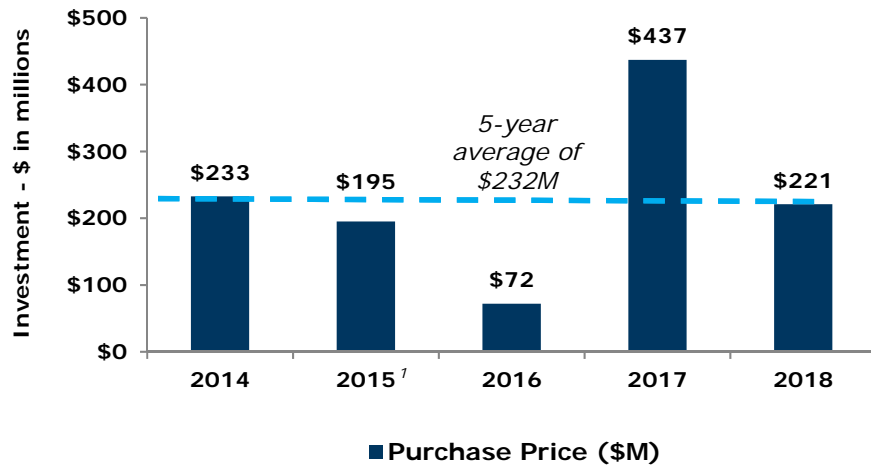
Provide a consistent experience across our business while enabling customers to do business with us the way they prefer



Our strategy is designed to generate consistent earnings and cash flow growth, while continually improving ROIC

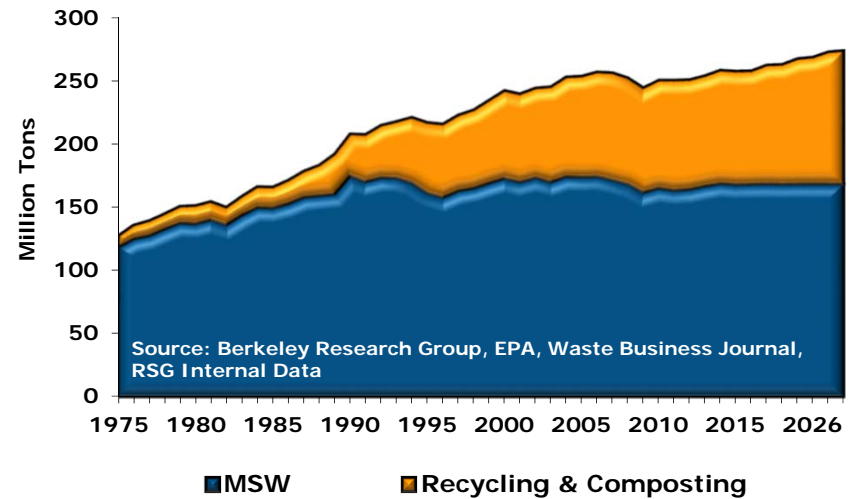
Market Position

Acquisitions



- Five-year average of \$232M
- 2019 pipeline supports approx. \$550 million of annual investment

Managing the “Evolving” Ton



- Population growth drives waste generation
- Focused on traditional recycling in select and prioritized markets

Developing the best vertically integrated market position to further build density and improve returns

1. Excludes Tervita acquisition of \$485 million

Operating Model

The Republic Way

Standardized best practices to deliver a consistent, high level of service to our customers and reduce costs:

***One Way
Everywhere
Everyday***



Alternative Fuel

- 20% of our fleet runs on CNG
 - Lower cost fuel and competitive advantage
- Electric-drive dozers at landfills
- Partnering with Mack Trucks on EV technology

Automation

- 76% of our residential routes are automated
- Assessing automation & autonomy technology
- Positive-sort "Next Gen" recycling processing center

Standardized Maintenance

- 100% of fleet certified
 - Greater fleet reliability and availability, increased asset utilization, lower parts inventory and reduced capex

In-Cab Technology Pilots

- Improve safety, streamline manual processes and increase productivity
- Increase customer connectivity

Leveraging our scale through standardized processes and delivering durable operational excellence

People & Talent Agenda

- Our people continue to be the most critical component in successfully executing our strategy

Safety	<ul style="list-style-type: none">• Prioritize safety above all else• Industry-leading safety training program• Safety performance 40%¹ better than solid-waste industry average
Learning & Development	<ul style="list-style-type: none">• Develop employees throughout their career• Experiential on-boarding and learning• Leadership training and development
Inclusion & Diversity	<ul style="list-style-type: none">• Annual employee engagement survey• Programs to drive inclusion and diversity• Recruiting strategy focused on attracting a diverse pool of candidates including, veterans, women and minorities

Recognized for Being an Employer of Choice



Creating an environment to attract and retain the best talent and most engaged workforce

1. Based on OSHA recordable rates since 2008

Customer Zeal

- Heightened focus on target customers to build customer loyalty and increase willingness to pay

Customer Segmentation

- Identify customer segments
- Understand wants & needs
- Focus on those willing to pay

Expanded Products

- Meet customer demand
- Offer suite of services and products
- Utilization of alliance partners

Customer Loyalty

- Focus on customer experience
- Increase NPS and ~93% retention rate

Driving customer loyalty and willingness to pay by offering differentiated products and services

Digital Platform

- Increasing our digital capabilities to enhance customer satisfaction and reduce costs

MyResource Portal & App

- Enhance customer interaction and connectivity
- Easier to do business with us
- Self-service

E-commerce Capabilities

- Addresses consumers' evolving buying preferences
- Lower-cost sales channel

Capture Pricing Tool

- Enhance revenue quality
- Digital configure, price and quote
- Professional sales experience

Providing a consistent experience across our business while enabling our customers to do business with us through more channels

Sustainability & Corporate Responsibility

2030 Sustainability Goals

 <p>SAFETY</p>	<p>Safety Amplified:</p>	 <p>Zero employee fatalities</p>	 <p>Reduce our OSHA Total Recordable Incident Rate (TRIR) to 2.0 or less by 2030</p>
 <p>PEOPLE</p>	<p>Engaged Workforce: 88%</p>	<p>Achieve and maintain employee engagement scores at or above 88% by 2030</p>	
 <p>OPERATIONS</p>	<p>Climate Leadership:</p>	 <p>35%</p>	<p>Reduce absolute Scope 1 and 2 greenhouse gas emissions 35% by 2030 (2017 baseline year) ★ ALIGNED WITH SBTi ★</p>
 <p>MATERIALS MANAGEMENT</p>	<p>Circular Economy: 40% Increase recovery of key materials by 40% on a combined basis by 2030 (2017 baseline year)</p>	<p>Regenerative Landfills: 50% Increase biogas sent to beneficial reuse by 50% by 2030 (2017 baseline year)</p>	
 <p>COMMUNITIES</p>	<p>Charitable Giving: 20M Positively impact 20 million people by 2030</p>		

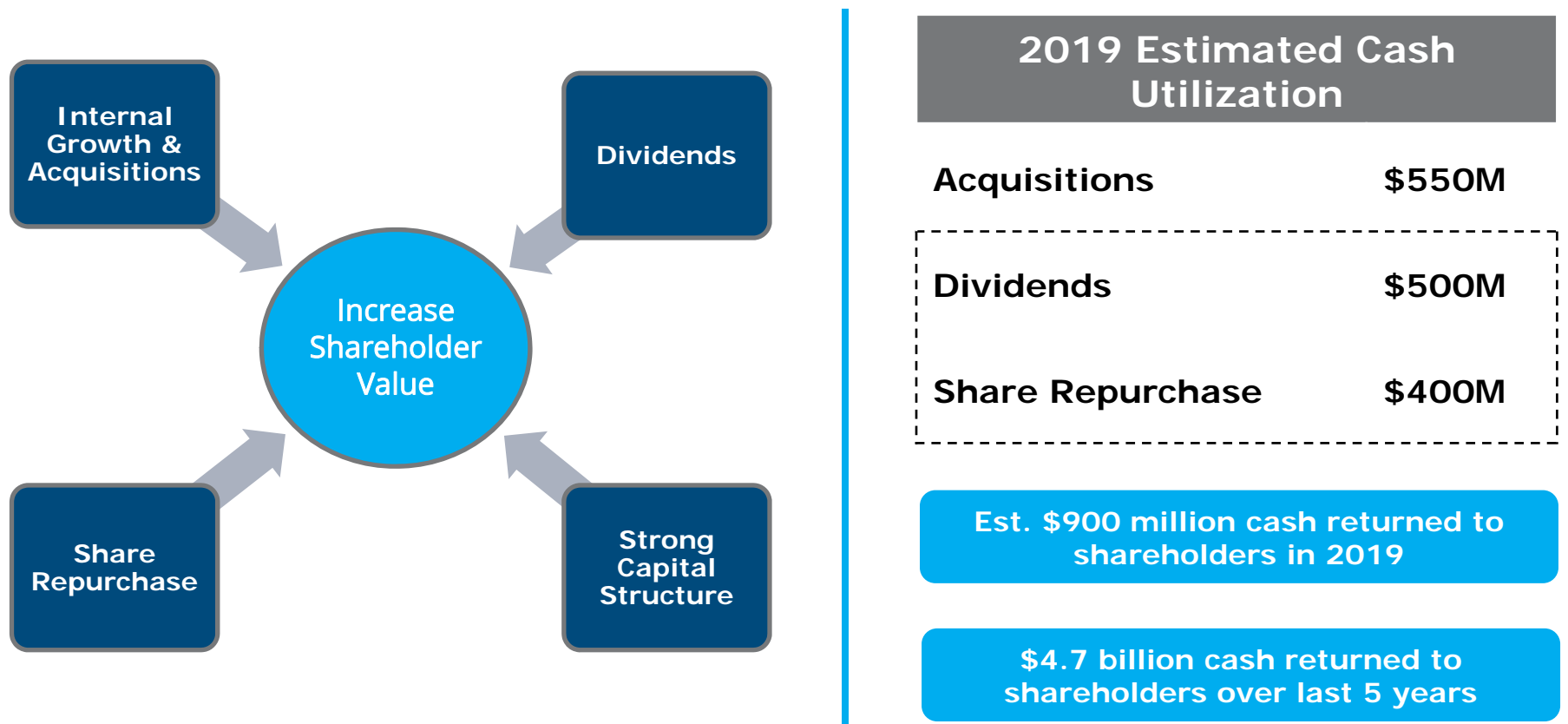
- Board committee oversight
- Achieved time-bound goals established in 2014
- In 2019, unveiled new, more ambitious goals
 - Address critical global macro trends and our most material sustainability risks and opportunities
 - Aligned goals with the United Nations' Sustainable Development Goals

We are committed to sustainability, which we believe drives profitability, reduces risk and enhances long-term value creation

Note: GRI and Sustainability reports available at www.republicservices.com/sustainability

Cash Flow Utilization Priorities

- We have an efficient and balanced approach to cash utilization which drives shareholder value



We return a majority of free cash flow to shareholders

Financial Overview



Guidance & Preliminary Outlook

	2019 Guidance ^{1,2}	2020 Preliminary Outlook ^{1,3}
Adjusted Diluted EPS ²	\$3.28 - \$3.30	\$3.46 - \$3.51
Adjusted Free Cash Flow	Expect to achieve upper end of guidance range of \$1.125 - \$1.175 billion	\$1.15 - \$1.20 billion

In October we raised our Adjusted EPS guidance and reaffirmed our Free Cash Flow guidance. Given the stability and predictability of our business we also provided a preliminary outlook for 2020.

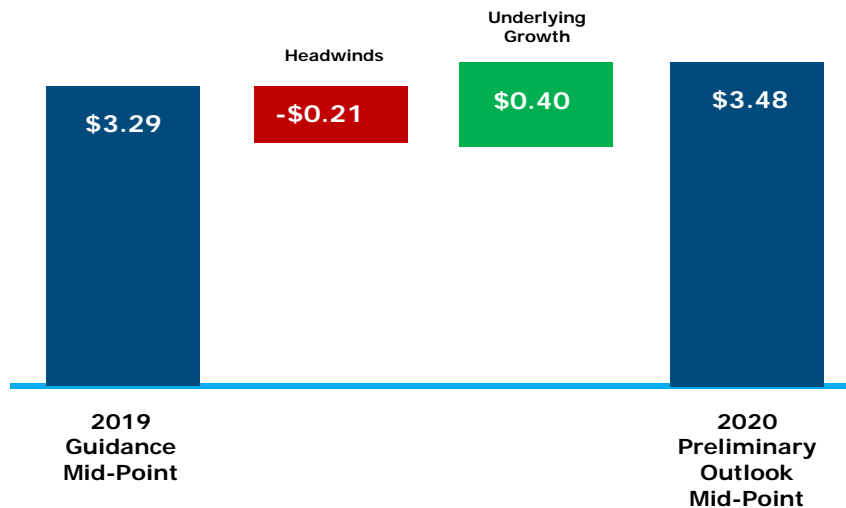
1. See "Reconciliation of Non-GAAP Measures" on pages 28-32

2. Full-year 2019 Adjusted EPS guidance updated in October 2019

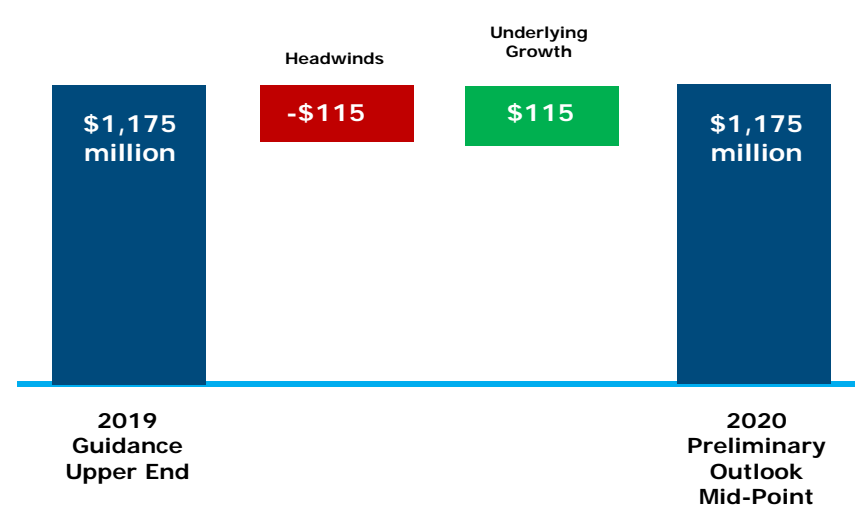
3. Expect to reinvest \$100 million of tax-reform savings into our fleet and front-line employee facilities

2020 Preliminary Outlook

12% Underlying Growth in Adjusted EPS^{1,2}



10% Underlying Growth in Adjusted Free Cash Flow^{1,3}



Adjusted EPS Headwinds⁴

\$0.16	Increase in effective tax rate from 15% in 2019 to 21% in 2020
\$0.04	Lower recycled commodity prices (~\$78/ton in 2019 to ~\$68/ton in 2020)
\$0.01	Decline in U.S. rig counts and drilling activity

Adjusted Free Cash Flow Headwinds⁴

\$25M	Higher cash taxes from increase in effective tax rate
\$20M	Lower recycled commodity prices (~\$78/ton in 2019 to ~\$68/ton in 2020)
\$5M	Decline in U.S. rig counts and drilling activity
\$25M	Higher capex headwind associated with the reinvestment of tax reform savings
\$40M	Higher working capital due to the timing of disbursements in 2020 versus 2019

1. See "Reconciliation of Non-GAAP Measures" on pages 28-32

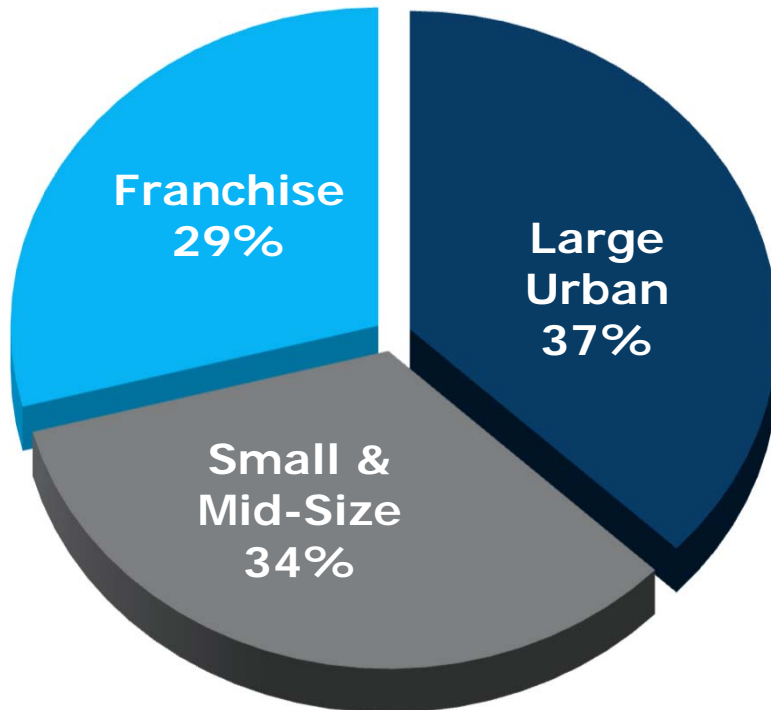
2. Full-year 2019 Adjusted EPS guidance updated in October 2019

3. Expect to reinvest \$100 million of tax-reform savings into our fleet and front-line employee facilities

4. Approximate amounts

2018 Revenue by Market Type

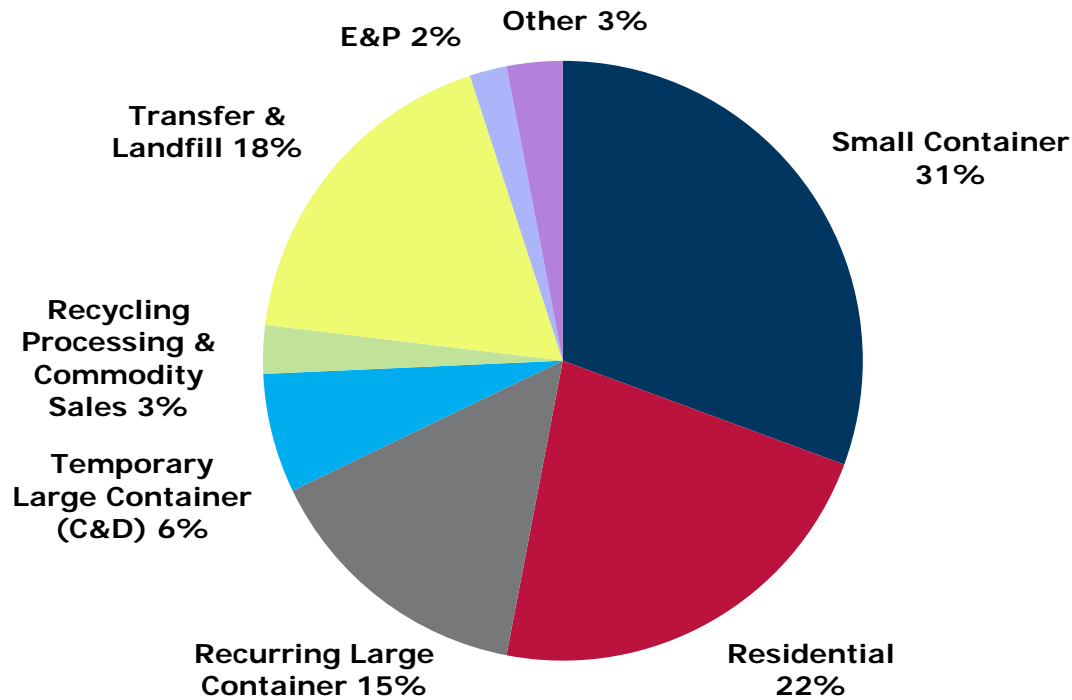
- Over 60% of revenue in Franchise or Small & Mid-Size markets



- Franchise:
 - Sole service provider
 - Long-term contracts
 - Optimal operating density
- Small & Mid-Size:
 - Market leader
 - Vertical integration
 - Strong operating density
- Large Urban:
 - Vertical integration
 - More competitive

2018 Revenue by Line of Business

- Approximately 80% of revenue has an annuity-type profile



Collection business represents ~74% of total revenue

Recycling processing & sale of commodity represents ~3% of total revenue

Over half of our recurring large container revenue is consumer driven

Pricing Trends

Open Market

- Approximately 50% of revenue in open markets
 - We secure price increases directly with customers
- Greater pricing power due to:
 - Increase in demand for service
 - Attracting higher value segments (PBS)
 - Capture pricing tool

Restricted

- Approximately 50% of our pricing is restricted
 - Contractual; majority CPI
 - Adjust annually; mostly 2nd half
- Higher CPI drives higher pricing
 - Improves operating leverage
- Expanding use of waste-related indices for price resets
 - Better aligned with costs

Higher CPI drives additional operating leverage in our business

Volume Trends

Collection

- **Small-Container**
 - Modest growth; late cycle
 - Leverage from route density
 - Strategically shedding work performed on behalf of brokers
- **Large-Container**
 - Modest growth in recurring and temporary hauls (“C&D”)
 - Limited operating leverage
- **Residential**
 - Only renewing contracts that meet return criteria

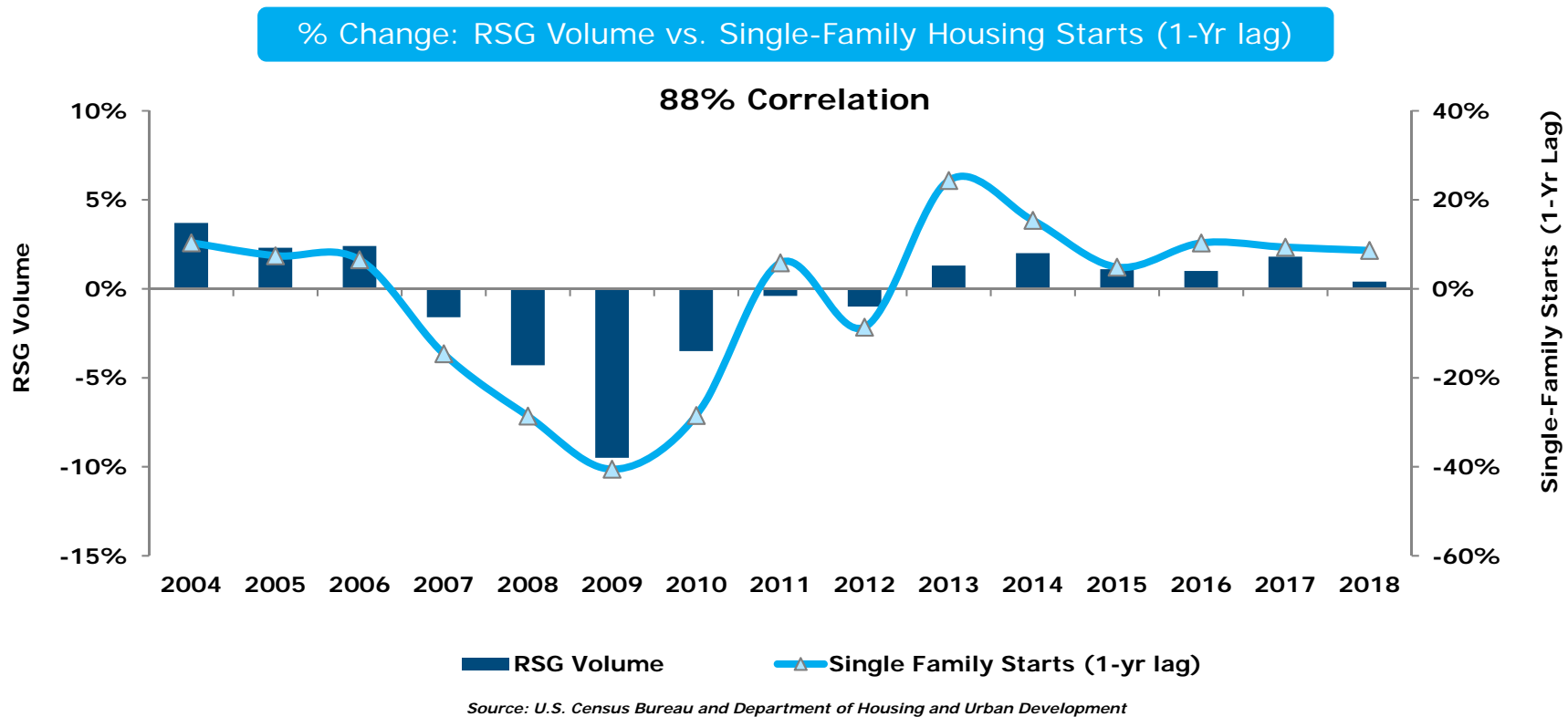
Post-Collection

- **Landfill**
 - Strong event-driven volumes
 - Broad-based MSW volume growth
- **Recycling**
 - Demand for single-stream recycling

Volumes are driven by population growth, household formation and new business formation

Correlation to Housing Starts

- High correlation between historical volume performance and single-family housing starts



Construction has been a catalyst for recent growth

Recycling

Business Overview

- Customers demanding, demonstrating willingness to pay
- Manage approx. 8 million tons of material
 - 73% of recycling processing volume related to fiber
 - Majority sold domestically
- Recycling processing and commodity sales represented 3% of 2018 revenue

Making Progress Transitioning to a More Sustainable Model

PAST

Value of Commodity Used to Subsidize Processing & Contamination Costs

Earnings Volatility

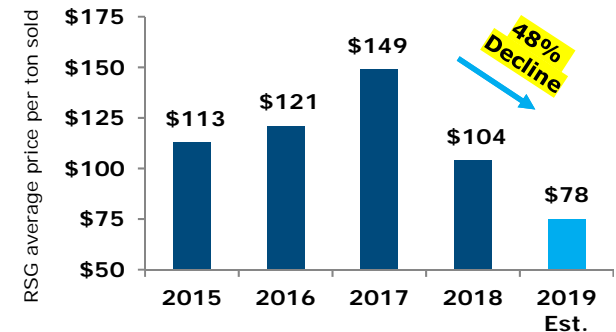
FUTURE

Fee for Service & Share Value of Commodity less Contamination Costs

Predictable ROI

Less capital intensive business with solid long-term cash returns

Average Commodity Price

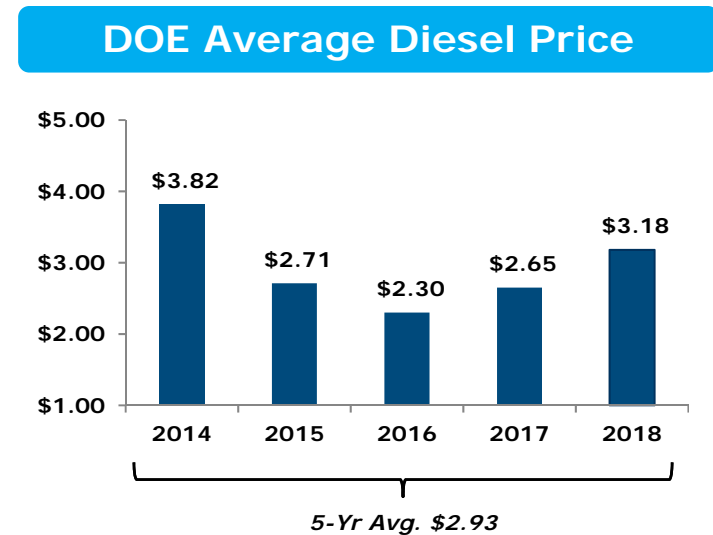


Recovered fiber pricing collapse driven by Chinese mixed paper import ban and dramatically lower contamination standard

A \$10/ton move in commodities impacts annual EPS by approx. 4¢

Fuel

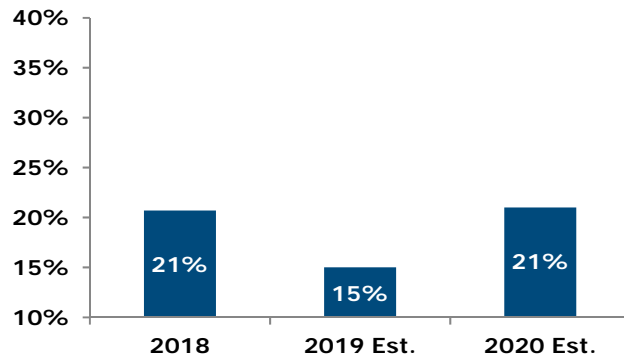
- Consume approximately 160 million gallons of fuel annually
 - 130 million gallons diesel;
30 million gallon equivalents of CNG/LNG
- Recover approximately 80% of annual diesel cost through fuel recovery fees (FRF)



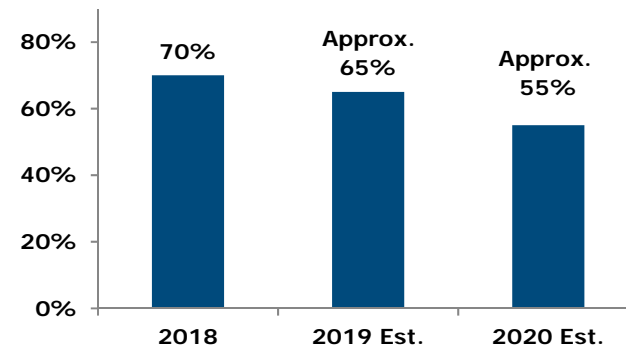
At current FRF participation levels, changes in diesel prices do not have a significant impact on full-year Operating Income or EPS

Tax Related Expense

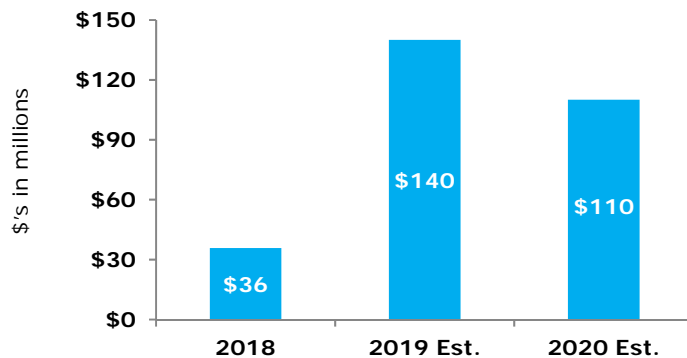
Effective Tax Rate¹



Cash Tax % of Provision²



Tax-Related Non-Cash Charges³



Effective Tax Rate

- Statutory tax rate of 27%
- 2019 estimated to be 15%; 2020 estimated to be 21%

Cash Tax % of Provision

- Includes a benefit from bonus depreciation and tax planning opportunities

Tax-Related Non-Cash Charges

- Estimate \$140 million of non-cash charges in 2019 related to solar energy investments that qualify for tax credits. Estimate \$110 million in 2020.
- Expect mid-teen return on investment

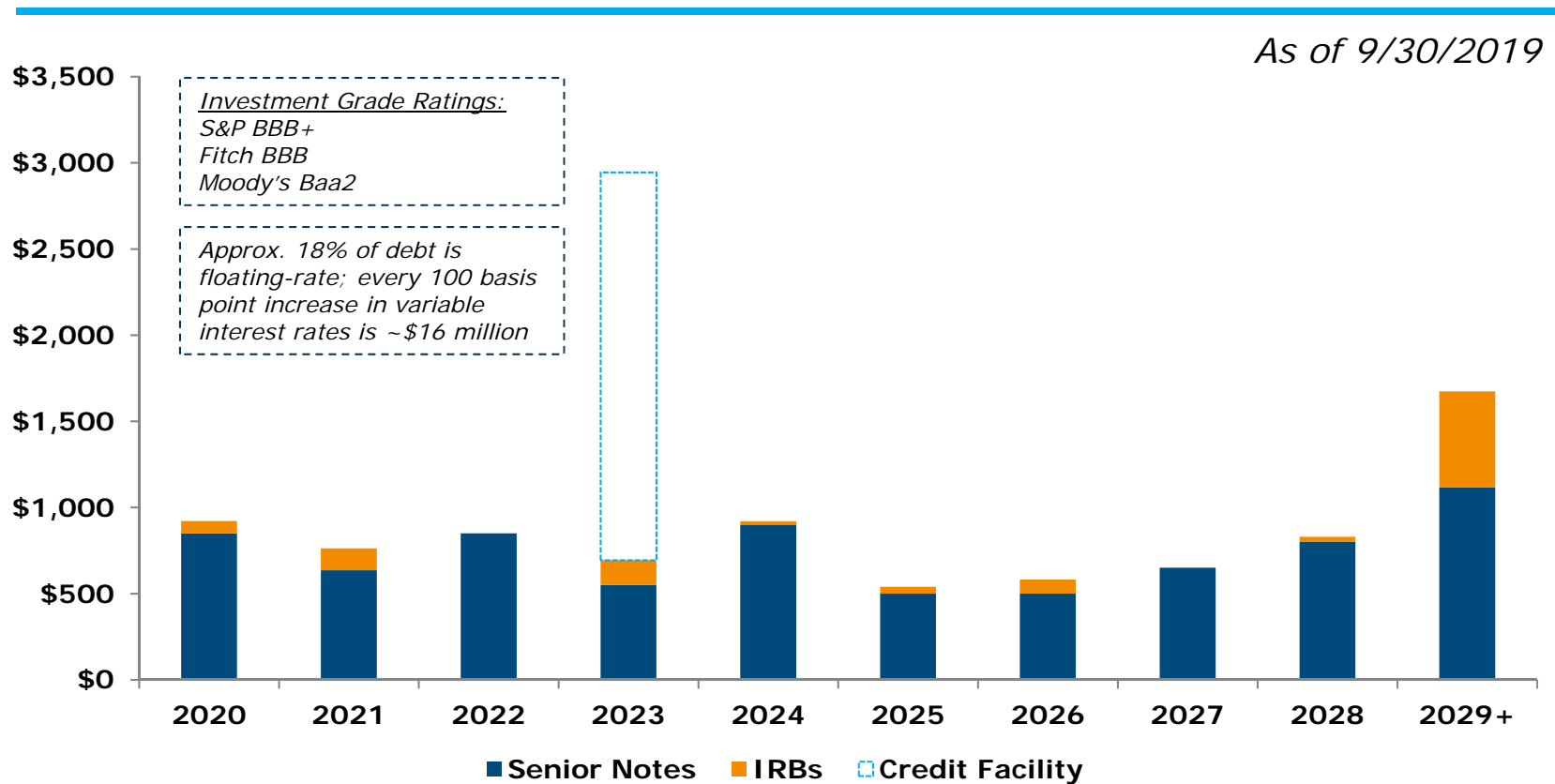
1. Effective tax rate included in adjusted earnings per 8K filings

2. Cash taxes included in adjusted free cash flow as % of ETR provision included in adjusted earnings

3. Charge recorded in the "Loss from unconsolidated equity method investment" on the Income Statement

Debt Maturity Profile

- Committed to maintaining investment grade credit rating
- Current average cash interest rate is 3.8%



Reconciliation of Non-GAAP Measures

	FY 2016	FY 2017	FY 2018
<u>Adjusted Diluted EPS:</u>			
Diluted EPS – as reported	\$1.78	\$3.77	\$3.16
Withdrawal costs for multiemployer pension funds	0.01	0.00	0.00
Bridgeton insurance recovery	0.00	0.00	(0.07)
Restructuring charges	0.07	0.03	0.07
Incremental contract startup costs – large municipal contract	0.00	0.02	0.01
Loss (gain) on disposition of assets and impairments, net	0.00	(0.03)	(0.08)
Loss on extinguishment of debt	0.36	0.00	0.00
Adoption of 2017 tax reform	0.00	(1.36)	0.00
Adjusted Diluted EPS	\$2.22	\$2.43	\$3.09

Reconciliation of Non-GAAP Measures

	FY 2016	FY 2017	FY 2018
<u>Adjusted Free Cash Flow:</u> (\$ in millions)			
Cash provided by operating activities	\$1,847.8	\$1,910.7	\$2,242.8
Property and equipment received	(915.6)	(1,006.0)	(1,104.3)
Proceeds from sales of property and equipment	9.8	6.1	31.6
Bridgeton insurance recovery, net of tax	0.0	0.0	(30.5)
Divestiture related tax payments	4.2	11.6	20.2
Cash tax benefit for debt extinguishment	(80.7)	0.0	0.0
Restructuring payments, net of tax	19.6	11.3	18.2
Adjusted Free Cash Flow	\$885.1	\$933.7	\$1,178.0

Reconciliation of Non-GAAP Measures

	FY 2018
Adjusted EBITDA: (\$ in millions)	
Net income attributable to Republic Services, Inc.	\$1,036.9
Net income attributable to non-controlling interests	0.7
Provision for income taxes	283.3
Other income, net	(3.4)
Interest income	(1.6)
Interest expense	383.8
Depreciation, amortization and depletion	1,033.4
Accretion	80.7
Restructuring charges	26.4
Incremental contract startup costs	5.7
Bridgeton insurance recovery	(28.0)
Loss from unconsolidated equity method investment	35.8
Loss on extinguishment of debt	0.3
Loss (gain) on disposition of assets and impairments, net	(44.9)
Adjusted EBITDA	\$2,809.1
Total Revenue	\$10,040.9

Reconciliation of Non-GAAP Measures

	FY 2019 Guidance
<u>Adjusted Diluted Earnings Per Share:</u>	
Diluted earnings per share – as reported	\$3.27 - \$3.29
Restructuring charges	0.04
Gain on disposition of assets and asset impairments, net	(0.04)
Acquisition deal costs	0.01
Diluted Earnings Per Share – As Adjusted	\$3.28 - \$3.30
<u>Adjusted Free Cash Flow:</u>	
(\$ in millions)	
Cash provided by operating activities	\$2,276 – \$2,326
Property and equipment received	(1,185)
Proceeds from sales of property and equipment	15
Restructuring payments, net of tax	9
Divestiture related tax payments	10
Adjusted Free Cash Flow	\$1,125 - \$1,175

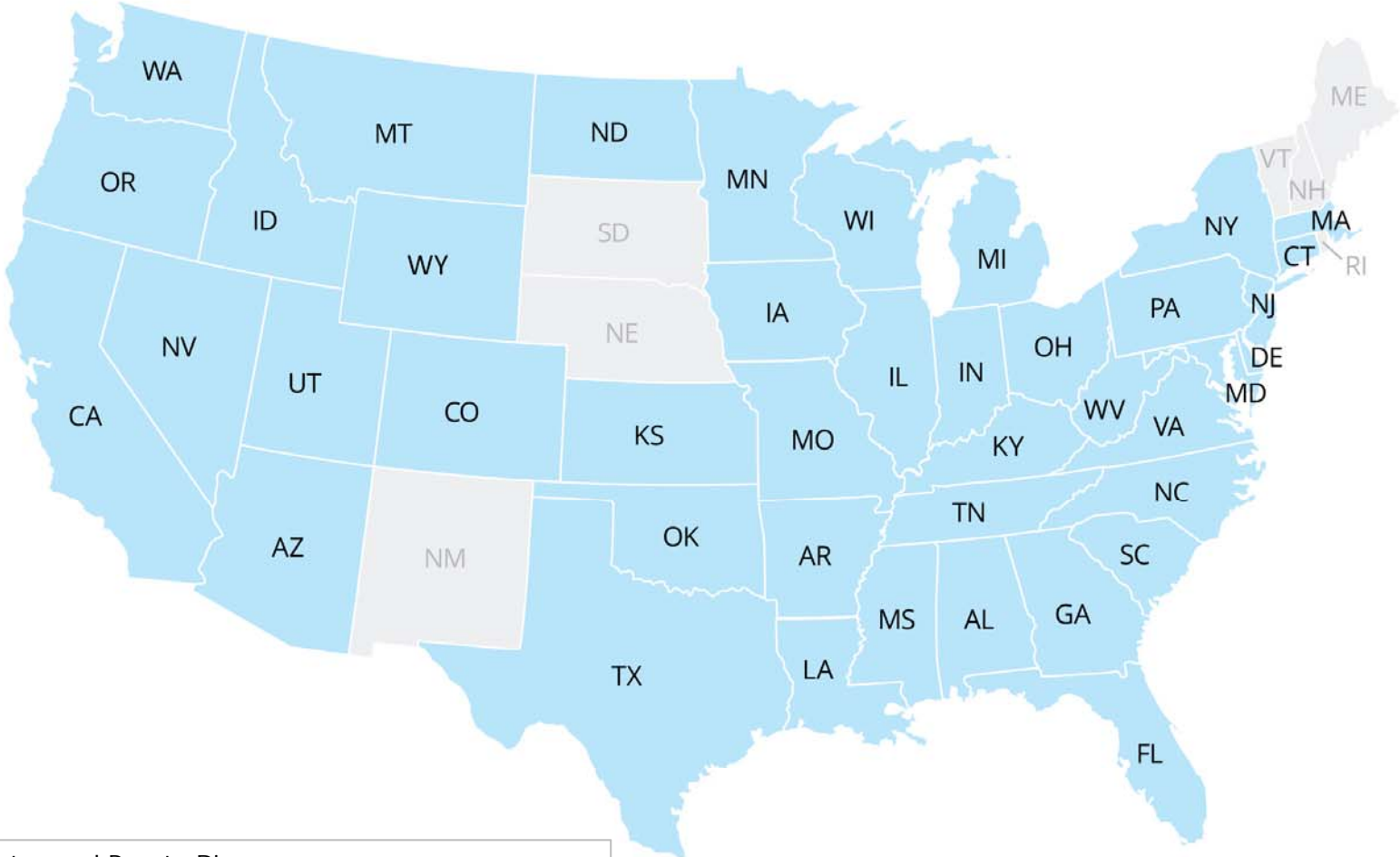
Reconciliation of Non-GAAP Measures

	FY 2020 Preliminary Outlook ^{1,2}
<u>Adjusted Diluted Earnings Per Share:</u>	
Diluted earnings per share – as reported	\$3.44 - \$3.49
Restructuring charges	0.02
Diluted Earnings Per Share – As Adjusted	\$3.46 - \$3.51

1. Full-year 2020 preliminary outlook provided in October 2019, see 8k filing dated October 30, 2019

2. With respect to the preliminary outlook for adjusted free cash flow, a reconciliation to the closest corresponding GAAP financial measure, which would be cash flow from operations, is not available without unreasonable effort

National Footprint



- 41 States and Puerto Rico
- 342 Collection Operations
- 211 Transfer Stations
- 190 Active Landfills
- 88 Recycling Processing Centers
- 8 Treatment, Recovery and Disposal Facilities
- 15 Salt Water Disposal Wells
- 2 Deep Injection Wells
- 75 Landfill Gas and Renewable Energy Projects

Industry Leading Performance

