

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-14267

REPUBLIC SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

18500 North Allied Way

Phoenix, Arizona

(Address of principal executive offices)

65-0716904

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

85054

(Zip Code)

Registrant's telephone number, including area code: (480) 627-2700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	RSG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer Smaller reporting company
Non-accelerated filer Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 19, 2023, the registrant had outstanding 314,636,503 shares of Common Stock, par value \$0.01 per share (excluding treasury shares of 6,081,110).

REPUBLIC SERVICES, INC.

INDEX

PART I — FINANCIAL INFORMATION

Item 1.	Financial Statements	3
	Consolidated Balance Sheets as of September 30, 2023 (Unaudited) and December 31, 2022	3
	Unaudited Consolidated Statement of Income for the Three and Nine Months Ended September 30, 2023 and 2022	4
	Unaudited Consolidated Statement of Comprehensive Income for the Three and Nine Months Ended September 30, 2023 and 2022	5
	Unaudited Consolidated Statement of Stockholders' Equity for the Three and Nine Months Ended September 30, 2023 and 2022	6
	Unaudited Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 2023 and 2022	8
	Notes to Unaudited Consolidated Financial Statements	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	32
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	49
Item 4.	Controls and Procedures	50

PART II — OTHER INFORMATION

Item 1.	Legal Proceedings	51
Item 1A.	Risk Factors	51
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds, and Issuer Purchases of Equity Securities	52
Item 3.	Defaults upon Senior Securities	52
Item 4.	Mine Safety Disclosures	52
Item 5.	Other Information	52
Item 6.	Exhibits	53
	Signatures	54

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

REPUBLIC SERVICES, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	September 30, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 157.5	\$ 143.4
Accounts receivable, less allowance for doubtful accounts and other of \$83.5 and \$51.9, respectively	1,829.7	1,677.2
Prepaid expenses and other current assets	361.2	536.5
Total current assets	2,348.4	2,357.1
Restricted cash and marketable securities	153.3	127.6
Property and equipment, net	10,701.4	10,744.0
Goodwill	15,290.7	14,451.5
Other intangible assets, net	447.2	347.2
Other assets	1,101.8	1,025.5
Total assets	\$ 30,042.8	\$ 29,052.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,198.2	\$ 1,221.8
Notes payable and current maturities of long-term debt	932.3	456.0
Deferred revenue	484.8	443.0
Accrued landfill and environmental costs, current portion	144.1	132.6
Accrued interest	87.8	79.0
Other accrued liabilities	1,221.6	1,058.3
Total current liabilities	4,068.8	3,390.7
Long-term debt, net of current maturities	10,992.8	11,329.5
Accrued landfill and environmental costs, net of current portion	2,225.6	2,141.3
Deferred income taxes and other long-term tax liabilities, net	1,474.9	1,528.8
Insurance reserves, net of current portion	352.6	315.1
Other long-term liabilities	595.7	660.7
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 50 shares authorized; none issued	—	—
Common stock, par value \$0.01 per share; 750 shares authorized; 320.7 and 320.3 issued including shares held in treasury, respectively	3.2	3.2
Additional paid-in capital	2,887.6	2,843.2
Retained earnings	8,163.5	7,356.3
Treasury stock, at cost; 5.6 and 4.2 shares, respectively	(720.5)	(504.6)
Accumulated other comprehensive loss, net of tax	(2.5)	(12.1)
Total Republic Services, Inc. stockholders' equity	10,331.3	9,686.0
Non-controlling interests in consolidated subsidiary	1.1	0.8
Total stockholders' equity	10,332.4	9,686.8
Total liabilities and stockholders' equity	\$ 30,042.8	\$ 29,052.9

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 3,825.9	\$ 3,597.8	\$ 11,132.9	\$ 9,981.5
Expenses:				
Cost of operations	2,284.3	2,194.2	6,678.0	6,023.6
Depreciation, amortization and depletion	382.3	353.9	1,099.4	1,001.8
Accretion	24.6	22.8	73.2	66.9
Selling, general and administrative	402.1	361.0	1,177.3	1,059.0
Withdrawal costs - multiemployer pension funds	—	—	—	2.2
Gain on business divestitures and impairments, net	(1.5)	(5.2)	(1.5)	(5.3)
Restructuring charges	6.3	6.8	27.3	18.8
Operating income	727.8	664.3	2,079.2	1,814.5
Interest expense	(127.6)	(105.2)	(378.8)	(282.7)
Loss on extinguishment of debt	—	—	(0.2)	—
Income (loss) from unconsolidated equity method investments	2.8	(51.8)	0.2	(69.2)
Interest income	2.0	0.8	5.0	2.0
Other income (expense), net	1.3	(0.3)	3.2	(6.5)
Income before income taxes	606.3	507.8	1,708.6	1,458.1
Provision for income taxes	126.0	90.9	416.9	317.5
Net income	480.3	416.9	1,291.7	1,140.6
Net (loss) income attributable to non-controlling interests in consolidated subsidiary	(0.1)	—	(0.3)	0.2
Net income attributable to Republic Services, Inc.	\$ 480.2	\$ 416.9	\$ 1,291.4	\$ 1,140.8
Basic earnings per share attributable to Republic Services, Inc. stockholders:				
Basic earnings per share	\$ 1.52	\$ 1.32	\$ 4.08	\$ 3.60
Weighted average common shares outstanding	316.1	316.5	316.5	316.5
Diluted earnings per share attributable to Republic Services, Inc. stockholders:				
Diluted earnings per share	\$ 1.52	\$ 1.32	\$ 4.07	\$ 3.60
Weighted average common and common equivalent shares outstanding	316.6	317.0	317.0	317.1
Cash dividends per common share	\$ 0.535	\$ 0.495	\$ 1.525	\$ 1.415

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	\$ 480.3	\$ 416.9	\$ 1,291.7	\$ 1,140.6
Other comprehensive income (loss), net of tax				
Hedging activity:				
Realized (income) loss reclassified into earnings	(2.3)	—	(7.1)	2.1
Unrealized gain	4.1	9.1	16.6	8.1
Pension activity:				
Change in funded status of pension plan obligations	—	—	0.2	—
Foreign currency activity:				
Unrealized gain (loss) on foreign currency translation	2.4	(6.1)	(0.1)	(6.2)
Other comprehensive income, net of tax	4.2	3.0	9.6	4.0
Comprehensive income	484.5	419.9	1,301.3	1,144.6
Comprehensive (income) loss attributable to non-controlling interests	(0.1)	—	(0.3)	0.2
Comprehensive income attributable to Republic Services, Inc.	<u>\$ 484.4</u>	<u>\$ 419.9</u>	<u>\$ 1,301.0</u>	<u>\$ 1,144.8</u>

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)

Republic Services, Inc. Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss, Net of Tax	Non-controlling Interests In Consolidated Subsidiary	Total
	Shares	Amount			Shares	Amount			
Balance as of December 31, 2022	320.3	\$ 3.2	\$ 2,843.2	\$ 7,356.3	(4.2)	\$ (504.6)	\$ (12.1)	\$ 0.8	\$ 9,686.8
Net income	—	—	—	383.9	—	—	—	—	383.9
Other comprehensive income	—	—	—	—	—	—	2.8	—	2.8
Cash dividends declared	—	—	—	(156.5)	—	—	—	—	(156.5)
Issuances of common stock	0.3	—	2.9	—	(0.1)	(13.9)	—	—	(11.0)
Stock-based compensation	—	—	12.3	(1.0)	—	—	—	—	11.3
Balance as of March 31, 2023	320.6	3.2	2,858.4	7,582.7	(4.3)	(518.5)	(9.3)	0.8	9,917.3
Net income	—	—	—	427.4	—	—	—	0.2	427.6
Other comprehensive income	—	—	—	—	—	—	2.6	—	2.6
Cash dividends declared	—	—	—	(156.6)	—	—	—	—	(156.6)
Issuances of common stock	0.1	—	4.5	—	—	(0.5)	—	—	4.0
Stock-based compensation	—	—	10.6	(0.8)	—	—	—	—	9.8
Balance as of June 30, 2023	320.7	3.2	2,873.5	7,852.7	(4.3)	(519.0)	(6.7)	1.0	10,204.7
Net income	—	—	—	480.2	—	—	—	0.1	480.3
Other comprehensive income	—	—	—	—	—	—	4.2	—	4.2
Cash dividends declared	—	—	—	(168.5)	—	—	—	—	(168.5)
Issuances of common stock	—	—	3.1	—	—	(0.4)	—	—	2.7
Stock-based compensation	—	—	11.0	(0.9)	—	—	—	—	10.1
Purchase of common stock for treasury	—	—	—	—	(1.3)	(201.1)	—	—	(201.1)
Balance as of September 30, 2023	320.7	\$ 3.2	\$ 2,887.6	\$ 8,163.5	(5.6)	\$ (720.5)	\$ (2.5)	\$ 1.1	\$ 10,332.4

Republic Services, Inc. Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss, Net of Tax	Non-controlling Interests In Consolidated Subsidiary	Total
	Shares	Amount			Shares	Amount			
Balance as of December 31, 2021	319.6	\$ 3.2	\$ 2,789.5	\$ 6,475.6	(2.4)	\$ (274.8)	\$ (14.6)	\$ 0.8	\$ 8,979.7
Net income (loss)	—	—	—	352.0	—	—	—	(0.1)	351.9
Other comprehensive income	—	—	—	—	—	—	1.1	—	1.1
Cash dividends declared	—	—	—	(145.3)	—	—	—	—	(145.3)
Issuances of common stock	0.3	—	2.6	—	(0.1)	(14.1)	—	—	(11.5)
Stock-based compensation	—	—	13.2	(0.9)	—	—	—	—	12.3
Purchase of common stock for treasury	—	—	—	—	(1.6)	(203.5)	—	—	(203.5)
Balance as of March 31, 2022	319.9	3.2	2,805.3	6,681.4	(4.1)	(492.4)	(13.5)	0.7	8,984.7
Net income (loss)	—	—	—	371.9	—	—	—	(0.1)	371.8
Other comprehensive income	—	—	—	—	—	—	(0.1)	—	(0.1)
Cash dividends declared	—	—	—	(145.3)	—	—	—	—	(145.3)
Issuances of common stock	0.2	—	4.0	—	—	(8.0)	—	—	(4.0)
Stock-based compensation	—	—	9.6	(0.9)	—	—	—	—	8.7
Balance as of June 30, 2022	320.1	3.2	2,818.9	6,907.1	(4.1)	(500.4)	(13.6)	0.6	9,215.8
Net income	—	—	—	416.9	—	—	—	—	416.9
Other comprehensive income	—	—	—	—	—	—	3.0	—	3.0
Cash dividends declared	—	—	—	(156.4)	—	—	—	—	(156.4)
Issuances of common stock	0.1	—	2.9	—	(0.1)	(0.3)	—	—	2.6
Stock-based compensation	—	—	10.2	(0.8)	—	—	—	—	9.4
Distributions paid	—	—	(0.8)	—	—	—	—	—	(0.8)
Balance as of September 30, 2022	320.2	\$ 3.2	\$ 2,831.2	\$ 7,166.8	(4.2)	\$ (500.7)	\$ (10.6)	\$ 0.6	\$ 9,490.5

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Nine Months Ended September 30,	
	2023	2022
Cash provided by operating activities:		
Net income	\$ 1,291.7	\$ 1,140.6
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, amortization, depletion and accretion	1,172.6	1,068.7
Non-cash interest expense	65.5	55.3
Stock-based compensation	31.7	30.8
Deferred tax provision	52.2	100.2
Provision for doubtful accounts, net of adjustments	38.6	27.8
Loss on extinguishment of debt	0.2	—
Gain on disposition of assets and asset impairments, net	(3.7)	(8.0)
Environmental adjustments	—	(0.1)
(Gain) loss from unconsolidated equity method investments	(0.2)	69.2
Other non-cash items	(0.6)	8.0
Change in assets and liabilities, net of effects from business acquisitions and divestitures:		
Accounts receivable	(161.0)	(206.1)
Prepaid expenses and other assets	121.4	28.0
Accounts payable	93.5	97.7
Capping, closure and post-closure expenditures	(40.5)	(35.6)
Remediation expenditures	(31.4)	(37.3)
Other liabilities	86.9	40.8
Proceeds for retirement of certain hedging relationships	2.4	—
Cash provided by operating activities	2,719.3	2,380.0
Cash (used in) provided by investing activities:		
Purchases of property and equipment	(1,083.2)	(924.8)
Proceeds from sales of property and equipment	25.0	24.0
Cash used in acquisitions and investments, net of cash and restricted cash acquired	(1,051.1)	(2,847.6)
Cash paid for business divestitures	1.7	50.1
Purchases of restricted marketable securities	(13.8)	(15.7)
Sales of restricted marketable securities	13.1	15.4
Other	7.5	(2.3)
Cash used in investing activities	(2,100.8)	(3,700.9)
Cash provided by (used in) financing activities:		
Proceeds from credit facilities and notes payable, net of fees	27,940.2	10,496.5
Proceeds from issuance of senior notes, net of discount and fees	1,183.6	—
Payments of credit facilities and notes payable	(29,024.7)	(8,472.1)
Issuances of common stock, net	(4.3)	(12.9)
Purchases of common stock for treasury	(190.4)	(203.5)
Cash dividends paid	(469.5)	(436.5)
Distributions paid to non-controlling interests in consolidated subsidiary	—	(0.8)
Contingent consideration payments	(14.1)	(4.5)
Cash (used in) provided by financing activities	(579.2)	1,366.2
Effect of foreign exchange rate changes on cash	0.2	(3.1)
Increase in cash, cash equivalents, restricted cash and restricted cash equivalents	39.5	42.2
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	214.3	105.6
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 253.8	\$ 147.8

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Republic Services, Inc., a Delaware corporation, and its consolidated subsidiaries (also referred to collectively as Republic, the Company, we, us, or our), is one of the largest providers of environmental services in the United States, as measured by revenue. Our senior management evaluates, oversees and manages the financial performance of our operations through three field groups, referred to as Group 1, Group 2 and Group 3. Group 1 is our recycling and solid waste business operating primarily in geographic areas located in the western United States. Group 2 is our recycling and solid waste business operating primarily in geographic areas located in the southeastern and mid-western United States, the eastern seaboard of the United States, and Canada. Group 3 is our environmental solutions business operating primarily in geographic areas located across the United States and Canada. These groups represent our reportable segments, which each provide integrated environmental services, including but not limited to collection, transfer, recycling, and disposal. Prior to the third quarter of 2022, our environmental services operating segment, now referred to as our Group 3 reportable segment, was aggregated with Corporate entities and other.

The unaudited consolidated financial statements include the accounts of Republic Services, Inc. and its wholly owned and majority owned subsidiaries in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). We account for investments in entities in which we do not have a controlling financial interest under the equity method of accounting or, for investments that do not meet the criteria to be accounted for under the equity method, we reflect these investments at their fair value when it is readily determinable. If fair value is not readily determinable, we use an alternative measurement approach. All material intercompany accounts and transactions have been eliminated in consolidation.

We have prepared these unaudited consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information related to our organization, significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, these financial statements include all adjustments that, unless otherwise disclosed, are of a normal recurring nature and necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. Operating results for interim periods are not necessarily indicative of the results you can expect for a full year. You should read these financial statements in conjunction with our audited consolidated financial statements and notes thereto appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

For comparative purposes, certain prior year amounts have been reclassified to conform to the current year presentation. All dollar amounts in tabular presentations are in millions, except per share amounts and unless otherwise noted.

Management's Estimates and Assumptions

In preparing our financial statements, we make numerous estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. We must make these estimates and assumptions because certain information we use is dependent on future events, cannot be calculated with a high degree of precision from data available or simply cannot be readily calculated based on generally accepted methodologies. In preparing our financial statements, the more critical and subjective areas that deal with the greatest amount of uncertainty relate to our accounting for our long-lived assets, including recoverability, landfill development costs, and final capping, closure and post-closure costs; our valuation allowances for accounts receivable and deferred tax assets; our liabilities for potential litigation, claims and assessments; our liabilities for environmental remediation, multiemployer pension funds, employee benefit plans, deferred taxes, uncertain tax positions, and insurance reserves; and our estimates of the fair values of assets acquired and liabilities assumed in acquisitions. Each of these items is discussed in more detail in our description of our significant accounting policies in Note 2, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Our actual results may differ significantly from our estimates.

New Accounting Pronouncements***Accounting Standards Adopted******Disclosure of Supplier Finance Program Obligations***

In September 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. The ASU requires buyers to disclose information about their supplier finance programs. Interim and annual requirements include the disclosure of outstanding amounts under the obligations as of the end of the reporting period, and annual requirements include a rollforward of those obligations for the annual reporting period, as well as a description of payment and other key terms of the

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

programs. This update is effective for annual periods beginning after December 15, 2022, and interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective for fiscal years beginning after December 15, 2023. The adoption of ASU 2022-04 on January 1, 2023 did not have a material impact on our consolidated financial statements.

Through September 30, 2023, certain of our vendors chose to opt into our vendor supply finance agreement. This agreement allows a vendor to choose, on an invoice by invoice basis, to receive an earlier payment instead of a payment based on its original contracted terms (which, depending on the vendor, could extend up to 90 days or longer). As of September 30, 2023 and December 31, 2022, the amounts outstanding under these programs were not material.

Accounting Standards Updates Issued but not yet Adopted

Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative

In October 2023, the FASB issued ASU 2023-06 to modify the disclosure or presentation requirements of a variety of topics, which will allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements, and to align the requirements in the FASB accounting standard codification with the SEC's regulations. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated financial statements.

2. BUSINESS ACQUISITIONS, INVESTMENTS AND RESTRUCTURING CHARGES

Acquisitions

We acquired various environmental services businesses during the nine months ended September 30, 2023 and 2022. The aggregate purchase price paid for these business acquisitions and the allocations of the aggregate purchase price follows:

	2023	2022
Purchase price:		
Cash used in acquisitions, net of cash acquired of \$15.2 and \$66.6, respectively	\$ 938.0	\$ 2,583.2
Holdbacks	9.4	12.6
Fair value, future minimum finance lease payments	0.6	15.6
Total	\$ 948.0	\$ 2,611.4
Allocated as follows:		
Accounts receivable	\$ 25.5	\$ 249.2
Prepaid expenses	0.9	15.6
Landfill development costs	0.5	495.7
Property and equipment	223.9	730.6
Operating right-of-use lease assets	3.4	55.4
Interest rate swap	—	29.1
Other assets	0.1	42.3
Inventory	2.1	11.6
Accounts payable	(5.6)	(108.9)
Deferred revenue	(8.2)	(27.7)
Environmental remediation liabilities	(5.6)	(92.9)
Closure and post-closure liabilities	(10.5)	(89.3)
Operating right-of-use lease liabilities	(3.4)	(55.8)
Deferred income tax liabilities	(23.6)	(151.0)
Other liabilities	(0.3)	(54.7)
Fair value of tangible assets acquired and liabilities assumed	199.2	1,049.2
Excess purchase price to be allocated	\$ 748.8	\$ 1,562.2
Excess purchase price allocated as follows:		
Other intangible assets	\$ 136.0	\$ 169.6
Goodwill	612.8	1,392.6
Total allocated	\$ 748.8	\$ 1,562.2

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Certain of the purchase price allocations are preliminary and based on information existing at the acquisition dates. Accordingly, the purchase price allocations are subject to change. For the acquisitions that closed during the nine months ended September 30, 2023, we expect that a majority of the goodwill and intangible assets recognized as a result of these acquisitions will be deductible for tax purposes.

These acquisitions are not material to the Company's results of operations, individually or in the aggregate. As a result, no pro forma financial information is provided.

On May 2, 2022, we acquired all outstanding equity of US Ecology, Inc. (US Ecology) in a transaction valued at \$2.2 billion. US Ecology is a leading provider of environmental solutions offering treatment, recycling and disposal of hazardous, non-hazardous and specialty waste. As of June 30, 2023, we finalized the purchase price allocation. We did not step-up the tax basis of the assets recognized in connection with the US Ecology acquisition, and do not expect that the goodwill and intangible assets recognized will be deductible for tax purposes.

During the nine months ended September 30, 2023 and 2022, we incurred \$24.3 million and \$65.4 million, respectively, of acquisition integration and deal costs in connection with the acquisition of US Ecology. During the three months ended September 30, 2023 and 2022, we incurred \$6.2 million and \$8.7 million, respectively, of acquisition integration and deal costs in connection with the acquisition of US Ecology. The 2023 costs primarily related to the integration of certain software systems as well as rebranding of the business, and the 2022 costs included certain costs to close the acquisition and integrate the business.

In June 2023, we acquired a vertically-integrated set of operations located primarily in Colorado from GFL Environmental Inc., including recycling, hauling, transfer and landfill operations. The purchase price allocation is preliminary and remains subject to revision as additional information is obtained about the facts and circumstances that existed at the valuation date. The preliminary allocation of purchase price, including the value assigned to tangible and intangible assets acquired as well as certain landfill and environmental liabilities assumed, is based on the best estimates of management and is subject to revision based on the final valuations. We expect our valuations to be substantially complete by the end of 2023.

Investments

In 2023 and 2022, we acquired non-controlling equity interests in certain limited liability companies that qualified for investment tax credits under Section 48 of the Internal Revenue Code. In exchange for our non-controlling interests, we made capital contributions of \$34.0 million and \$121.0 million, which were recorded to other assets in our September 30, 2023 and 2022 consolidated balance sheets, respectively. During the three and nine months ended September 30, 2023, we decreased the carrying value of these investments by \$3.7 million and \$6.3 million, respectively, and during the three and nine months ended September 30, 2022, we decreased the carrying value of these investments by \$49.5 million and \$61.8 million, respectively, as a result of cash distributions and our share of income and loss pursuant to the terms of the limited liability company agreements. Additionally, our tax provisions reflect benefits of approximately \$8 million for the three and nine months ended September 30, 2023, and benefits of approximately \$35 million and \$60 million, respectively, for the three and nine months ended September 30, 2022, due to the tax credits related to these investments. For further discussion of the income tax benefits, refer to Note 11, *Income Taxes*, in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2022.

Restructuring Charges

During the three and nine months ended September 30, 2023, we incurred restructuring charges of \$6.3 million and \$27.3 million, respectively, and during the three and nine months ended September 30, 2022, we incurred restructuring charges of \$6.8 million and \$18.8 million, respectively. Of the 2023 charges, \$9.5 million related to the early termination of certain leases and \$17.8 million related to the redesign of our asset management, and customer and order management software systems, and the 2022 charges primarily related to the redesign of our general ledger, budgeting and procurement enterprise resource planning systems which was completed with systems being placed into production in 2022. During the nine months ended September 30, 2023 and 2022, we paid \$32.4 million and \$17.0 million, respectively, related to these restructuring efforts.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

3. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill

A summary of the activity and balances in goodwill accounts by reporting segment follows:

	Balance as of December 31, 2022	Acquisitions	Divestitures	Adjustments to Acquisitions	Balance as of September 30, 2023
Group 1	\$ 6,637.9	\$ 445.5	\$ —	\$ (0.9)	\$ 7,082.5
Group 2	6,238.3	167.3	(0.6)	0.9	6,405.9
Group 3	1,575.3	—	—	227.0	1,802.3
Total	<u>\$ 14,451.5</u>	<u>\$ 612.8</u>	<u>\$ (0.6)</u>	<u>\$ 227.0</u>	<u>\$ 15,290.7</u>

Adjustments to acquisitions during the nine months ended September 30, 2023 primarily related to changes in our valuation of assets acquired and liabilities assumed in connection with our acquisition of US Ecology.

Other Intangible Assets, Net

Other intangible assets, net, include values assigned to customer relationships, non-compete agreements and trade names, and are amortized over periods ranging from 1 to 15 years. A summary of the activity and balances by intangible asset type follows:

	Gross Intangible Assets			Accumulated Amortization				Other Intangible Assets, Net as of September 30, 2023	
	Balance as of December 31, 2022	Acquisitions	Adjustments and Other	Balance as of September 30, 2023	Balance as of December 31, 2022	Additions Charged to Expense	Adjustments and Other		Balance as of September 30, 2023
Customer relationships	\$ 1,013.5	\$ 133.1	\$ (572.6)	\$ 574.0	\$ (709.1)	\$ (37.5)	\$ 590.5	\$ (156.1)	\$ 417.9
Non-compete agreements	67.9	1.6	(39.7)	29.8	(50.9)	(4.8)	39.7	(16.0)	13.8
Other intangible assets	77.0	1.3	(50.1)	28.2	(51.2)	(5.1)	43.6	(12.7)	15.5
Total	<u>\$ 1,158.4</u>	<u>\$ 136.0</u>	<u>\$ (662.4)</u>	<u>\$ 632.0</u>	<u>\$ (811.2)</u>	<u>\$ (47.4)</u>	<u>\$ 673.8</u>	<u>\$ (184.8)</u>	<u>\$ 447.2</u>

4. OTHER ASSETS

Prepaid Expenses and Other Current Assets

A summary of prepaid expenses and other current assets as of September 30, 2023 and December 31, 2022 follows:

	2023	2022
Prepaid expenses	\$ 135.0	\$ 114.3
Inventories	100.0	96.6
Other non-trade receivables	53.9	59.8
Reinsurance receivable	33.4	31.9
Prepaid fees for cloud-based hosting arrangements, current	14.0	14.4
Income taxes receivable	10.8	214.0
Derivative and hedging assets	10.5	—
Other current assets	3.6	5.5
Total	<u>\$ 361.2</u>	<u>\$ 536.5</u>

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Other Assets

A summary of other assets as of September 30, 2023 and December 31, 2022 follows:

	2023	2022
Investments	\$ 371.6	\$ 281.4
Operating right-of-use lease assets	238.0	275.1
Deferred compensation plan	104.8	100.6
Derivative and hedging assets	110.3	105.8
Reinsurance receivable	86.7	84.1
Deferred contract costs and sales commissions	82.2	80.2
Prepaid fees and capitalized implementation costs for cloud-based hosting arrangements	58.8	51.4
Amounts recoverable for capping, closure and post-closure obligations	22.1	20.5
Deferred financing costs	4.0	5.1
Other	23.3	21.3
Total	\$ 1,101.8	\$ 1,025.5

5. OTHER LIABILITIES**Other Accrued Liabilities**

A summary of other accrued liabilities as of September 30, 2023 and December 31, 2022 follows:

	2023	2022
Accrued payroll and benefits	\$ 293.6	\$ 342.6
Insurance reserves, current	214.2	187.5
Accrued fees and taxes	179.7	168.5
Accrued dividends	168.5	156.4
Current tax liabilities	97.9	2.1
Operating right-of-use lease liabilities, current	52.5	57.9
Ceded insurance reserves, current	35.3	32.0
Accrued professional fees and legal settlement reserves	14.7	8.6
Derivative and hedging liabilities	14.4	1.2
Other	150.8	101.5
Total	\$ 1,221.6	\$ 1,058.3

Other Long-Term Liabilities

A summary of other long-term liabilities as of September 30, 2023 and December 31, 2022 follows:

	2023	2022
Operating right-of-use lease liabilities	\$ 195.7	\$ 238.0
Deferred compensation plan liability	102.6	98.6
Derivative and hedging liabilities	96.9	99.7
Ceded insurance reserves	84.8	84.1
Contingent purchase price and acquisition holdbacks	59.3	60.5
Withdrawal liability - multiemployer pension funds	19.7	20.0
Other	36.7	59.8
Total	\$ 595.7	\$ 660.7

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

6. LANDFILL AND ENVIRONMENTAL COSTS

As of September 30, 2023, we owned or operated 208 active landfills with total available disposal capacity estimated to be 5.1 billion in-place cubic yards. Additionally, we had post-closure responsibility for 126 closed landfills.

Accrued Landfill and Environmental Costs

A summary of accrued landfill and environmental liabilities as of September 30, 2023 and December 31, 2022 follows:

	2023	2022
Landfill final capping, closure and post-closure liabilities	\$ 1,867.7	\$ 1,786.4
Environmental remediation	502.0	487.5
Total accrued landfill and environmental costs	2,369.7	2,273.9
Less: current portion	(144.1)	(132.6)
Long-term portion	\$ 2,225.6	\$ 2,141.3

Final Capping, Closure and Post-Closure Costs

The following table summarizes the activity in our asset retirement obligation liabilities, which includes liabilities for final capping, closure and post-closure, for the nine months ended September 30, 2023 and 2022:

	2023	2022
Asset retirement obligation liabilities, beginning of year	\$ 1,786.4	\$ 1,507.3
Non-cash additions	46.4	43.2
Acquisitions, net of divestitures and other adjustments	11.8	88.5
Asset retirement obligation adjustments	(9.6)	7.2
Payments	(40.5)	(35.6)
Accretion expense	73.2	66.9
Asset retirement obligation liabilities, end of period	1,867.7	1,677.5
Less: current portion	(79.1)	(71.6)
Long-term portion	\$ 1,788.6	\$ 1,605.9

We review annually, in the fourth quarter, and update as necessary, our estimates of asset retirement obligation liabilities. However, if there are significant changes in the facts and circumstances related to a site during the year, we will update our assumptions prospectively in the period that we know all the relevant facts and circumstances and make adjustments as appropriate.

Landfill Operating Expenses

In the normal course of business, we incur various operating costs associated with environmental compliance. These costs include, among other things, leachate treatment and disposal, methane gas and groundwater monitoring, systems maintenance, interim cap maintenance, costs associated with the application of daily cover materials, and the legal and administrative costs of ongoing environmental compliance. These costs are expensed as cost of operations in the periods in which they are incurred.

Environmental Remediation Liabilities

We accrue for remediation costs when they become probable and can be reasonably estimated. There can sometimes be a range of reasonable estimates of the costs associated with remediation of a site. In these cases, we use the amount within the range that constitutes our best estimate. If no amount within the range appears to be a better estimate than any other, we use the amount that is at the low end of such range. It is reasonably possible that we will need to adjust the liabilities recorded for remediation to reflect the effects of new or additional information, to the extent such information impacts the costs, timing or duration of the required actions. If we used the reasonably possible high ends of our ranges, our aggregate potential remediation liability as of September 30, 2023 would be approximately \$369 million higher than the amount recorded. Future changes in our estimates of the cost, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The following table summarizes the activity in our environmental remediation liabilities for the nine months ended September 30, 2023 and 2022:

	2023	2022
Environmental remediation liabilities, beginning of year	\$ 487.5	\$ 454.9
Payments	(31.4)	(37.4)
Accretion expense (non-cash interest expense)	13.5	13.4
Acquisitions, net of divestitures and other adjustments	32.4	102.5
Environmental remediation liabilities, end of period	502.0	533.4
Less: current portion	(65.0)	(55.3)
Long-term portion	\$ 437.0	\$ 478.1

Bridgeton Landfill. During the nine months ended September 30, 2023, we paid \$9.4 million related to management and monitoring of the remediation area for our closed Bridgeton Landfill in Missouri. We continue to work with state and federal regulatory agencies on our remediation efforts. From time to time, this may require us to modify our future operating timeline and procedures, which could result in changes to our expected liability. As of September 30, 2023, the remediation liability recorded for this site was \$77.8 million, of which approximately \$6 million is expected to be paid during the remainder of 2023.

West Lake Landfill Superfund Site. Our subsidiary Bridgeton Landfill, LLC is one of several currently designated Potentially Responsible Parties for the West Lake Landfill Superfund site (West Lake) in Missouri. On September 27, 2018, the U.S. Environmental Protection Agency (EPA) issued a Record of Decision Amendment for West Lake that includes a total undiscounted cost estimate of \$229 million over a four to five year design and construction timeline. On March 11, 2019, the EPA issued special notice letters under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) to Bridgeton Landfill, LLC and the other currently designated Potentially Responsible Parties to initiate negotiations to implement the remedy. At this time, we are neither able to predict the final design of that remedy, nor estimate how much of the future response costs of the site our subsidiary may agree or be required to pay. During any subsequent administrative proceedings or litigation, our subsidiary will vigorously contest liability for the costs of remediating radiologically-impacted materials generated on behalf of the federal government during the Manhattan Project and delivered to the site by an Atomic Energy Commission licensee and its subcontractor. Currently, we believe we are adequately reserved for our expected remediation liability. However, subsequent events related to remedy design, divisibility, or allocation may require us to modify our expected remediation liability.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

7. DEBT

The carrying value of our credit facilities, finance leases and long-term debt as of September 30, 2023 and December 31, 2022 is listed in the following table, and is adjusted for the fair value of interest rate swaps, unamortized discounts, deferred issuance costs and the unamortized portion of adjustments to fair value recorded in purchase accounting. Original issue discounts, deferred issuance costs, and adjustments to fair value recorded in purchase accounting are amortized to interest expense over the term of the applicable instrument using the effective interest method.

Maturity	Interest Rate	September 30, 2023			December 31, 2022		
		Principal	Adjustments	Carrying Value	Principal	Adjustments	Carrying Value
Credit facilities:							
Uncommitted Credit Facility	Variable	\$ 9.9	\$ —	\$ 9.9	\$ —	\$ —	\$ —
\$3.0 billion - August 2026	Variable	154.4	—	154.4	250.0	—	250.0
Term Loan	Variable	700.0	—	700.0	1,000.0	—	1,000.0
Commercial Paper	Variable	523.0	(0.2)	522.8	1,000.0	(1.8)	998.2
Senior notes:							
May 2023	4.750	—	—	—	300.0	(2.5)	297.5
August 2024	2.500	900.0	(1.7)	898.3	900.0	(3.0)	897.0
March 2025	3.200	500.0	(1.0)	499.0	500.0	(1.6)	498.4
November 2025	0.875	350.0	(1.4)	348.6	350.0	(1.9)	348.1
July 2026	2.900	500.0	(1.8)	498.2	500.0	(2.2)	497.8
November 2027	3.375	650.0	(2.6)	647.4	650.0	(3.1)	646.9
May 2028	3.950	800.0	(9.4)	790.6	800.0	(10.7)	789.3
April 2029	4.875	400.0	(4.7)	395.3	—	—	—
March 2030	2.300	600.0	(4.7)	595.3	600.0	(5.2)	594.8
February 2031	1.450	650.0	(6.5)	643.5	650.0	(7.1)	642.9
February 2032	1.750	750.0	(5.6)	744.4	750.0	(6.0)	744.0
March 2033	2.375	700.0	(6.7)	693.3	700.0	(7.1)	692.9
April 2034	5.000	800.0	(10.9)	789.1	—	—	—
March 2035	6.086	181.9	(11.7)	170.2	181.9	(12.2)	169.7
March 2040	6.200	399.9	(3.3)	396.6	399.9	(3.4)	396.5
May 2041	5.700	385.7	(4.8)	380.9	385.7	(4.8)	380.9
March 2050	3.050	400.0	(6.8)	393.2	400.0	(7.0)	393.0
Debentures:							
September 2035	7.400	148.1	(29.1)	119.0	148.1	(30.0)	118.1
Tax-exempt:							
2024 - 2053	3.625 - 4.375	1,289.1	(8.6)	1,280.5	1,189.1	(7.1)	1,182.0
Finance leases:							
2024 - 2063	0.806 - 9.750	254.6	—	254.6	247.5	—	247.5
Total Debt		<u>\$ 12,046.6</u>	<u>\$ (121.5)</u>	<u>11,925.1</u>	<u>\$ 11,902.2</u>	<u>\$ (116.7)</u>	<u>11,785.5</u>
Less: current portion				(932.3)			(456.0)
Long-term portion				<u>\$ 10,992.8</u>			<u>\$ 11,329.5</u>

Loss on Extinguishment of Debt

During the nine months ended September 30, 2023, we incurred a loss on the early extinguishment of debt related to the early repayment of a portion of our Term Loan Facility (as defined below). We incurred non-cash charges related to the proportional share of unamortized deferred issuance costs of \$0.2 million.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Credit Facilities*Uncommitted Credit Facility*

In January 2022, we entered into a \$200.0 million unsecured uncommitted revolving credit facility (the Uncommitted Credit Facility). The Uncommitted Credit Facility bears interest at an annual percentage rate to be agreed upon by both parties. Borrowings under the Uncommitted Credit Facility can be used for working capital, letters of credit, and other general corporate purposes. The agreement governing our Uncommitted Credit Facility requires us to comply with certain covenants. The Uncommitted Credit Facility may be terminated by either party at any time. As of September 30, 2023, we had \$9.9 million of borrowings outstanding under our Uncommitted Credit Facility. As of December 31, 2022, we had no borrowings outstanding under our Uncommitted Credit Facility.

The Credit Facility

In August 2021, we entered into a \$3.0 billion unsecured revolving credit facility (the Credit Facility). Borrowings under the Credit Facility mature in August 2026. As permitted by the Credit Facility, we have the right to request two one-year extensions of the maturity date, but none of the lenders are committed to participate in such extensions. The Credit Facility also includes a feature that allows us to increase availability, at our option, by an aggregate amount of up to \$1.0 billion through increased commitments from existing lenders or the addition of new lenders.

In February 2023, we entered into Amendment No. 1 to the Credit Facility (the Credit Facility Amendment) to add our subsidiary, USE Canada Holdings, Inc. (the Canadian Borrower), as an additional borrower under the Credit Facility. The Credit Facility Amendment provides that the aggregate of (i) all loans to the Canadian Borrower and (ii) all loans denominated in Canadian dollars cannot exceed \$500 million (the Canadian Sublimit). The Canadian Sublimit is part of, and not in addition to, the aggregate commitments under the Credit Facility.

Borrowings under the Credit Facility in United States dollars bear interest at a Base Rate, a daily floating SOFR or a term SOFR plus a current applicable margin of 0.910% based on our Debt Ratings (all as defined in the Credit Facility agreement). The Canadian dollar-denominated loans bear interest based on the Canadian Prime rate or the Canadian Dollar Offered Rate plus a current applicable margin of 0.910% based on our Debt Ratings. As of September 30, 2023, C\$209.7 million was outstanding against the Canadian Sublimit, with an interest rate of 6.386%.

The Credit Facility is subject to facility fees based on applicable rates defined in the Credit Facility agreement and the aggregate commitment, regardless of usage. The Credit Facility can be used for working capital, capital expenditures, acquisitions, letters of credit and other general corporate purposes. The Credit Facility agreement requires us to comply with financial and other covenants. We may pay dividends and repurchase common stock if we are in compliance with these covenants.

We had \$154.4 million (all related to Canadian-denominated loans) and \$250.0 million outstanding under the Credit Facility as of September 30, 2023 and December 31, 2022, respectively. We had \$336.5 million and \$347.6 million of letters of credit outstanding under the Credit Facility as of September 30, 2023 and December 31, 2022, respectively. We also had \$523.0 million and \$1.0 billion of principal borrowings outstanding under the commercial paper program as of September 30, 2023 and December 31, 2022, respectively. As a result, availability under our Credit Facility was \$1,986.1 million and \$1,402.4 million as of September 30, 2023 and December 31, 2022, respectively.

Term Loan Facility

On April 29, 2022, we entered into a \$1.0 billion term loan facility (the Term Loan Facility). The Term Loan Facility will mature on April 29, 2025 and bears interest at a base rate or a forward-looking SOFR, plus an applicable margin based on our debt ratings. The weighted average interest rate for borrowings outstanding as of September 30, 2023 is 6.216%. We may prepay, without penalty, all or any part of the borrowings under the Term Loan Facility at any time.

On May 2, 2022, we completed the acquisition of US Ecology using proceeds from the Term Loan Facility and borrowings under the Credit Facility.

We had \$700.0 million and \$1.0 billion of borrowings outstanding under the Term Loan Facility as of September 30, 2023 and December 31, 2022, respectively.

Commercial Paper Program

In May 2022, we entered into a commercial paper program for the issuance and sale of unsecured commercial paper in an aggregate principal amount not to exceed \$500.0 million outstanding at any one time (the Commercial Paper Cap). In August 2022, the Commercial Paper Cap was increased to \$1.0 billion. The weighted average interest rate for borrowings outstanding as of September 30, 2023 is 5.447% with a weighted average maturity of 8 days.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

We had \$523.0 million and \$1.0 billion principal value of commercial paper issued and outstanding under the program as of September 30, 2023 and December 31, 2022, respectively. In the event of a failed re-borrowing, we currently have availability under our Credit Facility to fund the commercial paper program until it is re-borrowed successfully. Accordingly, we have classified these borrowings as long-term in our consolidated balance sheet as of September 30, 2023.

Senior Notes

In March 2023, we issued \$400.0 million of 4.875% senior notes due 2029 (the 4.875% Notes) and \$800.0 million of 5.000% senior notes due 2034 (the 5.000% Notes, and together, the Notes). The Notes are unsecured and unsubordinated and rank equally with our other unsecured obligations. We used the proceeds from the Notes for general corporate purposes, including the repayment of a portion of amounts outstanding under the Uncommitted Credit Facility, the Commercial Paper Program, the Credit Facility, and the Term Loan Facility. As a result of the Term Loan Facility repayment, we incurred a non-cash loss on the early extinguishment of debt related to the ratable portion of unamortized deferred issuance costs of \$0.2 million.

Interest Rate Swap and Lock Agreements

Our ability to obtain financing through the capital markets is a key component of our financial strategy. Historically, we have managed risk associated with executing this strategy, particularly as it relates to fluctuations in interest rates, by using a combination of fixed and floating rate debt. From time to time, we also have entered into interest rate swap and lock agreements to manage risk associated with interest rates, either to effectively convert specific fixed rate debt to a floating rate (fair value hedges), or to lock interest rates in anticipation of future debt issuances (cash flow hedges).

Fair Value Hedges

During the second half of 2013, we entered into various interest rate swap agreements (the 2013 Interest Rate Swaps) relative to our 4.750% fixed rate senior notes due in May 2023 (4.750% Notes). The goal was to reduce overall borrowing costs and rebalance our debt portfolio's ratio of fixed-to-floating interest rates. These swap agreements settled in May 2023 along with our 4.750% Notes and are no longer included in our consolidated balance sheet.

Contemporaneously with the \$250.0 million partial redemption of the 4.750% Notes in November 2020, we dedesignated the proportional share of these swap agreements as fair value hedges. There was no ineffectiveness recognized in the dedesignation of these fair value hedges. Following the dedesignation, the fair value of these free-standing derivatives was determined using standard valuation models with assumptions about interest rates being based on those observed in underlying markets (Level 2 in the fair value hierarchy). As of December 31, 2022, these free-standing derivatives were reflected at their fair value of a \$1.0 million liability and were included in other accrued liabilities in our consolidated balance sheet. These free-standing derivatives settled and matured in May 2023. For the nine months ended September 30, 2023, we recognized gains of \$1.0 million, and for the three and nine months ended September 30, 2022, we recognized losses of \$0.8 million and \$5.2 million, respectively, directly in earnings as an adjustment to non-cash interest expense attributable to the change in fair value of the free-standing derivatives.

As of December 31, 2022, the 2013 Interest Rate Swaps that were designated as fair value hedges are reflected as a \$1.2 million liability and included in other accrued liabilities in our consolidated balance sheet.

We recognized net interest expense of \$2.2 million during the nine months ended September 30, 2023 and net interest income of \$0.4 million and \$3.7 million during the three and nine months ended September 30, 2022, respectively, related to net swap settlements for these interest rate swap agreements, which is included in interest expense in our consolidated statements of income.

For the nine months ended September 30, 2023, we recognized losses of \$2.3 million related to the impact of changes in the benchmark interest rate on the fair value of the hedged senior notes, and offsetting gains of \$1.2 million on the related interest rate swaps attributable to changes in the benchmark interest rate. For the three and nine months ended September 30, 2022, we recognized gains of \$0.1 million and \$4.1 million, respectively, related to the impact of changes in the benchmark interest rate on the fair value of the hedged senior notes, and offsetting losses of \$1.0 million and \$6.2 million, respectively, on the related interest rate swaps attributable to changes in the benchmark interest rate. The difference of these fair value changes for the three and nine months ended September 30, 2023 and 2022 was recorded directly in earnings as an adjustment to interest expense in our consolidated statements of income.

For further detail regarding the effect of our fair value hedging on interest expense, refer to Note 11, *Financial Instruments*, of the notes to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Cash Flow Hedges

We have historically entered into multiple swap agreements designated as cash flow hedges to manage exposure to fluctuations in interest rates in anticipation of planned future issuances of senior notes. Upon the expected issuance of senior notes, we terminate the interest rate locks and settle with our counterparties. These transactions are accounted for as cash flow hedges.

The fair value of our interest rate locks is determined using standard valuation models with assumptions about interest rates being based on those observed in underlying markets (Level 2 in the fair value hierarchy).

During the nine months ended September 30, 2023, we recognized an unrealized gain in other comprehensive loss of \$1.7 million, net of tax, related to terminated interest rate locks issued in conjunction with the issuance of our 5.000% Notes in March 2023. As of September 30, 2023 and December 31, 2022, our previously terminated interest rate locks were recorded as components of accumulated other comprehensive loss of \$16.7 million and \$21.4 million, respectively, net of tax. The effective portion of the interest rate locks is amortized as an adjustment to interest expense over the life of the issued debt using the effective interest method. For the three months ended September 30, 2023 and 2022, we recognized losses, net of tax, of \$0.9 million and \$1.1 million, respectively. For the nine months ended September 30, 2023 and 2022, we recognized losses, net of tax, of \$2.9 million and \$3.2 million, respectively, as a result of this amortization. Over the next 12 months, we expect to amortize \$3.1 million, net of tax, from accumulated other comprehensive loss to interest expense as a yield adjustment of our senior notes.

In connection with our acquisition of US Ecology, in the second quarter of 2022, we acquired and novated a floating-to-fixed interest rate swap agreement (the 2022 Interest Rate Swap) with an initial effective date of March 6, 2020, an initial notional amount of \$500 million relative to our Term Loan Facility and an initial fair value of \$29.1 million. The initial fair value is reclassified into earnings as non-cash interest expense on a systematic basis over the life of the interest rate swap. As of September 30, 2023, the 2022 Interest Rate Swap has a notional value of \$360 million. The interest rate swap matures in November 2026. The goal was to reduce overall borrowing costs. Under the terms of the acquired agreement, we pay interest at a fixed interest rate of 0.832% and received interest at floating rates based on changes in LIBOR. The interest rate swap is designated as a cash flow hedge. In May 2022, following the closing of the acquisition, we amended the reference rate from a floating rate based on LIBOR to a SOFR rate. In accordance with ASU 2020-04, the amendment of the reference rate did not result in dedesignation of the cash flow hedge. Changes in the fair value of the interest rate swap are recorded as a component of accumulated other comprehensive loss and are recognized in interest expense in the period in which the payment is settled.

The fair value of our floating-to-fixed swap is determined using standard valuation models with assumptions about interest rates being based on those observed in underlying markets (Level 2 in the fair value hierarchy). As of September 30, 2023 and December 31, 2022, the 2022 Interest Rate Swap was recorded at its fair value of \$33.6 million and \$36.0 million, respectively, and is included in other assets in our consolidated balance sheets.

For the three and nine months ended September 30, 2023, we recognized unrealized gains of \$4.1 million and \$14.9 million, respectively, in accumulated other comprehensive income for the 2022 Interest Rate Swap. For the three and nine months ended September 30, 2022, we recognized unrealized gains of \$9.1 million and \$8.1 million, respectively, in accumulated other comprehensive income for the 2022 Interest Rate Swap. As of September 30, 2023 and December 31, 2022, the 2022 Interest Rate Swap was recorded as a gain within accumulated other comprehensive loss of \$10.0 million and \$5.1 million, respectively, net of tax. The effective portion of the 2022 Interest Rate Swap is amortized as an adjustment to interest expense over the life of the instrument using the effective interest method. During the three and nine months ended September 30, 2023, we recognized a gain, net of tax, of \$3.2 million and \$10.0 million, respectively, as a result of this amortization. For both the three and nine months ended September 30, 2022, we recognized gains, net of tax, of \$1.1 million related to this amortization. Over the next 12 months, we expect to amortize approximately \$7 million, net of tax, from accumulated other comprehensive loss as an offset to interest expense in the period in which payments are settled.

For further detail regarding the effect of our cash flow hedging on interest expense, refer to Note 11, *Financial Instruments*, of the notes to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Derivative Contracts

Contemporaneously with the issuance of our 2.300% Notes in February 2020, we amended interest rate lock agreements with an aggregate notional value of \$550.0 million, extending the mandatory maturity date from 2020 to 2030, and dedesignated them as cash flow hedges (2020 Extended Interest Rate Locks). Contemporaneously with the issuance of our 2.500% Notes in August 2019, we amended interest rate lock agreements with an aggregate notional value of \$375.0 million, extending the mandatory maturity date from 2019 to 2024, and dedesignated them as cash flow hedges (2019 Extended Interest Rate Locks and collectively with the 2020 Extended Interest Rate Locks referred to as the Extended Interest Rate Locks). There was no ineffectiveness recognized in the termination of these cash flow hedges. In addition, we entered into offsetting interest rate swaps to offset future exposures to fair value fluctuations of the Extended Interest Rate Locks (2019 Offsetting Interest Rate

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Swap and the 2020 Offsetting Interest Rate Swap, or collectively the Offsetting Interest Rate Swaps). The fair value of these free-standing derivatives was determined using standard valuation models with assumptions about interest rates being based on those observed in underlying markets (Level 2 in the fair value hierarchy).

As of September 30, 2023, the fair value of the Extended Interest Rate Locks were assets of \$87.2 million, which were included in prepaid and other current assets and other assets in our consolidated balance sheets. As of December 31, 2022, the fair value of the Extended Interest Rate Locks were assets of \$69.8 million, which were included in other assets in our consolidated balance sheets. As of September 30, 2023, the fair value of the Offsetting Interest Rate Swaps were liabilities of \$111.3 million, which were included in other accrued liabilities and other long-term liabilities in our consolidated balance sheets. As of December 31, 2022, the fair value of the Offsetting Interest Rate Swaps were liabilities of \$99.7 million, which were included in other long-term liabilities in our consolidated balance sheets.

For the three months ended September 30, 2023 and 2022, we recognized gains of \$18.3 million and \$40.2 million, respectively, on the change in fair value of the Extended Interest Rate Locks with offsetting losses of \$18.9 million and \$39.7 million, respectively, on the change in fair value of the Offsetting Interest Rate Swaps. For the nine months ended September 30, 2023 and 2022, we recognized gains of \$17.7 million and \$115.0 million on the change in fair value of the Extended Interest Rate Locks with offsetting losses of \$19.6 million and \$112.8 million respectively on the change in fair value of the Offsetting Interest Rate Swaps. The changes in fair value were recorded directly in earnings as an adjustment to interest expense in our consolidated statements of income.

Tax-Exempt Financings

As of September 30, 2023, we had \$1,280.5 million of certain variable rate tax-exempt financings outstanding, with maturities ranging from 2024 to 2053. As of December 31, 2022, we had \$1,182.0 million of certain variable rate tax-exempt financings outstanding, with maturities ranging from 2023 to 2051.

In September 2023, the California Municipal Finance Authority issued, for our benefit, \$100 million of Solid Waste Disposal Revenue Bonds. The proceeds from the issuance, after deferred issuance costs, were used to fund the acquisition, construction, improvement, installation, and/or equipping of certain solid waste disposal facilities located within California. The initial remarketing period for this tax-exempt financing is 10 years. Our remaining tax-exempt financings are remarketed either quarterly or semiannually by remarketing agents to effectively maintain a variable yield. The holders of the bonds can put them back to the remarketing agents at the end of each interest period. If the remarketing agent is unable to remarket our bonds, the remarketing agent can put the bonds to us. In the event of a failed remarketing, we currently have availability under our Credit Facility to fund these bonds until they are remarketed successfully. Accordingly, we classified these borrowings as long-term in our consolidated balance sheets as of September 30, 2023 and December 31, 2022.

Finance Leases

As of September 30, 2023, we had finance lease liabilities of \$254.6 million with maturities ranging from 2024 to 2063. As of December 31, 2022, we had finance lease liabilities of \$247.5 million with maturities ranging from 2023 to 2063.

8. INCOME TAXES

Our effective tax rate, exclusive of non-controlling interests, for the three and nine months ended September 30, 2023 was 20.8% and 24.4%, respectively. Our effective tax rate, exclusive of non-controlling interests, for the three and nine months ended September 30, 2022 was 17.9% and 21.8%, respectively. Our effective tax rate for the nine months ended September 30, 2023 reflected benefits of \$20.6 million from tax settlements, \$7.9 million from investments in solar energy assets qualifying for federal tax credits under Section 48 of the Internal Revenue Code and \$6.8 million due to the realization of additional federal and state benefits as well as adjustments to deferred taxes due to the completion of our 2022 tax returns.

Our effective tax rate for the nine months ended September 30, 2022 reflected benefits of \$60.2 million from investments in solar energy assets qualifying for tax credits under Section 48 of the Internal Revenue Code and \$6.8 million due to the realization of additional federal and state benefits as well as adjustments to deferred taxes due to the completion of our 2021 tax returns.

For the nine months ended September 30, 2023 and 2022, net cash paid for income taxes was \$137.9 million and \$90.5 million, respectively.

We have deferred tax assets related to state net operating loss carryforwards. We provide a partial valuation allowance due to uncertainty surrounding the future utilization of these carryforwards in the taxing jurisdictions where the loss carryforwards exist. When determining the need for a valuation allowance, we consider all positive and negative evidence, including recent financial results, scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies. The realization of our deferred tax asset for state loss carryforwards ultimately depends upon the existence of sufficient taxable

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

income in the appropriate state taxing jurisdictions in future periods. The weight given to the positive and negative evidence is commensurate with the extent such evidence can be objectively verified. We continue to regularly monitor both positive and negative evidence in determining the ongoing need for a valuation allowance. As of September 30, 2023, the valuation allowance associated with our state loss carryforwards was approximately \$44.1 million.

We are subject to income tax in the United States, as well as income tax in multiple state and foreign jurisdictions. Our compliance with income tax rules and regulations is periodically audited by taxing authorities. These authorities may challenge the positions taken in our tax filings. Thus, to provide for certain potential tax exposures, we maintain liabilities for uncertain tax positions for our estimate of the final outcome of these examinations. The federal statute of limitations applicable to our federal tax returns has passed for all years prior to 2015. For tax years 2015 to 2018 we have resolved all open issues with IRS Appeals while the applicable statutes of limitation will expire later in 2023 and early 2024. We are currently under state examination or administrative review in various state jurisdictions for tax years 2012 through 2021.

We believe the recorded liabilities for uncertain tax positions are adequate. However, a significant assessment against us in excess of the liabilities recorded could have a material adverse effect on our consolidated financial position, results of operations and cash flows. As of September 30, 2023, we are unable to estimate the resolution of our gross unrecognized benefits over the next 12 months.

We recognize interest and penalties as incurred within the provision for income taxes in the consolidated statement of income. As of September 30, 2023, we accrued a liability for penalties of \$0.3 million and a liability for interest (including interest on penalties) of \$12.4 million related to our uncertain tax positions.

9. STOCK REPURCHASES, DIVIDENDS AND EARNINGS PER SHARE

Available Shares

We currently have approximately 11.7 million shares of common stock reserved for future grants under the Republic Services, Inc. 2021 Stock Incentive Plan.

Stock Repurchases

In October 2020, our Board of Directors approved a \$2.0 billion share repurchase authorization effective starting January 1, 2021 and extending through December 31, 2023. In October 2023, our Board of Directors approved a \$3.0 billion share repurchase authorization effective starting January 1, 2024 and extending through December 31, 2026. Share repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws. While the Board of Directors has approved the program, the timing of any purchases, the prices and the number of shares of common stock to be purchased will be determined by our management, at its discretion, and will depend upon market conditions and other factors. On a quarterly basis, our Board of Directors reviews the intrinsic value of our stock and the parameters around which we repurchase our shares. The share repurchase program may be extended, suspended or discontinued at any time.

Stock repurchase activity during the three and nine months ended September 30, 2023 and 2022 follows (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Number of shares repurchased	1.3	—	1.3	1.6
Amount paid	\$ 190.4	\$ —	\$ 190.4	\$ 203.5
Weighted average cost per share	\$ 146.89	\$ —	\$ 146.89	\$ 124.02

As of September 30, 2023, there were less than 0.1 million repurchased shares pending settlement, resulting in an associated \$10.7 million of share repurchases unpaid and included within other accrued liabilities. As of September 30, 2022, there were no repurchased shares pending settlement. As of September 30, 2023, the remaining authorized purchase capacity under our October 2020 repurchase program was \$1.4 billion.

Dividends

In July 2023, our Board of Directors approved a quarterly dividend of \$0.535 per share. Cash dividends declared were \$481.6 million for the nine months ended September 30, 2023. As of September 30, 2023, we recorded a quarterly dividend payable of \$168.5 million to shareholders of record at the close of business on October 2, 2023.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Earnings per Share

Basic earnings per share is computed by dividing net income attributable to Republic Services, Inc. by the weighted average number of common shares (including vested but unissued restricted stock units and performance stock units) outstanding during the period. Diluted earnings per share is based on the combined weighted average number of common shares and common share equivalents outstanding, which include, where appropriate, the unvested restricted stock units (RSUs) and the unvested performance stock units (PSUs) at the expected attainment levels. We use the treasury stock method in computing diluted earnings per share.

Earnings per share for the three and nine months ended September 30, 2023 and 2022 are calculated as follows (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Basic earnings per share:				
Net income attributable to Republic Services, Inc.	\$ 480,169	\$ 416,924	\$ 1,291,419	\$ 1,140,836
Weighted average common shares outstanding	316,062	316,506	316,541	316,527
Basic earnings per share	\$ 1.52	\$ 1.32	\$ 4.08	\$ 3.60
Diluted earnings per share:				
Net income attributable to Republic Services, Inc.	\$ 480,169	\$ 416,924	\$ 1,291,419	\$ 1,140,836
Weighted average common shares outstanding	316,062	316,506	316,541	316,527
Effect of dilutive securities:				
Unvested RSU awards	112	144	96	161
Unvested PSU awards	382	396	366	380
Weighted average common and common equivalent shares outstanding	316,556	317,046	317,003	317,068
Diluted earnings per share	\$ 1.52	\$ 1.32	\$ 4.07	\$ 3.60

During each of the three and nine months ended September 30, 2023 and 2022, there were less than 0.1 million antidilutive securities outstanding.

10. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS BY COMPONENT

A summary of changes in accumulated other comprehensive loss, net of tax, by component, for the nine months ended September 30, 2023 follows:

	Cash Flow Hedges	Defined Benefit Pension Items	Foreign Currency Translation	Total
Balance as of December 31, 2022	\$ (16.3)	\$ 9.2	\$ (5.0)	\$ (12.1)
Other comprehensive income (loss) before reclassifications	16.6	0.2	(0.1)	16.7
Amounts reclassified from accumulated other comprehensive loss	(7.1)	—	—	(7.1)
Net current period other comprehensive income (loss)	9.5	0.2	(0.1)	9.6
Balance as of September 30, 2023	\$ (6.8)	\$ 9.4	\$ (5.1)	\$ (2.5)

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

A summary of reclassifications out of accumulated other comprehensive loss for the three and nine months ended September 30, 2023 and 2022 follows:

Details about Accumulated Other Comprehensive Loss Components	Three Months Ended September 30,		Nine Months Ended September 30,		Affected Line Item in the Statement where Net Income is Presented
	2023	2022	2023	2022	
	Amount Reclassified from Accumulated Other Comprehensive Loss		Amount Reclassified from Accumulated Other Comprehensive Loss		
Gain (loss) on cash flow hedges:					
Terminated interest rate locks	\$ (1.2)	\$ (1.5)	\$ (3.9)	\$ (4.4)	Interest expense
2022 interest rate swap	4.3	1.5	13.5	1.5	Interest expense
Total before tax	3.1	—	9.6	(2.9)	
Tax (provision) benefit	(0.8)	—	(2.5)	0.8	
Total income (loss) reclassified into earnings, net of tax	<u>\$ 2.3</u>	<u>\$ —</u>	<u>\$ 7.1</u>	<u>\$ (2.1)</u>	

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

11. FINANCIAL INSTRUMENTS

The effect of our hedging relationships and derivative instruments on the consolidated statements of income for the three and nine months ended September 30, 2023 and 2022 follows (in millions):

	Classification and amount of gain (loss) recognized in income on hedging relationships and derivative instruments			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Interest Expense	Interest Expense	Interest Expense	Interest Expense
Total amount of expense line items presented in the consolidated statements of income in which the effects of hedging relationships and derivative instruments are recorded	\$ (127.6)	\$ (105.2)	\$ (378.8)	\$ (282.7)
The effects of fair value and cash flow hedging relationships in Subtopic 815-20:				
(Loss) gain on fair value hedging relationships:				
Interest rate swaps:				
Net swap settlements	\$ —	\$ 0.4	\$ (2.2)	\$ 3.7
Net periodic (loss) earnings	\$ —	\$ (0.9)	\$ (1.1)	\$ (2.1)
(Loss) gain on cash flow hedging relationships:				
Amount of (loss) gain reclassified from accumulated other comprehensive loss into earnings, net of tax:				
Interest rate swap locks	\$ (0.9)	\$ (1.1)	\$ (2.9)	\$ (3.2)
2022 interest rate swap	\$ 3.2	\$ 1.1	\$ 10.0	\$ 1.1
The effects of derivative instruments not in Subtopic 815-20:				
Gain (loss) on free-standing derivative instruments:				
Interest rate swaps:				
Gain (loss) on change in fair value of free-standing derivative instruments	\$ —	\$ (0.8)	\$ 1.0	\$ (5.2)
Interest rate contract:				
Net (loss) gain on change in fair value of free-standing derivative instruments	\$ (0.6)	\$ 0.5	\$ (1.9)	\$ 2.2

Fair Value Measurements

In measuring fair values of assets and liabilities, we use valuation techniques that maximize the use of observable inputs (Level 1) and minimize the use of unobservable inputs (Level 3). We also use market data or assumptions that we believe market participants would use in pricing an asset or liability, including assumptions about risk when appropriate.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The carrying value for certain of our financial instruments, including cash, accounts receivable, current investments, accounts payable and certain other accrued liabilities, approximates fair value because of their short-term nature. As of September 30, 2023 and December 31, 2022, our assets and liabilities that are measured at fair value on a recurring basis include the following:

	September 30, 2023				
	Carrying Amount	Total	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Money market mutual funds	\$ 41.9	\$ 41.9	\$ 41.9	\$ —	\$ —
Bonds - restricted cash and marketable securities and other assets	57.3	57.3	—	57.3	—
Derivative and hedging assets - prepaid and other current assets and other assets	120.8	120.8	—	120.8	—
Total assets	\$ 220.0	\$ 220.0	\$ 41.9	\$ 178.1	\$ —
Liabilities:					
Derivative and hedging liabilities - other accrued liabilities and other long-term liabilities	\$ 111.3	\$ 111.3	\$ —	\$ 111.3	\$ —
Contingent consideration - other accrued liabilities and other long-term liabilities	64.1	64.1	—	—	64.1
Total liabilities	\$ 175.4	\$ 175.4	\$ —	\$ 111.3	\$ 64.1

	December 31, 2022				
	Carrying Amount	Total	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Money market mutual funds	\$ 38.3	\$ 38.3	\$ 38.3	\$ —	\$ —
Bonds - restricted cash and marketable securities and other assets	56.9	56.9	—	56.9	—
Derivative and hedging assets - other assets	105.8	105.8	—	105.8	—
Total assets	\$ 201.0	\$ 201.0	\$ 38.3	\$ 162.7	\$ —
Liabilities:					
Derivative and hedging liabilities - other accrued liabilities and other long-term liabilities	\$ 102.0	\$ 102.0	\$ —	\$ 102.0	\$ —
Contingent consideration - other accrued liabilities and other long-term liabilities	65.1	65.1	—	—	65.1
Total liabilities	\$ 167.1	\$ 167.1	\$ —	\$ 102.0	\$ 65.1

Total Debt

The carrying value of our total debt was \$11.9 billion and \$11.8 billion as of September 30, 2023 and December 31, 2022, respectively, and the fair value of our total debt was \$11.0 billion and \$11.1 billion, respectively. The estimated fair value of our fixed rate senior notes and debentures is based on quoted market prices. The fair value of our remaining notes payable, tax-exempt financings and borrowings under our credit facilities approximates the carrying value because the interest rates are variable. The fair value estimates were based on Level 2 inputs of the fair value hierarchy as of September 30, 2023 and December 31, 2022. See Note 7, *Debt*, for further information related to our debt.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Contingent Consideration

In 2015, we entered into a waste management contract with the County of Sonoma, California to operate the county's waste management facilities. As of September 30, 2023, the Sonoma contingent consideration represents the fair value of \$59.3 million payable to the County of Sonoma based on the achievement of future annual tonnage targets through the expected remaining capacity of the landfill. The potential undiscounted amount of all future contingent payments that we could be required to make under the waste management contract is estimated to be between approximately \$78 million and \$113 million. During the nine months ended September 30, 2023, the activity in the contingent consideration liability included accretion, which was offset by concession payments made in the ordinary course of business. There were no changes to the estimate of fair value.

12. SEGMENT REPORTING

Our senior management evaluates, oversees and manages the financial performance of our operations through three field groups, referred to as Group 1, Group 2 and Group 3. Group 1 is our recycling and solid waste business operating primarily in geographic areas located in the western United States. Group 2 is our recycling and solid waste business operating primarily in geographic areas located in the southeastern and mid-western United States, the eastern seaboard of the United States, and Canada. Group 3 is our environmental solutions business operating primarily in geographic areas located across the United States and Canada. These groups are presented below as our reportable segments, which each provide integrated environmental services, including but not limited to collection, transfer, recycling, and disposal.

Adjusted EBITDA is the single financial measure our chief operating decision maker (CODM) uses to evaluate operating segment profitability and determine resource allocations. Summarized financial information concerning our reportable segments for the three months ended September 30, 2023 and 2022 follows:

	Group 1	Group 2	Recycling & Solid Waste Subtotal	Group 3 (Environmental Solutions)	Corporate entities and other	Total
Three Months Ended September 30, 2023						
Gross Revenue	\$ 2,000.3	\$ 1,927.0	\$ 3,927.3	\$ 425.2	\$ 61.7	\$ 4,414.2
Intercompany Revenue	(294.6)	(261.2)	(555.8)	(15.3)	(17.2)	(588.3)
Revenue allocations	25.7	23.9	49.6	(5.1)	(44.5)	—
Net Revenue	\$ 1,731.4	\$ 1,689.7	\$ 3,421.1	\$ 404.8	\$ —	\$ 3,825.9
Adjusted EBITDA	\$ 553.8	\$ 500.2	\$ 1,054.0	\$ 91.7	\$ —	\$ 1,145.7
Capital Expenditures	\$ 165.4	\$ 140.7	\$ 306.1	\$ 25.2	\$ 37.7	\$ 369.0
Total Assets	\$ 13,112.7	\$ 10,838.5	\$ 23,951.3	\$ 4,011.0	\$ 2,080.6	\$ 30,042.8
Three Months Ended September 30, 2022						
Gross Revenue	\$ 1,840.6	\$ 1,837.4	\$ 3,678.0	\$ 411.0	\$ 64.3	\$ 4,153.3
Intercompany Revenue	(281.3)	(246.7)	(528.0)	(11.3)	(16.2)	(555.5)
Revenue allocations	25.8	24.8	50.6	(2.5)	(48.1)	—
Net Revenue	\$ 1,585.1	\$ 1,615.5	\$ 3,200.6	\$ 397.2	\$ —	\$ 3,597.8
Adjusted EBITDA	\$ 510.6	\$ 466.1	\$ 976.7	\$ 74.6	\$ —	\$ 1,051.3
Capital Expenditures	\$ 133.5	\$ 115.1	\$ 248.6	\$ 29.2	\$ (0.3)	\$ 277.5
Total Assets	\$ 12,232.0	\$ 10,303.0	\$ 22,535.0	\$ 3,991.7	\$ 1,874.3	\$ 28,401.0

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Summarized financial information concerning our reportable segments for the nine months ended September 30, 2023 and 2022 follows:

	Group 1	Group 2	Recycling & Solid Waste Subtotal	Group 3 (Environmental Solutions)	Corporate entities and other	Total
Nine Months Ended September 30, 2023						
Gross Revenue	\$ 5,774.3	\$ 5,653.2	\$ 11,427.5	\$ 1,280.4	\$ 174.8	\$ 12,882.7
Intercompany Revenue	(881.1)	(763.5)	(1,644.6)	(47.3)	(57.9)	(1,749.8)
Revenue allocations	71.0	67.6	138.6	(21.7)	(116.9)	—
Net Revenue	\$ 4,964.2	\$ 4,957.3	\$ 9,921.5	\$ 1,211.4	\$ —	\$ 11,132.9
Adjusted EBITDA	\$ 1,570.4	\$ 1,464.5	\$ 3,034.9	\$ 267.0	\$ —	\$ 3,301.9
Capital Expenditures	\$ 422.0	\$ 384.8	\$ 806.8	\$ 66.4	\$ 210.0	\$ 1,083.2
Total Assets	\$ 13,112.7	\$ 10,838.5	\$ 23,951.3	\$ 4,011.0	\$ 2,080.6	\$ 30,042.8
Nine Months Ended September 30, 2022						
Gross Revenue	\$ 5,306.1	\$ 5,261.3	\$ 10,567.4	\$ 827.8	\$ 181.7	\$ 11,576.9
Intercompany Revenue	(815.2)	(712.9)	(1,528.1)	(32.8)	(34.5)	(1,595.4)
Revenue allocations	77.4	74.1	151.5	(4.3)	(147.2)	—
Net Revenue	\$ 4,568.3	\$ 4,622.5	\$ 9,190.8	\$ 790.7	\$ —	\$ 9,981.5
Adjusted EBITDA	\$ 1,491.3	\$ 1,333.9	\$ 2,825.2	\$ 139.1	\$ —	\$ 2,964.3
Capital Expenditures	\$ 376.5	\$ 329.2	\$ 705.7	\$ 80.4	\$ 138.7	\$ 924.8
Total Assets	\$ 12,232.0	\$ 10,303.0	\$ 22,535.0	\$ 3,991.7	\$ 1,874.3	\$ 28,401.0

Corporate functions include legal, tax, treasury, information technology, risk management, human resources, closed landfills, and other administrative functions. National Accounts revenue included in Corporate entities and other represents the portion of revenue generated from nationwide and regional contracts in markets outside our operating areas where the associated material handling is subcontracted to local operators. Revenue and overhead costs of Corporate entities and other are either specifically assigned or allocated on a rational and consistent basis among our reportable segments to calculate Adjusted EBITDA.

As presented in the tables below, Adjusted EBITDA reflects certain adjustments for US Ecology, Inc., acquisition, integration and deal costs, (income) losses from unconsolidated equity method investments, losses on extinguishment of debt, adjustments to withdrawal liabilities for a multiemployer pension fund and restructuring expenses. This presentation is consistent with how our CODM reviews results of operations to make resource allocation decisions.

Intercompany revenue reflects transactions within and between segments that generally are made on a basis intended to reflect the market value of such services. Capital expenditures for Corporate entities and other primarily include vehicle inventory acquired but not yet assigned to operating locations and facilities.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Group 1 Adjusted EBITDA	\$ 553.8	\$ 510.6	\$ 1,570.4	\$ 1,491.3
Group 2 Adjusted EBITDA	500.2	466.1	1,464.5	1,333.9
Group 3 Adjusted EBITDA	91.7	74.6	267.0	139.1
Total Adjusted EBITDA	<u>1,145.7</u>	<u>1,051.3</u>	<u>3,301.9</u>	<u>2,964.3</u>
Other (income) expense, net	(1.3)	0.3	(3.2)	6.5
Interest income	(2.0)	(0.8)	(5.0)	(2.0)
Interest expense	127.6	105.2	378.8	282.7
Depreciation, amortization and depletion	382.3	353.9	1,099.4	1,001.8
Accretion	24.6	22.8	73.2	66.9
(Income) loss from unconsolidated equity method investment	(2.8)	51.8	(0.2)	69.2
Loss on extinguishment of debt and other related costs	—	—	0.2	—
Restructuring charges	6.3	6.8	27.3	18.8
Adjustment to withdrawal liability for a multiemployer pension fund	—	—	—	2.2
US Ecology, Inc. acquisition integration and deal costs	6.2	8.7	24.3	65.4
Gain on business divestitures and impairments, net	(1.5)	(5.2)	(1.5)	(5.3)
Income before income taxes	<u>\$ 606.3</u>	<u>\$ 507.8</u>	<u>\$ 1,708.6</u>	<u>\$ 1,458.1</u>

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

13. REVENUE AND CREDIT LOSSES

Our operations primarily consist of providing environmental services. The following table disaggregates our revenue by service line for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Collection:								
Residential	\$ 718.2	18.8 %	\$ 680.9	18.9 %	\$ 2,103.4	18.9 %	\$ 1,963.0	19.7 %
Small-container	1,126.3	29.4	1,021.8	28.4	3,270.2	29.4	2,912.9	29.2
Large-container	753.0	19.7	709.6	19.7	2,192.4	19.7	2,018.0	20.2
Other	19.0	0.5	14.6	0.4	51.9	0.5	40.3	0.4
Total collection	2,616.5	68.4	2,426.9	67.4	7,617.9	68.5	6,934.2	69.5
Transfer	444.3		412.8		1,280.5		1,183.5	
Less: intercompany	(238.1)		(223.5)		(703.3)		(637.5)	
Transfer, net	206.2	5.4	189.3	5.3	577.2	5.2	546.0	5.5
Landfill	743.2		703.6		2,172.4		2,019.7	
Less: intercompany	(306.9)		(291.4)		(912.6)		(851.9)	
Landfill, net	436.3	11.4	412.2	11.5	1,259.8	11.3	1,167.8	11.7
Environmental solutions	424.0		411.0		1,274.0		827.8	
Less: intercompany	(19.2)		(13.8)		(62.5)		(37.1)	
Environmental solutions, net	404.8	10.6	397.2	11.0	1,211.5	10.9	790.7	7.9
Other:								
Recycling processing and commodity sales	76.3	2.0	86.9	2.4	226.6	2.0	300.4	3.0
Other non-core	85.8	2.2	85.3	2.4	239.9	2.1	242.4	2.4
Total other	162.1	4.2	172.2	4.8	466.5	4.1	542.8	5.4
Total revenue	\$ 3,825.9	100.0 %	\$ 3,597.8	100.0 %	\$ 11,132.9	100.0 %	\$ 9,981.5	100.0 %

Other non-core revenue consists primarily of revenue from National Accounts, which represents the portion of revenue generated from nationwide or regional contracts in markets outside our operating areas where the associated material handling is subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

See Note 12, *Segment Reporting*, for additional information regarding revenue by reportable segment.

Revenue Recognition

Our service obligations of a long-term nature, e.g., certain collection service contracts, are satisfied over time, and we recognize revenue based on the value provided to the customer during the period. The amount billed to the customer is based on variable elements such as the number of residential homes or businesses for which collection services are provided, the volume of material collected, treated, transported and disposed, and the nature of the material accepted. We do not disclose the value of unsatisfied performance obligations for these contracts as our right to consideration corresponds directly to the value provided to the customer for services completed to date and all future variable consideration is allocated to wholly unsatisfied performance obligations.

Additionally, certain elements of our long-term customer contracts are unknown upon entering into the contract, including the amount that will be billed in accordance with annual price escalation clauses, our fuel recovery fee program and commodity prices. The amount to be billed is often tied to changes in an underlying base index such as a consumer price index or a fuel or commodity index, and revenue can be recognized once the index is established for the period.

Environmental solutions revenue is primarily generated from the fees we charge for the collection, treatment, consolidation, disposal and recycling of hazardous and non-hazardous waste, field and industrial services, equipment rental, emergency response and standby services and in-plant services, such as transportation and logistics, including at our transfer, storage and disposal facilities (TSDF). Activity for this service line varies across markets and reflects the regulatory environment, pricing and disposal alternatives available in any given market. Revenue recognized is variable in nature and primarily based on the volume and type of waste accepted or processed during the period. For certain field and industrial services contracts, we have a right to consideration from our customers in an amount that corresponds directly with the value to the customer of the

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Company's performance completed to date. Therefore, we have applied the practical expedient to recognize revenue in the amount to which we have the right to invoice.

Deferred Revenue

The factors that impact the timing and amount of revenue recognized for each service line may vary based on the nature of the service performed. Generally, we recognize revenue at the time we perform a service. In the event that we bill for services in advance of performance, we recognize deferred revenue for the amount billed and subsequently recognize revenue at the time the service is provided. Depending on the nature of the contract, we may also generate revenue through the collection of fuel recovery fees and environmental fees which are designed to recover our internal costs of providing services to our customers.

Substantially all of the deferred revenue recognized as of December 31, 2022 was recognized as revenue during the nine months ended September 30, 2023 when the service was performed.

Deferred Contract Costs

We incur certain upfront payments to acquire customer contracts which are recognized as other assets in our consolidated balance sheet, and we amortize the asset over the respective contract life. In addition, we recognize sales commissions that represent an incremental cost of the contract as other assets in our consolidated balance sheets, and we amortize the asset over the average life of the customer relationship. As of September 30, 2023 and December 31, 2022, we recognized \$82.2 million and \$80.2 million, respectively, of deferred contract costs and capitalized sales commissions. During the three and nine months ended September 30, 2023, we amortized \$3.5 million and \$10.8 million, respectively, of capitalized sales commissions to selling, general and administrative expenses and we amortized \$1.2 million and \$4.0 million, respectively, of other deferred contract costs as a reduction of revenue. During the three and nine months ended September 30, 2022, we amortized \$3.2 million and \$10.0 million, respectively, of capitalized sales commissions to selling, general and administrative expenses and we amortized \$1.4 million and \$4.4 million, respectively, of other deferred contract costs as a reduction of revenue.

Credit Losses

Accounts receivable represent receivables from customers for environmental services, including collection and processing of recyclable materials, collection, transfer, and disposal of solid waste, and other environmental solutions. Our receivables are recorded when billed or when the related revenue is earned and represent claims against third parties that will be settled in cash. The carrying value of our receivables, net of the allowance for doubtful accounts and customer credits, represents their estimated net realizable value.

We establish an allowance for doubtful accounts based on various factors including the age of receivables outstanding, historical trends, economic conditions and other information. We also review outstanding balances on an account-specific basis based on the credit risk of the customer. We determined that all of our accounts receivable share similar risk characteristics. We monitor our credit exposure on an ongoing basis and assess whether assets in the pool continue to display similar risk characteristics. We perform ongoing credit evaluations of our customers, but generally do not require collateral to support customer receivables.

The following table reflects the activity in our allowance for doubtful accounts for the nine months ended September 30, 2023 and 2022:

	2023	2022
Balance at beginning of year	\$ 51.9	\$ 38.5
Additions charged to expense	38.6	27.8
Accounts written-off	(7.0)	(16.9)
Balance at end of period	\$ 83.5	\$ 49.4

14. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are subject to extensive and evolving laws and regulations and have implemented safeguards to respond to regulatory requirements. In the normal course of our business, we become involved in legal proceedings. Some may result in fines, penalties or judgments against us, or settlements, which may impact earnings and cash flows for a particular period. Although we cannot predict the ultimate outcome of any legal matter with certainty, we do not believe the outcome of any of our pending legal proceedings will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

REPUBLIC SERVICES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

As used herein, the term *legal proceedings* refers to litigation and similar claims against us and our subsidiaries, excluding: (1) ordinary course accidents, general commercial liability and workers' compensation claims, which are covered by insurance programs, subject to customary deductibles, and which, together with insured employee health care costs, are discussed in Note 5, *Other Liabilities*; and (2) environmental remediation liabilities, which are discussed in Note 6, *Landfill and Environmental Costs*.

We accrue for legal proceedings when losses become probable and reasonably estimable. We have recorded an aggregate accrual of approximately \$16 million relating to our outstanding legal proceedings as of September 30, 2023. As of the end of each applicable reporting period, we review each of our legal proceedings and, where it is probable that a liability has been incurred, we accrue for all probable and reasonably estimable losses. Where we can reasonably estimate a range of losses we may incur regarding such a matter, we record an accrual for the amount within the range that constitutes our best estimate. If we can reasonably estimate a range but no amount within the range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we had used the high ends of such ranges, our aggregate potential liability would be approximately \$9 million higher than the amount recorded as of September 30, 2023.

Multiemployer Pension Plans

We participate in multiemployer pension plans that generally provide retirement benefits to participants of contributing employers. We do not administer these plans.

Under current law regarding multiemployer pension plans, our withdrawal (which we consider from time to time) or the mass withdrawal from any underfunded multiemployer pension plan (each, a Withdrawal Event) could require us to make payments to the plan for our proportionate share of the plan's unfunded vested liabilities. During the course of operating our business, we incur Withdrawal Events regarding certain of the multiemployer pension plans in which we participate. We accrue for such events when losses become probable and reasonably estimable.

Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

Restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Beginning-of-period and end-of-period cash, cash equivalents, restricted cash and restricted cash equivalents as presented in the statement of cash flows is reconciled as follows:

	September 30, 2023	December 31, 2022	September 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 157.5	\$ 143.4	\$ 81.4	\$ 29.0
Restricted cash and marketable securities	153.3	127.6	121.7	139.0
Less: restricted marketable securities	(57.0)	(56.7)	(55.3)	(62.4)
Cash, cash equivalents, restricted cash and restricted cash equivalents	<u>\$ 253.8</u>	<u>\$ 214.3</u>	<u>\$ 147.8</u>	<u>\$ 105.6</u>

Our restricted cash and marketable securities includes amounts pledged to regulatory agencies and governmental entities as financial guarantees of our performance under certain collection, landfill and transfer station contracts and permits, and relating to our final capping, closure and post-closure obligations at our landfills as well as restricted cash and marketable securities related to our insurance obligations.

The following table summarizes our restricted cash and marketable securities:

	September 30, 2023	December 31, 2022
Capping, closure and post-closure obligations	\$ 43.0	\$ 39.1
Insurance	110.3	88.5
Total restricted cash and marketable securities	<u>\$ 153.3</u>	<u>\$ 127.6</u>

Off-Balance Sheet Arrangements

We have no off-balance sheet debt or similar obligations, other than short-term operating leases and financial assurances, which are not classified as debt. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported financial position or results of operations. We have not guaranteed any third-party debt.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion in conjunction with the unaudited consolidated financial statements and notes thereto included under Part I, Item 1 of this Quarterly Report on Form 10-Q. In addition, you should refer to our audited consolidated financial statements and notes thereto and related *Management’s Discussion and Analysis of Financial Condition and Results of Operations* appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Disclosure Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking information about us that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as “guidance,” “expect,” “will,” “may,” “anticipate,” “plan,” “estimate,” “project,” “intend,” “should,” “can,” “likely,” “could,” “outlook” and similar expressions are intended to identify forward-looking statements. In particular, information appearing in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” includes forward-looking statements. These statements include information about our plans, strategies, and expectations of future financial performance and prospects. Forward-looking statements are not guarantees of performance. These statements are based upon the current beliefs and expectations of our management and are subject to significant risk and uncertainties that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that the expectations will prove to be correct. Among the factors that could cause actual results to differ materially from the expectations expressed in the forward-looking statements are our ability to integrate the operations of US Ecology, Inc. (US Ecology) into our operations and to realize the intended benefits of such acquisition, the amount of the financial contribution of our sustainability initiatives, as well as acts of war, riots or terrorism, and the impact of these acts on economic, financial and social conditions in the United States, as well as our dependence on large, long-term collection, transfer and disposal contracts. More information on factors that could cause actual results or events to differ materially from those anticipated is included from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022. Additionally, new risk factors emerge from time to time and it is not possible for us to predict all such risk factors, or to assess the impact such risk factors might have on our business. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

Updated Full-Year 2023 Adjusted Earnings Per Share Guidance

The following is a summary of anticipated adjusted diluted earnings per share for the year ending December 31, 2023. Adjusted diluted earnings per share is not a measure determined in accordance with U.S. GAAP:

	(Anticipated) Year Ending December 31, 2023
Diluted earnings per share	\$ 5.30 to 5.33
Restructuring charges	0.08
US Ecology, Inc. acquisition integration and deal costs	0.08
Adjusted diluted earnings per share	<u>\$ 5.46 to 5.49</u>

We believe that presenting adjusted diluted earnings per share provides an understanding of operational activities before the financial impact of certain items. We use this measure, and believe investors will find it helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate impact on our results for a particular period. We have incurred comparable charges, costs and recoveries in prior periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. Our definition of adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies.

The guidance set forth above constitutes forward-looking information and is not a guarantee of future performance. The guidance is based upon the current beliefs and expectations of our management and is subject to significant risks and uncertainties that could cause actual results to differ materially from those shown above. See *Disclosure Regarding Forward-Looking Statements*.

Overview

Republic is one of the largest providers of environmental services in the United States, as measured by revenue. As of September 30, 2023, we operated across the United States and Canada through 360 collection operations, 245 transfer stations, 75 recycling centers, 208 active landfills, 3 treatment, recovery and disposal facilities, 20 treatment, storage and disposal

facilities (TSDF), 6 salt water disposal wells and 7 deep injection wells. We are engaged in 76 landfill gas-to-energy and renewable energy projects and had post-closure responsibility for 126 closed landfills as of September 30, 2023.

Revenue for the nine months ended September 30, 2023 increased by 11.5% to \$11,132.9 million compared to \$9,981.5 million for the same period in 2022. This change in revenue is due to increased revenue from acquisitions, net of divestitures of 5.3%, increases in average yield of 6.1%, volume of 0.7%, and environmental solutions revenue of 0.4%. These increases were partially offset by a decrease in recycling processing and commodity sales of 0.8% and fuel recovery fees of 0.2%.

The following table summarizes our revenue, expenses and operating income for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Revenue	\$ 3,825.9	100.0 %	\$ 3,597.8	100.0 %	\$ 11,132.9	100.0 %	\$ 9,981.5	100.0 %
Expenses:								
Cost of operations	2,284.3	59.8	2,194.2	61.0	6,678.0	60.0	6,023.6	60.3
Depreciation, amortization and depletion of property and equipment	349.0	9.1	326.1	9.1	1,004.2	9.0	927.2	9.2
Amortization of other intangible assets	17.3	0.5	14.9	0.4	47.4	0.4	38.6	0.4
Amortization of other assets	16.0	0.4	12.9	0.4	47.8	0.4	36.0	0.3
Accretion	24.6	0.6	22.8	0.6	73.2	0.7	66.9	0.7
Selling, general and administrative	402.1	10.5	361.0	10.0	1,177.3	10.5	1,059.0	10.6
Withdrawal costs - multiemployer pension funds	—	—	—	—	—	—	2.2	—
Loss (gain) on business divestitures and impairments, net	(1.5)	—	(5.2)	(0.1)	(1.5)	—	(5.3)	(0.1)
Restructuring charges	6.3	0.1	6.8	0.2	27.3	0.3	18.8	0.2
Operating income	\$ 727.8	19.0 %	\$ 664.3	18.5 %	\$ 2,079.2	18.7 %	\$ 1,814.5	18.4 %

Our pre-tax income was \$606.3 million and \$1,708.6 million for the three and nine months ended September 30, 2023, respectively, compared to \$507.8 million and \$1,458.1 million for the same respective periods in 2022. Our net income attributable to Republic Services, Inc. was \$480.2 million and \$1,291.4 million for the three and nine months ended September 30, 2023, or \$1.52 and \$4.07 per diluted share, respectively, compared to \$416.9 million and \$1,140.8 million, or \$1.32 and \$3.60 per diluted share, for the same periods in 2022, respectively.

During each of the three and nine months ended September 30, 2023 and 2022, we recorded a number of charges, other expenses and benefits that impacted our pre-tax income, tax expense, net income attributable to Republic Services, Inc. (net income – Republic) and diluted earnings per share as noted in the following table (in millions, except per share data). Additionally, see our *Results of Operations* discussion in this *Management's Discussion and Analysis of Financial Condition and Results of Operations* for a discussion of other items that impacted our earnings during the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30, 2023				Three Months Ended September 30, 2022			
	Pre-tax Income	Tax Impact ⁽¹⁾	Net Income - Republic	Diluted Earnings per Share	Pre-tax Income	Tax Impact ⁽¹⁾	Net Income - Republic	Diluted Earnings per Share
As reported	\$ 606.3	126.1	\$ 480.2	\$ 1.52	\$ 507.8	90.9	\$ 416.9	\$ 1.32
Restructuring charges	6.3	1.7	4.6	0.01	6.8	1.8	5.0	0.01
Gain on business divestitures and impairments, net ⁽²⁾	(1.5)	(0.4)	(1.1)	—	(5.2)	(2.2)	(3.0)	(0.01)
US Ecology acquisition integration and deal costs	6.2	1.6	4.6	0.01	8.7	2.2	6.5	0.02
Total adjustments	11.0	2.9	8.1	0.02	10.3	1.8	8.5	0.02
As adjusted	\$ 617.3	\$ 129.0	\$ 488.3	\$ 1.54	\$ 518.1	\$ 92.7	\$ 425.4	\$ 1.34

(1) The income tax effect related to our adjustments includes both the current and deferred income tax impact and is individually calculated based on the statutory rates applicable to each adjustment.

(2) The aggregate impact to adjusted diluted earnings per share totals to less than \$0.01 for the three months ended September 30, 2023.

	Nine Months Ended September 30, 2023				Nine Months Ended September 30, 2022			
	Pre-tax Income	Tax Impact ⁽¹⁾	Net Income - Republic	Diluted Earnings per Share	Pre-tax Income	Tax Impact ⁽¹⁾	Net Income - Republic	Diluted Earnings per Share
As reported	\$ 1,708.6	417.2	\$ 1,291.4	\$ 4.07	\$ 1,458.1	317.3	\$ 1,140.8	\$ 3.60
Loss on extinguishment of debt and other related costs ⁽²⁾	0.2	—	0.2	—	—	—	—	—
Restructuring charges	27.3	7.2	20.1	0.06	18.8	4.9	13.9	0.04
Gain on business divestitures and impairments, net ⁽²⁾	(1.5)	(0.4)	(1.1)	—	(5.3)	(2.2)	(3.1)	(0.01)
Adjustment to withdrawal liability for a multiemployer pension fund	—	—	—	—	2.2	0.6	1.6	0.01
US Ecology acquisition integration and deal costs	24.3	6.2	18.1	0.06	65.4	14.1	51.3	0.16
Total adjustments	50.3	13.0	37.3	0.12	81.1	17.4	63.7	0.20
As adjusted	\$ 1,758.9	\$ 430.2	\$ 1,328.7	\$ 4.19	\$ 1,539.2	\$ 334.7	\$ 1,204.5	\$ 3.80

(1) The income tax effect related to our adjustments includes both the current and deferred income tax impact and is individually calculated based on the statutory rates applicable to each adjustment.

(2) The aggregate impact to adjusted diluted earnings per share totals to less than \$0.01 for the nine months ended September 30, 2023.

We believe that presenting adjusted pre-tax income, adjusted tax impact, adjusted net income – Republic, and adjusted diluted earnings per share, which are not measures determined in accordance with U.S. GAAP, provides an understanding of operational activities before the financial impact of certain items. We use these measures, and believe investors will find them helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate impact on our results for a particular period. We have incurred comparable charges, costs and recoveries in prior periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. Our definitions of adjusted pre-tax income, adjusted tax impact, adjusted net income – Republic, and adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies. Further information on each of these adjustments is included below.

Restructuring charges. During the three and nine months ended September 30, 2023, we incurred restructuring charges of \$6.3 million and \$27.3 million, respectively, and during the three and nine months ended September 30, 2022, we incurred restructuring charges of \$6.8 million and \$18.8 million, respectively. Of the 2023 charges, \$9.5 million related to the early termination of certain leases and \$17.8 million related to the redesign of our asset management, and customer and order management software systems. The 2022 charges primarily related to the redesign of our general ledger, budgeting and procurement enterprise resource planning systems, which was completed with the systems being placed into production in 2022. We paid \$32.4 million and \$17.0 million during the nine months ended September 30, 2023 and 2022, respectively, related to these restructuring efforts.

During the remainder of 2023, we expect to incur additional restructuring charges of approximately \$8 million, primarily related to the continued redesign of our asset management, and customer and order management software systems. Substantially all of these restructuring charges will be recorded in Corporate entities and other.

Gain on business divestitures and impairments, net. During both the three and nine months ended September 30, 2023, we recorded a net gain on business divestitures and impairments of \$1.5 million. During the three and nine months ended September 30, 2022, we recorded a net gain on business divestitures and impairments of \$5.2 million and \$5.3 million, respectively.

Adjustment to withdrawal liability for a multiemployer pension fund. During the nine months ended September 30, 2022, we recorded \$2.2 million of withdrawal costs from a multiemployer pension plan.

US Ecology, Inc. acquisition integration and deal costs. During the three and nine months ended September 30, 2023, we incurred acquisition integration and deal costs of \$6.2 million and \$24.3 million, respectively, and during the three and nine months ended September 30, 2022, we incurred acquisition integration and deal costs of \$8.7 million and \$65.4 million, respectively, in connection with the acquisition of US Ecology, which included certain costs to close the acquisition and integrate the business, including stock compensation expense for unvested awards at closing as well as severance and change-in-control payments. The acquisition closed on May 2, 2022.

In 2023, we expect to incur additional costs of approximately \$8 million to integrate the US Ecology business, primarily related to the integration of certain software systems as well as rebranding the business. We expect to be substantially complete with our integration activities by the end of 2023.

Loss on extinguishment of debt and other related costs. During the nine months ended September 30, 2023, we incurred a loss on the early extinguishment of debt related to the early repayment of a portion of our Term Loan Facility. We incurred non-cash charges related to the proportional share of unamortized deferred issuance costs of \$0.2 million. During the nine months ended September 30, 2022, we did not incur any losses on extinguishment of debt.

Results of Operations

Revenue

We generate revenue by providing environmental services to our customers, including the collection and processing of recyclable materials, the collection, transfer and disposal of solid waste, and other environmental solutions. Our residential, small-container and large-container collection operations in some markets are based on long-term contracts with municipalities. Certain of our municipal contracts have annual price escalation clauses that are tied to changes in an underlying base index such as a consumer price index. We generally provide small-container and large-container collection services to customers under contracts with terms up to three years. Our transfer stations and landfills generate revenue from disposal or tipping fees charged to third parties. Our recycling centers generate revenue from tipping fees charged to third parties and the sale of recycled commodities. Our revenue from environmental solutions consists mainly of fees we charge for disposal of hazardous and non-hazardous solid and liquid material and in-plant services, such as transportation and logistics, including at our TSDFs, and onsite services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup, and emergency response at refineries, chemical, steel, and automotive plants, and other governmental, commercial, and industrial facilities. Other non-core revenue consists primarily of revenue from National Accounts, which represents the portion of revenue generated from nationwide or regional contracts in markets outside our operating areas where the associated material handling is subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

The following table reflects our revenue by service line for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Collection:								
Residential	\$ 718.2	18.8 %	\$ 680.9	18.9 %	\$ 2,103.4	18.9 %	\$ 1,963.0	19.7 %
Small-container	1,126.3	29.4	1021.8	28.4	3,270.2	29.4	2,912.9	29.2
Large-container	753.0	19.7	709.6	19.7	2,192.4	19.7	2,018.0	20.2
Other	19.0	0.5	14.6	0.4	51.9	0.5	40.3	0.4
Total collection	2,616.5	68.4	2,426.9	67.4	7,617.9	68.5	6,934.2	69.5
Transfer	444.3		412.8		1,280.5		1,183.5	
Less: intercompany	(238.1)		(223.5)		(703.3)		(637.5)	
Transfer, net	206.2	5.4	189.3	5.3	577.2	5.2	546.0	5.5
Landfill	743.2		703.6		2,172.4		2,019.7	
Less: intercompany	(306.9)		(291.4)		(912.6)		(851.9)	
Landfill, net	436.3	11.4	412.2	11.5	1,259.8	11.3	1,167.8	11.7
Environmental solutions	424.0		411.0		1,274.0		827.8	
Less: intercompany	(19.2)		(13.8)		(62.5)		(37.1)	
Environmental solutions, net	404.8	10.6	397.2	11.0	1,211.5	10.9	790.7	7.9
Other:								
Recycling processing and commodity sales	76.3	2.0	86.9	2.4	226.6	2.0	300.4	3.0
Other non-core	85.8	2.2	85.3	2.4	239.9	2.1	242.4	2.4
Total other	162.1	4.2	172.2	4.8	466.5	4.1	542.8	5.4
Total revenue	\$ 3,825.9	100.0 %	\$ 3,597.8	100.0 %	\$ 11,132.9	100.0 %	\$ 9,981.5	100.0 %

The following table reflects changes in components of our revenue, as a percentage of total revenue, for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Average yield	5.8 %	5.6 %	6.1 %	5.0 %
Fuel recovery fees	(1.1)	3.1	(0.2)	2.7
Total price	4.7	8.7	5.9	7.7
Volume	0.1	2.2	0.7	2.7
Change in workdays	(0.4)	—	—	—
Recycling processing and commodity sales	(0.2)	(1.3)	(0.8)	(0.2)
Environmental solutions	0.4	0.6	0.4	0.5
Total internal growth	4.6	10.2	6.2	10.7
Acquisitions / divestitures, net	1.7	12.4	5.3	9.0
Total	6.3 %	22.6 %	11.5 %	19.7 %
Core price	7.0 %	6.9 %	7.5 %	6.4 %

Average yield is defined as revenue growth from the change in average price per unit of service, expressed as a percentage. Core price is defined as price increases to our customers and fees, excluding fuel recovery fees, net of price decreases to retain customers. We also measure changes in core price, average yield and volume as a percentage of related-business revenue, defined as total revenue excluding recycled commodities, fuel recovery fees and environmental solutions revenue, to determine the effectiveness of our pricing and organic growth strategies.

The following table reflects core price, average yield and volume as a percentage of related-business revenue for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	As a % of Related Business		As a % of Related Business	
Core price	8.6 %	7.7 %	8.9 %	7.0 %
Average yield	7.2 %	6.3 %	7.2 %	5.4 %
Volume	0.1 %	2.4 %	0.8 %	2.9 %

During the three and nine months ended September 30, 2023, we experienced the following changes in our revenue as compared to the same periods in 2022:

- Average yield increased revenue by 5.8% and 6.1% during the three and nine months ended September 30, 2023, respectively, due to price increases in all lines of business.
- The fuel recovery fee program, which mitigates our exposure to increases in fuel prices, decreased revenue by 1.1% and 0.2% for the three and nine months ended September 30, 2023, respectively, due to a decrease in fuel prices compared to the same periods in 2022.
- Volume increased revenue by 0.1% and 0.7% during the three and nine months ended September 30, 2023, respectively, primarily due to volume growth in our landfill and small-container lines of business. The volume increase during the nine months ended September 30, 2023 in our landfill line of business is primarily attributable to increased special waste volumes. These increases were partially offset by volume declines in our transfer, large-container, and construction and demolition landfill lines of business.
- Recycling processing and commodity sales decreased revenue by 0.2% and 0.8%, respectively, during the three and nine months ended September 30, 2023 primarily due to a decrease in overall commodity prices as compared to the same periods in 2022. The average price for recycled commodities, excluding glass and organics, for both the three and nine months ended September 30, 2023 was \$112 per ton compared to \$162 and \$195 per ton for the same respective periods in 2022.

Changing market demand for recycled commodities causes volatility in commodity prices. At current volumes and mix of materials, we believe a \$10 per ton change in the price of recycled commodities would change both annual revenue and operating income by approximately \$10 million.

- Environmental solutions revenue increased by 0.4% and 0.4% during the three and nine months ended September 30, 2023, respectively, primarily due to price increases, partially offset by a decrease in exploration and production-related volumes due to a decline in rig counts.
- Acquisitions, net of divestitures, increased revenue by 1.7% and 5.3% during the three and nine months ended September 30, 2023, respectively, reflecting the results of our continued growth strategy of acquiring solid waste, recycling, and environmental services companies that complement and expand our existing business platform.

Cost of Operations

Cost of operations includes labor and related benefits, which consists of salaries and wages, health and welfare benefits, incentive compensation and payroll taxes. It also includes transfer and disposal costs representing tipping fees paid to third party disposal facilities and transfer stations; maintenance and repairs relating to our vehicles, equipment and containers, including related labor and benefit costs; transportation and subcontractor costs, which include costs for independent haulers that transport our waste to disposal facilities and costs for local operators that provide waste handling services associated with our National Accounts in markets outside our standard operating areas; fuel, which includes the direct cost of fuel used by our vehicles, net of fuel tax credits; disposal fees and taxes, consisting of landfill taxes, host community fees and royalties; landfill operating costs, which includes financial assurance, leachate disposal, remediation charges and other landfill maintenance costs; risk management costs, which include insurance premiums and claims; cost of goods sold, which includes material costs paid to suppliers; and other, which includes expenses such as facility operating costs, equipment rent and gains or losses on sale of assets used in our operations.

The following table summarizes the major components of our cost of operations for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Labor and related benefits	\$ 744.1	19.4 %	\$ 724.3	20.1 %	\$ 2,233.0	20.1 %	\$ 2,003.6	20.1 %
Transfer and disposal costs	268.7	7.0	267.4	7.4	788.6	7.1	733.7	7.4
Maintenance and repairs	357.6	9.3	330.7	9.2	1,036.1	9.3	902.5	9.0
Transportation and subcontract costs	304.9	8.0	298.8	8.3	881.5	7.9	785.1	7.9
Fuel	136.7	3.6	161.3	4.7	406.3	3.6	474.1	4.7
Disposal fees and taxes	89.3	2.3	89.2	2.5	262.1	2.4	257.8	2.6
Landfill operating costs	82.6	2.2	75.3	2.1	248.4	2.2	201.8	2.0
Risk management	99.4	2.6	84.5	2.3	287.1	2.6	231.5	2.3
Other	201.0	5.4	163.3	4.4	534.9	4.8	433.2	4.3
Subtotal	2,284.3	59.8	2,194.8	61.0	6,678.0	60.0	6,023.3	60.3
US Ecology, Inc. acquisition integration and deal costs	—	—	(0.6)	—	—	—	0.3	—
Total cost of operations	\$ 2,284.3	59.8 %	\$ 2,194.2	61.0 %	\$ 6,678.0	60.0 %	\$ 6,023.6	60.3 %

These cost categories may change from time to time and may not be comparable to similarly titled categories presented by other companies. As such, you should take care when comparing our cost of operations by component to that of other companies and of ours for prior periods.

The most significant items impacting our cost of operations during the three and nine months ended September 30, 2023 and 2022 are summarized below:

- Labor and related benefits increased in aggregate dollars due to higher hourly and salaried wages as a result of annual merit increases and volume-related growth. Acquisition-related growth also contributed to the increase in labor and related benefits.
- Transfer and disposal costs increased in aggregate dollars primarily due to acquisition-related growth. Transfer and disposal costs also increased in aggregate dollars as a result of higher collection volumes.

During both the three and nine months ended September 30, 2023 and 2022, approximately 68% of the total solid waste volume we collected was disposed at landfill sites that we owned or operated (internalization).

- Maintenance and repairs expense increased due to higher hourly wages as a result of annual merit increases, an increase in third-party maintenance, parts inflation, and volume-related growth. Acquisition-related growth also contributed to the increase in maintenance and repairs expense in aggregate dollars.
- Transportation and subcontract costs increased in aggregate dollars due to increases in transportation rates. Acquisition-related growth also contributed to the increase in aggregate dollars in transportation and subcontract costs.
- Our fuel costs decreased due to a decrease in the average diesel fuel cost per gallon. The national average diesel fuel cost per gallon for the three and nine months ended September 30, 2023 was \$4.24 and \$4.20, respectively, as compared to \$5.15 and \$4.96, respectively, for the same periods in 2022.

At current consumption levels, we believe a twenty-cent per gallon change in the price of diesel fuel would change our fuel costs by approximately \$27 million per year. Offsetting these changes in fuel expense would be changes in our fuel recovery fee charged to our customers. At current participation rates, a twenty-cent per gallon change in the price of diesel fuel would change our fuel recovery fee by approximately \$31 million per year.

- Landfill operating costs increased primarily due to increased leachate transportation and disposal costs due in part to increased rainfall in select geographic regions, as well as certain favorable remediation adjustments recorded during the nine months ended September 30, 2022 which did not recur in 2023.
- Risk management expenses increased primarily due to unfavorable actuarial developments in our automotive programs as well as higher premium costs.
- Other costs of operations increased due to increased occupancy and facility related expenses, acquisition-related activity, and higher third-party truck and equipment rentals to support higher volumes.

Depreciation, Amortization and Depletion of Property and Equipment

The following table summarizes depreciation, amortization and depletion of property and equipment for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Depreciation and amortization of property and equipment	\$ 227.6	5.9 %	\$ 209.5	5.8 %	\$ 657.7	5.9 %	\$ 599.1	6.0 %
Landfill depletion and amortization	121.4	3.2	116.6	3.2	346.5	3.1	328.1	3.3
Depreciation, amortization and depletion expense	<u>\$ 349.0</u>	<u>9.1 %</u>	<u>\$ 326.1</u>	<u>9.1 %</u>	<u>\$ 1,004.2</u>	<u>9.0 %</u>	<u>\$ 927.2</u>	<u>9.3 %</u>

Depreciation and amortization of property and equipment increased in aggregate dollars for the three and nine months ended September 30, 2023 primarily due to assets added through acquisitions.

Landfill depletion and amortization expense increased in aggregate dollars for the three and nine months ended September 30, 2023 due to higher landfill disposal volumes primarily driven by special waste and solid waste volumes coupled with an increase in our overall average depletion rate. These increases were partially offset by favorable amortization adjustments related to the asset retirement obligations at certain of our landfills during the nine months ended September 30, 2023.

Amortization of Other Intangible Assets

Amortization of other intangible assets primarily relates to customer relationships and, to a lesser extent, non-compete agreements. Expenses for amortization of other intangible assets were \$17.3 million and \$47.4 million, or 0.5% and 0.4% of revenue, for the three and nine months ended September 30, 2023, respectively, compared to \$14.9 million and \$38.6 million, or 0.4% of revenue, for the same respective periods in 2022. Amortization expense increased due to assets added through acquisition activity.

Amortization of Other Assets

Our other assets primarily relate to the prepayment of fees and capitalized implementation costs associated with cloud-based hosting arrangements. Expenses for amortization of other assets were \$16.0 million and \$47.8 million, or 0.4% of revenue, for the three and nine months ended September 30, 2023, respectively, compared to \$12.9 million and \$36.0 million, or 0.3% of revenue, for the same respective periods in 2022.

Accretion Expense

Accretion expense was \$24.6 million, or 0.6% of revenue, and \$73.2 million, or 0.7% of revenue, for the three and nine months ended September 30, 2023, respectively, compared to \$22.8 million and \$66.9 million, or 0.7% of revenue, for the same respective periods in 2022. Accretion expense increased in aggregate dollars primarily due to asset retirement obligations assumed in connection with acquisitions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include salaries, health and welfare benefits, and incentive compensation for corporate and field general management, field support functions, sales force, accounting and finance, legal, management information systems, and clerical and administrative departments. Other expenses include rent and office costs, fees for professional services provided by third parties, legal settlements, marketing, investor and community relations services, directors' and officers' insurance, general employee relocation, travel, entertainment and bank charges. Restructuring charges are excluded from selling, general and administrative expenses and are discussed separately.

The following table summarizes our selling, general and administrative expenses for the three and nine months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Salaries and related benefits	\$ 254.2	6.6 %	\$ 239.2	6.6 %	\$ 770.6	6.9 %	\$ 684.1	6.9 %
Provision for doubtful accounts	18.9	0.5	10.6	0.3	38.6	0.3	27.8	0.3
Other	122.8	3.2	101.9	2.9	343.8	3.1	282.0	2.8
Subtotal	395.9	10.3	351.7	9.8	1153.0	10.3	993.9	10.0
US Ecology, Inc. acquisition integration and deal costs	6.2	0.2	9.3	0.2	24.3	0.2	65.1	0.6
Total selling, general and administrative expenses	<u>\$ 402.1</u>	<u>10.5 %</u>	<u>\$ 361.0</u>	<u>10.0 %</u>	<u>\$ 1,177.3</u>	<u>10.5 %</u>	<u>\$ 1,059.0</u>	<u>10.6 %</u>

These cost categories may change from time to time and may not be comparable to similarly titled categories presented by other companies. As such, you should take care when comparing our selling, general and administrative expenses by cost component to those of other companies and of ours for prior periods.

The most significant items affecting our selling, general and administrative expenses during the three and nine months ended September 30, 2023 and 2022 are summarized below:

- Salaries and related benefits increased primarily due to higher wages and benefits resulting from annual merit increases. Acquisition-related growth also contributed to the growth in salaries and related benefits in aggregate dollars.
- Provision for doubtful accounts increased in aggregate dollars primarily due to acquisition-related activity. As of September 30, 2023, our days sales outstanding were 43.5, or 32.0 days net of deferred revenue, compared to 42.9, or 31.2 days net of deferred revenue, as of September 30, 2022.
- Other selling, general and administrative expenses increased for the three and nine months ended September 30, 2023, due to both an increase in meeting and travel costs and acquisition-related growth.
- We incurred various acquisition integration and deal costs in connection with the acquisition of US Ecology. During the three and nine months ended September 30, 2023, these charges totaled \$6.2 million and \$24.3 million, respectively, compared to \$9.3 million and \$65.1 million during the same respective periods in 2022. The 2023 costs primarily related to the integration of certain software systems as well as rebranding of the business, while the 2022 costs included certain costs to close the acquisition.

Restructuring Charges

For a discussion of Restructuring Charges incurred during the three and nine months ended September 30, 2023 and 2022, see *Overview* of this *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

Interest Expense

The following table provides the components of interest expense, including accretion of debt discounts and accretion of discounts primarily associated with environmental and risk insurance liabilities assumed in acquisitions, for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest expense on debt	\$ 108.6	\$ 89.0	\$ 317.1	\$ 230.0
Non-cash interest	20.4	17.7	65.5	55.3
Less: capitalized interest	(1.4)	(1.5)	(3.8)	(2.7)
Total interest expense	<u>\$ 127.6</u>	<u>\$ 105.2</u>	<u>\$ 378.8</u>	<u>\$ 282.6</u>

Total interest expense for the three and nine months ended September 30, 2023 increased primarily due to additional outstanding debt on our term loan and revolving lines of credit used to fund the purchase of US Ecology and higher interest rates on our floating rate debt. The increase attributable to our fixed rate debt is primarily due to the issuance of additional senior notes used to refinance amounts outstanding under our term loan and revolving lines of credit and for general corporate purposes.

For the nine months ended September 30, 2023 and 2022, cash paid for interest, excluding net swap settlements for our fixed-to-floating and floating-to-fixed interest rate swaps, was \$321.5 million and \$232.4 million, respectively.

As of September 30, 2023, we had \$2,316.4 million of principal floating rate debt including interest rate swap contracts. If interest rates increased or decreased by 100 basis points on our variable rate debt, annualized interest expense and net cash payments for interest would increase or decrease by approximately \$23 million.

Income Taxes

Our effective tax rate, exclusive of non-controlling interests, for the three and nine months ended September 30, 2023 was 20.8% and 24.4%, respectively. Our effective tax rate, exclusive of non-controlling interests, for the three and nine months ended September 30, 2022 was 17.9% and 21.8%, respectively. Our effective tax rate for the nine months ended September 30, 2022 reflects benefits from investments in solar energy assets qualifying for tax credits under Section 48 of the Internal Revenue Code.

Net cash paid for income taxes was \$137.9 million and \$90.5 million for the nine months ended September 30, 2023 and 2022, respectively.

For additional discussion and detail regarding our income taxes, see Note 8, *Income Taxes*, to our unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Reportable Segments

Our senior management evaluates, oversees and manages the financial performance of our operations through three field groups, referred to as Group 1, Group 2 and Group 3. Group 1 is our recycling and solid waste business operating primarily in geographic areas located in the western United States. Group 2 is our recycling and solid waste business operating primarily in geographic areas located in the southeastern and mid-western United States and the eastern seaboard of the United States, and Canada. Group 3 is our environmental solutions business operating primarily in geographic areas located across the United States and Canada. These groups are presented below as our reportable segments, which each provide integrated environmental services, including but not limited to collection, transfer, recycling and disposal.

Corporate entities and other include legal, tax, treasury, information technology, risk management, human resources, closed landfills, and other administrative functions. National Accounts revenue included in Corporate entities and other represents the portion of revenue generated from nationwide and regional contracts in markets outside our operating areas where the associated material handling is subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations. Revenue and overhead costs of Corporate entities and other are either specifically assigned or allocated on a rational and consistent basis among our reportable segments to calculate Adjusted EBITDA.

Adjusted EBITDA is the single financial measure our chief operating decision maker (CODM) uses to evaluate operating segment profitability and determine resource allocations. Summarized financial information regarding our reportable segments for the three months ended September 30, 2023 and 2022 (in millions of dollars and as a percentage of revenue in the case of adjusted EBITDA margin) follows. For totals as well as further detail regarding our reportable segments and the adjustments used to calculate Adjusted EBITDA for each segment, see Note 12, *Segment Reporting*, of the notes to our unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

	Group 1	Group 2	Recycling & Solid Waste Subtotal	Group 3 (Environmental Solutions)	Corporate entities and other	Total
Three Months Ended September 30, 2023						
Gross Revenue	\$ 2,000.3	\$ 1,927.0	\$ 3,927.3	\$ 425.2	\$ 61.7	\$ 4,414.2
Intercompany Revenue	(294.6)	(261.2)	(555.8)	(15.3)	(17.2)	(588.3)
Revenue allocations	25.7	23.9	49.6	(5.1)	(44.5)	—
Net Revenue	\$ 1,731.4	\$ 1,689.7	\$ 3,421.1	\$ 404.8	\$ —	\$ 3,825.9
Adjusted EBITDA	\$ 553.8	\$ 500.2	\$ 1,054.0	\$ 91.7	\$ —	\$ 1,145.7
Capital Expenditures	\$ 165.4	\$ 140.7	\$ 306.1	\$ 25.2	\$ 37.7	\$ 369.0
Total Assets	\$ 13,112.7	\$ 10,838.5	\$ 23,951.3	\$ 4,011.0	\$ 2,080.6	\$ 30,042.8
Three Months Ended September 30, 2022						
Gross Revenue	\$ 1,840.6	\$ 1,837.4	\$ 3,678.0	\$ 411.0	\$ 64.3	\$ 4,153.3
Intercompany Revenue	(281.3)	(246.7)	(528.0)	(11.3)	(16.2)	(555.5)
Revenue allocations	25.8	24.8	50.6	(2.5)	(48.1)	—
Net Revenue	\$ 1,585.1	\$ 1,615.5	\$ 3,200.6	\$ 397.2	\$ —	\$ 3,597.8
Adjusted EBITDA	\$ 510.6	\$ 466.1	\$ 976.7	\$ 74.6	\$ —	\$ 1,051.3
Capital Expenditures	\$ 133.5	\$ 115.1	\$ 248.6	\$ 29.2	\$ (0.3)	\$ 277.5
Total Assets	\$ 12,232.0	\$ 10,303.0	\$ 22,535.0	\$ 3,991.7	\$ 1,874.3	\$ 28,401.0

Summarized financial information concerning our reportable segments for the nine months ended September 30, 2023 and 2022 follows:

	Group 1	Group 2	Recycling & Solid Waste Subtotal	Group 3 (Environmental Solutions)	Corporate entities and other	Total
Nine Months Ended September 30, 2023						
Gross Revenue	\$ 5,774.3	\$ 5,653.2	\$ 11,427.5	\$ 1,280.4	\$ 174.8	\$ 12,882.7
Intercompany Revenue	(881.1)	(763.5)	(1,644.6)	(47.3)	(57.9)	(1,749.8)
Revenue allocations	71.0	67.6	138.6	(21.7)	(116.9)	—
Net Revenue	\$ 4,964.2	\$ 4,957.3	\$ 9,921.5	\$ 1,211.4	\$ —	\$ 11,132.9
Adjusted EBITDA	\$ 1,570.4	\$ 1,464.5	\$ 3,034.9	\$ 267.0	\$ —	\$ 3,301.9
Capital Expenditures	\$ 422.0	\$ 384.8	\$ 806.8	\$ 66.4	\$ 210.0	\$ 1,083.2
Total Assets	\$ 13,112.7	\$ 10,838.5	\$ 23,951.3	\$ 4,011.0	\$ 2,080.6	\$ 30,042.8
Nine Months Ended September 30, 2022						
Gross Revenue	\$ 5,306.1	\$ 5,261.3	\$ 10,567.4	\$ 827.8	\$ 181.7	\$ 11,576.9
Intercompany Revenue	(815.2)	(712.9)	(1,528.1)	(32.8)	(34.5)	(1,595.4)
Revenue allocations	77.4	74.1	151.5	(4.3)	(147.2)	—
Net Revenue	\$ 4,568.3	\$ 4,622.5	\$ 9,190.8	\$ 790.7	\$ —	\$ 9,981.5
Adjusted EBITDA	\$ 1,491.3	\$ 1,333.9	\$ 2,825.2	\$ 139.1	\$ —	\$ 2,964.3
Capital Expenditures	\$ 376.5	\$ 329.2	\$ 705.7	\$ 80.4	\$ 138.7	\$ 924.8
Total Assets	\$ 12,232.0	\$ 10,303.0	\$ 22,535.0	\$ 3,991.7	\$ 1,874.3	\$ 28,401.0

Significant changes in the revenue and Adjusted EBITDA of our reportable segments comparing the three and nine months ended September 30, 2023 and 2022 are discussed below.

Group 1

Net revenue for both the three and nine months ended September 30, 2023 increased 8.7% due to an increase in average yield in all lines of business and volume in our collection and landfill lines of business, partially offset by volume declines in our transfer line of business. The increase in landfill volume was attributable to an increase in special waste, solid waste and construction and demolition volumes. Revenue also increased due to acquisition-related growth.

Adjusted EBITDA in Group 1 increased in aggregate dollars from \$510.6 million for the three months ended September 30, 2022 to \$553.8 million for the three months ended September 30, 2023. Adjusted EBITDA in Group 1 increased in aggregate dollars from \$1,491.3 million for the nine months ended September 30, 2022, to \$1,570.4 million for the nine months ended September 30, 2023.

Adjusted EBITDA for the three and nine months ended September 30, 2023 was unfavorably impacted by an increase in labor costs, higher third party maintenance costs due to inflationary pressures and a decrease in recycled commodity prices. The unfavorable impact was partially offset by decreases in fuel costs due to a decrease in average fuel cost per gallon.

Group 2

Net revenue for both the three and nine months ended September 30, 2023 increased 7.2% due to an increase in average yield in all lines of business. Additionally, volume increased in our landfill and small-container collection lines of business, partially offset by declines in our large-container and residential collection lines of business. The increase in landfill volume was primarily attributable to an increase in special waste volume, which was partially offset by a decline in solid waste, and construction and demolition volumes. Revenue also increased due to acquisition-related growth.

Adjusted EBITDA in Group 2 increased in aggregate dollars from \$466.1 million for the three months ended September 30, 2022, to \$500.2 million for the three months ended September 30, 2023. Adjusted EBITDA in Group 2 increased in aggregate dollars from \$1,333.9 million for the nine months ended September 30, 2022, to \$1,464.5 million for the nine months ended September 30, 2023.

Adjusted EBITDA for the three and nine months ended September 30, 2023 was favorably impacted by a decrease in fuel costs due to a decrease in average fuel cost per gallon and effective management of disposal costs. The increase in adjusted EBITDA was partially offset by higher third party maintenance costs due to inflationary pressures and a decrease in recycled commodity prices.

Group 3

Net revenue for both the three and nine months ended September 30, 2023 increased due to acquisition-related growth, specifically the acquisition of US Ecology.

Adjusted EBITDA in Group 3 increased in aggregate dollars from \$74.6 million for the three months ended September 30, 2022, to \$91.7 million for the three months ended September 30, 2023. Adjusted EBITDA in Group 3 increased in aggregate dollars from \$139.1 million for the nine months ended September 30, 2022, to \$267.0 million for the nine months ended September 30, 2023.

Adjusted EBITDA for the three and nine months ended September 30, 2023 increased primarily due to favorable pricing, acquisition-related growth and realized cost synergies associated with the US Ecology acquisition.

Landfill and Environmental Matters

Available Airspace

As of September 30, 2023, we owned or operated 208 active landfills with total available disposal capacity estimated to be 5.1 billion in-place cubic yards. For these landfills, the following table reflects changes in capacity and remaining capacity, as measured in cubic yards of airspace:

	Balance as of December 31, 2022	New Expansions Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted / New Sites, Net of Closures	Airspace Consumed	Changes in Engineering Estimates	Balance as of September 30, 2023
Cubic yards (in millions):							
Permitted airspace	4,816.8	—	8.3	44.3	(64.7)	1.1	4,805.8
Probable expansion airspace	197.5	124.5	—	(35.8)	—	—	286.2
Total cubic yards (in millions)	5,014.3	124.5	8.3	8.5	(64.7)	1.1	5,092.0
Number of sites:							
Permitted airspace	206	—	2	—	—	—	208
Probable expansion airspace	13	3	—	(2)	—	—	14

Total available disposal capacity represents the sum of estimated permitted airspace plus an estimate of probable expansion airspace. Engineers develop these estimates at least annually using information provided by annual aerial surveys. Before airspace included in an expansion area is determined to be probable expansion airspace and, therefore, included in our calculation of total available disposal capacity, it must meet all of our expansion criteria.

As of September 30, 2023, 14 of our landfills met all of our criteria for including their probable expansion airspace in their total available disposal capacity. At projected annual volumes, these 14 landfills have an estimated remaining average site life of 47 years, including probable expansion airspace. The average estimated remaining life of all of our landfills is 58 years. We have other expansion opportunities that are not included in our total available airspace because they do not meet all of our criteria for treatment as probable expansion airspace.

Remediation and Other Charges for Landfill Matters

It is reasonably possible that we will need to adjust our accrued landfill and environmental liabilities to reflect the effects of new or additional information, to the extent that such information impacts the costs, timing or duration of the required actions. Future changes in our estimates of the costs, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

For a description of our significant remediation matters, see Note 6, *Landfill and Environmental Costs*, of the notes to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Property and Equipment

The following tables reflect the activity in our property and equipment accounts for the nine months ended September 30, 2023:

Gross Property and Equipment								
	Balance as of December 31, 2022	Capital Additions	Retirements	Acquisitions, Net of Divestitures	Non-cash Additions for Asset Retirement Obligations	Adjustments for Asset Retirement Obligations	Impairments, Transfers, Foreign Currency Translation and Other Adjustments	Balance as of September 30, 2023
Land	\$ 779.7	\$ (0.6)	\$ (2.0)	\$ 51.7	\$ —	\$ —	\$ 0.4	\$ 829.2
Landfill development costs	9,574.2	7.5	—	(186.3)	46.3	(9.8)	190.5	9,622.4
Vehicles and equipment	9,465.3	451.4	(260.6)	86.5	—	—	117.4	9,860.0
Buildings and improvements	1,704.6	50.9	(11.5)	39.1	—	—	56.8	1,839.9
Construction-in-progress - landfill	358.3	271.9	—	(38.6)	—	—	(194.4)	397.2
Construction-in-progress - other	358.6	195.7	—	27.0	—	—	(194.3)	387.0
Total	\$ 22,240.7	\$ 976.8	\$ (274.1)	\$ (20.6)	\$ 46.3	\$ (9.8)	\$ (23.6)	\$ 22,935.7

Accumulated Depreciation, Amortization and Depletion								
	Balance as of December 31, 2022	Additions Charged to Expense	Retirements	Acquisitions, Net of Divestitures	Adjustments for Asset Retirement Obligations	Impairments, Transfers, Foreign Currency Translation and Other Adjustments	Balance as of September 30, 2023	
Landfill development costs	\$ (5,058.9)	\$ (349.7)	\$ —	\$ —	\$ 2.9	\$ 0.4	\$ (5,405.3)	
Vehicles and equipment	(5,679.9)	(594.4)	254.0	0.1	—	1.5	(6,018.7)	
Buildings and improvements	(757.9)	(64.9)	5.4	—	—	7.1	(810.3)	
Total	\$ (11,496.7)	\$ (1,009.0)	\$ 259.4	\$ 0.1	\$ 2.9	\$ 9.0	\$ (12,234.3)	

Liquidity and Capital Resources

Cash and Cash Equivalents

The following is a summary of our cash and cash equivalents and restricted cash and marketable securities balances as of:

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 157.5	\$ 143.4
Restricted cash and marketable securities	153.3	127.6
Less: restricted marketable securities	(57.0)	(56.7)
Cash, cash equivalents, restricted cash and restricted cash equivalents	<u>\$ 253.8</u>	<u>\$ 214.3</u>

Our restricted cash and marketable securities includes amounts pledged to regulatory agencies and governmental entities as financial guarantees of our performance under certain collection, landfill and transfer station contracts and permits, and relating to our final capping, closure and post-closure obligations at our landfills as well as restricted cash and marketable securities related to our insurance obligations.

The following table summarizes our restricted cash and marketable securities:

	September 30, 2023	December 31, 2022
Capping, closure and post-closure obligations	\$ 43.0	\$ 39.1
Insurance	110.3	88.5
Total restricted cash and marketable securities	<u>\$ 153.3</u>	<u>\$ 127.6</u>

Material Cash Requirements and Intended Uses of Cash

We expect existing cash, cash equivalents, restricted cash and marketable securities, cash flows from operations and financing activities to continue to be sufficient to fund our operating activities and cash commitments for investing and financing activities for at least the next 12 months and thereafter for the foreseeable future. Our known current- and long-term uses of

cash include, among other possible demands: (1) capital expenditures and leases; (2) acquisitions; (3) dividend payments; (4) repayments to service debt and other long-term obligations; (5) payments for asset retirement obligations and environmental liabilities; and (6) share repurchases.

We may choose to voluntarily retire certain portions of our outstanding debt before their maturity dates using cash from operations or additional borrowings. We may also explore opportunities in the capital markets to fund redemptions should market conditions be favorable. Early extinguishment of debt will result in an impairment charge in the period in which the debt is repaid. The loss on early extinguishment of debt relates to premiums paid to effectuate the repurchase and the relative portion of unamortized note discounts and debt issue costs.

Acquisitions

Our acquisition growth strategy focuses primarily on acquiring privately held recycling and solid waste companies and environmental solutions businesses that complement our existing business platform. We continue to invest in value-enhancing acquisitions in existing markets.

We expect to invest at least \$1.0 billion in acquisitions in 2023.

Commercial Paper Program

In 2022, we entered into a commercial paper program for the issuance and sale of unsecured commercial paper in an aggregate principal amount not to exceed \$1.0 billion outstanding at any one time (the Commercial Paper Cap). As of September 30, 2023, we had \$523.0 million principal value of commercial paper issued and outstanding under the program, with a weighted average interest rate of 5.447% and weighted average maturity of 8 days.

Summary of Cash Flow Activity

The major components of changes in cash flows are discussed in the following paragraphs. The following table summarizes our cash flow from operating activities, investing activities and financing activities for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,	
	2023	2022
Cash Provided by Operating Activities	\$ 2,719.3	\$ 2,380.0
Cash Used in Investing Activities	\$ (2,100.8)	\$ (3,700.9)
Cash (Used in) Provided by Financing Activities	\$ (579.2)	\$ 1,366.2

Cash Flows Provided by Operating Activities

We use cash flows from operations to fund capital expenditures and leases, acquisitions, dividend payments, share repurchases, interest payments and repayments of debt and other long-term obligations, and payments for asset retirement obligations and environmental liabilities.

The most significant items affecting the comparison of our cash flows provided by operating activities for the nine months ended September 30, 2023 and 2022 are summarized below.

Changes in assets and liabilities, net of effects from business acquisitions and divestitures, increased our cash flow from operations by \$68.9 million during the nine months ended September 30, 2023, compared to a decrease of \$112.5 million during the same period in 2022, primarily as a result of the following:

- Our accounts receivable, exclusive of the change in allowance for doubtful accounts and customer credits, increased \$161.0 million during the nine months ended September 30, 2023 due to the timing of billings net of collections, compared to a \$206.1 million increase in the same period in 2022. As of September 30, 2023, our days sales outstanding were 43.5, or 32.0 days net of deferred revenue, compared to 42.9, or 31.2 days net of deferred revenue, as of September 30, 2022.
- Our prepaid expenses and other assets decreased \$121.4 million during the nine months ended September 30, 2023, compared to a \$28.0 million decrease in the same period in 2022, primarily driven by a decrease of tax receivables due to the timing of our estimated tax payments. Cash paid for incomes taxes was \$137.9 million and \$90.5 million for the nine months ended September 30, 2023 and 2022, respectively.
- Our accounts payable increased \$93.5 million during the nine months ended September 30, 2023, compared to a \$97.7 million increase in the same period in 2022, due to the timing of payments.
- Cash paid for capping, closure and post-closure obligations was \$40.5 million during the nine months ended September 30, 2023, compared to \$35.6 million in the same period in 2022. The increase in cash paid for capping, closure, and post-closure obligations is primarily due to the timing of capping and post-closure payments at certain of our landfill sites.

- Cash paid for remediation obligations was \$5.9 million lower during the nine months ended September 30, 2023, compared to the same period in 2022.

In addition, cash paid for interest, excluding net swap settlements for our fixed-to-floating and floating-to-fixed interest rate swaps, was \$321.5 million and \$232.4 million for the nine months ended September 30, 2023 and 2022, respectively.

Cash Flows Used in Investing Activities

The most significant items affecting the comparison of our cash flows used in investing activities for the nine months ended September 30, 2023 and 2022 are summarized below:

- Capital expenditures during the nine months ended September 30, 2023 were \$1,083.2 million, compared with \$924.8 million for the same period in 2022.
- During the nine months ended September 30, 2023 and 2022, we paid \$1,051.1 million and \$2,847.6 million, respectively, for acquisitions and investments.

We intend to finance future capital expenditures and acquisitions through cash on hand, restricted cash held for capital expenditures, cash flows from operations, our revolving credit facilities, and tax-exempt bonds and other financings. We expect to primarily use cash and borrowings under our revolving credit facilities to pay for future business acquisitions.

Cash Flows (Used in) Provided by Financing Activities

The most significant items affecting the comparison of our cash flows (used in) provided by financing activities for the nine months ended September 30, 2023 and 2022 are summarized below:

- Net proceeds from notes payable and long-term debt and senior notes were \$99.1 million during the nine months ended September 30, 2023, compared to net proceeds of \$2,024.3 million during the same period in 2022.
- During the nine months ended September 30, 2023, we repurchased 1.3 million shares of our common stock for \$190.4 million, compared to repurchases of 1.6 million shares for \$203.5 million during the same period in 2022.
- Dividends paid were \$469.5 million and \$436.5 million during the nine months ended September 30, 2023 and 2022, respectively.

Financial Condition

Debt Obligations

As of September 30, 2023, we had \$932.3 million of principal debt maturing within the next 12 months, which includes certain finance lease obligations. All of our tax-exempt financings are remarketed either quarterly or semiannually by remarketing agents to effectively maintain a variable yield, with the exception of one tax-exempt financing with an initial remarketing period of 10 years. The holders of the bonds can put them back to the remarketing agents at the end of each interest period. If the remarketing agent is unable to remarket our bonds, the remarketing agent can put the bonds to us. In the event of a failed remarketing, as of September 30, 2023, we had availability under our \$3.0 billion unsecured revolving credit facility to fund these bonds until they are remarketed successfully. In the event of a failed re-borrowing, we currently have availability under our Credit Facility to fund the commercial paper program until it is re-borrowed successfully. Accordingly, we have classified these tax-exempt financings and commercial paper program borrowings as long-term in our consolidated balance sheet as of September 30, 2023.

For further discussion of the components of our overall debt, see Note 7, *Debt*, of the notes to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Credit Facilities

Uncommitted Credit Facility

In January 2022, we entered into a \$200.0 million unsecured uncommitted revolving credit facility (the Uncommitted Credit Facility). The Uncommitted Credit Facility bears interest at an annual percentage rate to be agreed upon by both parties. Borrowings under the Uncommitted Credit Facility can be used for working capital, letters of credit, and other general corporate purposes. The agreement governing our Uncommitted Credit Facility requires us to comply with certain covenants. The Uncommitted Credit Facility may be terminated by either party at any time. As of September 30, 2023, we had \$9.9 million of borrowings outstanding under our Uncommitted Credit Facility. As of December 31, 2022, we had no borrowings outstanding under our Uncommitted Credit Facility.

The Credit Facility

In August 2021, we entered into a \$3.0 billion unsecured revolving credit facility (the Credit Facility). Borrowings under the Credit Facility mature in August 2026. As permitted by the Credit Facility, we have the right to request two one-year extensions of the maturity date, but none of the lenders are committed to participate in such extensions. The Credit Facility also includes a

feature that allows us to increase availability, at our option, by an aggregate amount of up to \$1.0 billion through increased commitments from existing lenders or the addition of new lenders.

In February 2023, we entered into Amendment No. 1 to the Credit Facility (the Credit Facility Amendment) to add our subsidiary, USE Canada Holdings, Inc. (the Canadian Borrower), as an additional borrower under the Credit Facility. The Credit Facility Amendment provides that the aggregate of (i) all loans to the Canadian Borrower and (ii) all loans denominated in Canadian dollars cannot exceed \$500 million (the Canadian Sublimit). The Canadian Sublimit is part of, and not in addition to, the aggregate commitments under the Credit Facility.

Borrowings under the Credit Facility in United States dollars bear interest at a Base Rate, a daily floating SOFR or a term SOFR plus a current applicable margin of 0.910% based on our Debt Ratings (all as defined in the Credit Facility agreement). The Canadian dollar-denominated loans bear interest based on the Canadian Prime rate or the Canadian Dollar Offered Rate plus a current applicable margin of 0.910% based on our Debt Ratings. As of September 30, 2023, C\$209.7 million was outstanding against the Canadian Sublimit, with an interest rate of 6.386%.

The Credit Facility is subject to facility fees based on applicable rates defined in the Credit Facility agreement and the aggregate commitment, regardless of usage. The Credit Facility can be used for working capital, capital expenditures, acquisitions, letters of credit and other general corporate purposes. The Credit Facility agreement requires us to comply with financial and other covenants. We may pay dividends and repurchase common stock if we are in compliance with these covenants.

We had \$154.4 million (all related to Canadian-denominated loans) and \$250.0 million outstanding under the Credit Facility as of September 30, 2023 and December 31, 2022, respectively. We had \$336.5 million and \$347.6 million of letters of credit outstanding under our Credit Facility as of September 30, 2023 and December 31, 2022, respectively. We also had \$523.0 million and \$1.0 billion of principal borrowings outstanding under our commercial paper program as of September 30, 2023 and December 31, 2022, respectively. As a result, availability under our Credit Facility was \$1,986.1 million and \$1,402.4 million as of September 30, 2023 and December 31, 2022, respectively.

Financial and Other Covenants

The Credit Facility requires us to comply with financial and other covenants. To the extent we are not in compliance with these covenants, we cannot pay dividends or repurchase common stock. Compliance with covenants also is a condition for any incremental borrowings under the Credit Facility, and failure to meet these covenants would enable the lenders to require repayment of any outstanding loans (which would adversely affect our liquidity). The Credit Facility provides that our total debt to EBITDA ratio may not exceed 3.75 to 1.00 as of the last day of any fiscal quarter. In the case of an "elevated ratio period", which may be elected by us if one or more acquisitions during a fiscal quarter involve aggregate consideration in excess of \$200.0 million (the Trigger Quarter), the total debt to EBITDA ratio may not exceed 4.25 to 1.00 during the Trigger Quarter and for the three fiscal quarters thereafter. The Credit Facility also provides that there may not be more than two elevated ratio periods during the term of the Credit Facility agreement. As of September 30, 2023, our total debt to EBITDA ratio was approximately 2.9 compared to the 3.75 maximum allowed by the covenants. As of September 30, 2023, we were in compliance with the covenants under our Credit Facility, and we expect to be in compliance throughout the remainder of 2023.

EBITDA, which is a non-U.S. GAAP measure, is calculated as defined in our Credit Facility agreement. In this context, EBITDA is used solely to provide information regarding the extent to which we are in compliance with debt covenants and is not comparable to EBITDA used by other companies or used by us for other purposes.

Failure to comply with the financial and other covenants under the Credit Facility, as well as the occurrence of certain material adverse events, would constitute defaults and would allow the lenders under the Credit Facility to accelerate the maturity of all indebtedness under the Credit Facility. This could have an adverse effect on the availability of financial assurances. In addition, maturity acceleration on the Credit Facility constitutes an event of default under our other debt and derivative instruments, including our senior notes, and, therefore, our senior notes would also be subject to acceleration of maturity. If such acceleration were to occur, we would not have sufficient liquidity available to repay the indebtedness. We would likely have to seek an amendment under the Credit Facility for relief from the financial covenant or repay the debt with proceeds from the issuance of new debt or equity, or asset sales, if necessary. We may be unable to amend the Credit Facility or raise sufficient capital to repay such obligations in the event the maturity is accelerated.

Term Loan Facility

On April 29, 2022, we entered into the \$1.0 billion Term Loan Facility. The Term Loan Facility will mature on April 29, 2025 and bears interest at a base rate or a forward-looking SOFR, plus an applicable margin based on our debt ratings. The current weighted average interest rate is 6.216%. We may prepay, without penalty, all or any part of the borrowings under the Term Loan Facility at any time.

On May 2, 2022, we completed the acquisition of US Ecology using proceeds from the Term Loan Facility and borrowings under the Credit Facility.

During the three months ended September 30, 2023, we used a portion of the proceeds from our senior note issuance described below under *Senior Notes and Debentures* to pay down a portion of the Term Loan Facility. As a result, we incurred a non-cash loss on the early extinguishment of debt related to the ratable portion of unamortized deferred issuance costs of \$0.2 million.

We had \$700.0 million and \$1.0 billion in borrowings outstanding under the Term Loan Facility as of September 30, 2023 and December 31, 2022, respectively.

Commercial Paper Program

In May 2022, we entered into a commercial paper program for the issuance and sale of unsecured commercial paper in an aggregate principal amount not to exceed the Commercial Paper Cap. As of September 30, 2023, we had \$523.0 million principal value of commercial paper issued and outstanding under the program, with a weighted average interest rate of 5.447% and weighted average maturity of 8 days. In the event of a failed re-borrowing, we currently have availability under our Credit Facility to fund the commercial paper program until it is re-borrowed successfully. Accordingly, we have classified these borrowings as long-term in our consolidated balance sheet as of September 30, 2023.

Senior Notes and Debentures

In March 2023, we issued \$400.0 million of 4.875% senior notes due 2029 (the 4.875% Notes) and \$800.0 million of 5.000% senior notes due 2034 (the 5.000% Notes, and together with the 4.875% Notes, the Notes). The Notes are unsecured and unsubordinated and rank equally with our other unsecured obligations. We used the net proceeds from the Notes for general corporate purposes, including the repayment of a portion of amounts outstanding under the Uncommitted Credit Facility, the Commercial Paper Program, the Credit Facility, and the Term Loan Facility.

Our senior notes and debentures are general unsecured obligations. Interest is payable semi-annually.

Derivative Instruments and Hedging Relationships

Our ability to obtain financing through the capital markets is a key component of our financial strategy. Historically, we have managed risk associated with executing this strategy, particularly as it relates to fluctuations in interest rates, by using a combination of fixed and floating rate debt. From time to time, we also have entered into interest rate swap and lock agreements to manage risk associated with interest rates, either to effectively convert specific fixed rate debt to a floating rate (fair value hedges), or to lock interest rates in anticipation of future debt issuances (cash flow hedges).

Additionally, we amended certain interest rate lock agreements, extending the mandatory maturity date and redesignated them as cash flow hedges (the Extended Interest Rate Locks). In addition, we entered into offsetting interest rate swaps to offset future exposures to fair value fluctuations of the Extended Interest Rate Locks.

For a description of our derivative contracts and hedge accounting, see Note 7, *Debt*, to our unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Tax-Exempt Financings

As of September 30, 2023, we had \$1,280.5 million of certain variable rate tax-exempt financings outstanding, with maturities ranging from 2024 to 2053. As of December 31, 2022, we had \$1,182.0 million of certain variable rate tax-exempt financings outstanding, with maturities ranging from 2023 to 2051.

Finance Leases

As of September 30, 2023, we had finance lease liabilities of \$254.6 million with maturities ranging from 2024 to 2063. As of December 31, 2022, we had finance lease liabilities of \$247.5 million with maturities ranging from 2023 to 2063.

Credit Ratings

Our continued access to the debt capital markets and to new financing facilities, as well as our borrowing costs, depend on multiple factors, including market conditions, our operating performance and maintaining strong credit ratings. As of September 30, 2023, our credit ratings were BBB+, Baa1 and BBB+ by Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings, Inc., respectively. If our credit ratings were downgraded, especially any downgrade to below investment grade, our ability to access the debt markets with the same flexibility that we have experienced historically, our cost of funds and other terms for new debt issuances, could be adversely impacted.

Off-Balance Sheet Arrangements

We have no off-balance sheet debt or similar obligations, other than short-term operating leases and financial assurances, which are not classified as debt. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported financial position or results of operations. We have not guaranteed any third-party debt.

Seasonality and Severe Weather

Our operations can be adversely affected by periods of inclement or severe weather, which could increase the volume of waste collected under our existing contracts (without corresponding compensation), delay the collection and disposal of waste, reduce the volume of waste delivered to our disposal sites, or delay the construction or expansion of our landfills and other facilities. Our operations also can be favorably affected by severe weather, which could increase the volume of waste in situations where we are able to charge for our additional services.

Contingencies

For a description of our commitments and contingencies, see Note 6, *Landfill and Environmental Costs*, Note 8, *Income Taxes*, and Note 14, *Commitments and Contingencies*, to our unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Judgments and Estimates

We identified and discussed our critical accounting judgments and estimates in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Although we believe our estimates and judgments are reasonable, they are based upon information available at the time the judgment or estimate is made. Actual results may differ significantly from estimates under different assumptions or conditions.

New Accounting Pronouncements

For a description of new accounting standards that may affect us, see Note 1, *Basis of Presentation*, to our unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Fuel Price Risk

Fuel costs represent a significant operating expense. When economically practical, we may enter into new fuel hedges, renew contracts, or engage in other strategies to mitigate market risk. As of September 30, 2023, we had no fuel hedges in place. While we charge fuel recovery fees to a majority of our customers, we are unable to charge such fees to all customers.

At current consumption levels, we believe a twenty-cent per gallon change in the price of diesel fuel would change our fuel costs by approximately \$27 million per year. Offsetting these changes in fuel expense would result in changes in our fuel recovery fee charged to our customers. At current participation rates, we believe a twenty-cent per gallon change in the price of diesel fuel would change our fuel recovery fee by approximately \$31 million per year.

Our operations also require the use of certain petrochemical-based products (such as liners at our landfills) the cost of which may vary with the price of petrochemicals. An increase in the price of petrochemicals could increase the cost of those products, which would increase our operating and capital costs. We also are susceptible to increases in fuel recovery fees from our vendors.

Our fuel costs were \$406.3 million during the nine months ended September 30, 2023, or 3.6% of revenue, compared to \$474.1 million, or 4.7% of revenue, during the comparable period in 2022.

Commodities Price Risk

We market recovered materials such as old corrugated containers and old newsprint from our recycling centers. Changes in market supply and demand for recycled commodities causes volatility in commodity prices. In prior periods, we have entered into derivative instruments such as swaps and costless collars designated as cash flow hedges to manage our exposure to changes in prices of these commodities. As of September 30, 2023, we had no recycling commodity hedges in place.

At current volumes and mix of materials, we believe a \$10 change in the price of recycled commodities would change both annual revenue and operating income by approximately \$10 million.

Revenue from recycling processing and commodity sales during the nine months ended September 30, 2023 and 2022 was \$226.6 million and \$300.4 million, respectively.

Interest Rate Risk

We are subject to interest rate risk on our variable rate long-term debt. Additionally, we enter into various interest rate swap agreements with the goal of reducing overall borrowing costs and increasing our floating interest rate exposure, as well as interest rate locks to manage exposure to fluctuations in anticipation of future debt issuances. Our interest rate swap and lock contracts have been authorized pursuant to our policies and procedures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives.

As of September 30, 2023, we had \$2,316.4 million of principal floating rate debt and interest rate swap contracts with a notional value of \$360.0 million. If interest rates increased or decreased by 100 basis points on our variable rate debt, annualized interest expense and net cash payments for interest would increase or decrease by approximately \$23 million. This analysis does not reflect the effect that interest rates would have on other items, such as new borrowings and the impact on the economy. See Note 7, *Debt*, of the notes to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information regarding how we manage interest rate risk.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e), and 15d-15(e)) as of the end of the period covered by this Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Form 10-Q.

Changes in Internal Control Over Financial Reporting

Based on an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, there has been no change in our internal control over financial reporting during the period covered by this Form 10-Q identified in connection with that evaluation, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

In March 2023, we acquired all of the issued and outstanding shares of Wasteco Holdings Inc. and related subsidiaries. In June 2023, we acquired a vertically-integrated set of operations in Colorado from GFL Environmental Inc. As permitted by the SEC Staff interpretive guidance for newly acquired businesses, management's assessment of our internal control over financial reporting as of September 30, 2023 did not include an assessment of internal control over financial reporting as it relates to these acquisitions. We will continue the process of implementing internal controls over financial reporting for these acquired businesses. These businesses contributed approximately 1% of revenue to our unaudited consolidated financial statements for the nine months ended September 30, 2023.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

General Legal Proceedings

We are subject to extensive and evolving laws and regulations and have implemented safeguards to respond to regulatory requirements. In the normal course of our business, we become involved in legal proceedings. Some may result in fines, penalties or judgments against us, or settlements, which may impact earnings and cash flows for a particular period. Although we cannot predict the ultimate outcome of any legal matter with certainty, we do not believe the outcome of any of our pending legal proceedings will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

As used in the immediately following paragraph, the term *legal proceedings* refers to litigation and similar claims against us and our subsidiaries, excluding: (1) ordinary course accidents, general commercial liability and workers' compensation claims, which are covered by insurance programs, subject to customary deductibles, and which, together with self-insured employee health care costs, are discussed in Note 5, *Other Liabilities*, to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q; and (2) environmental remediation liabilities, which are discussed in Note 6, *Landfill and Environmental Costs*, to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We accrue for legal proceedings when losses become probable and reasonably estimable. We recorded an aggregate accrual of approximately \$16 million relating to our outstanding legal proceedings as of September 30, 2023. As of the end of each applicable reporting period, we review each of our legal proceedings and, where it is probable that a liability has been incurred, we accrue for all probable and reasonably estimable losses. Where we are able to reasonably estimate a range of losses we may incur with respect to such a matter, we record an accrual for the amount within the range that constitutes our best estimate. If we are able to reasonably estimate a range but no amount within the range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we had used the high ends of such ranges, our aggregate potential liability would be approximately \$9 million higher than the amount recorded as of September 30, 2023.

Legal Proceedings over Certain Environmental Matters Involving Governmental Authorities with Possible Sanctions of \$1,000,000 or More

Item 103 of the SEC's Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions unless we reasonably believe the monetary sanctions will not equal or exceed a threshold which we determine is reasonably designed to result in disclosure of any such proceeding that is material to our business or financial condition. We have determined such disclosure threshold to be \$1,000,000. We have no matters to disclose in accordance with that requirement.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES.**Issuer Purchases of Equity Securities**

The following table provides information relating to our purchases of shares of our common stock during the three months ended September 30, 2023:

	Total Number of Shares Purchased (a)	Average Price Paid per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Program (b)	Dollar Value of Shares that May Yet Be Purchased Under the Program (c)
July 1 - 31	—	\$ —	—	\$ 1,544,347,714
August 1 - 31	1,143,681	\$ 147.20	1,143,681	\$ 1,375,995,852
September 1 - 30	152,497	\$ 144.58	152,497	\$ 1,353,948,597
	<u>1,296,178</u>		<u>1,296,178</u>	

- (a) In October 2020, our Board of Directors approved a \$2.0 billion share repurchase authorization effective starting January 1, 2021 and extending through December 31, 2023. In October 2023, our Board of Directors approved a \$3.0 billion share repurchase authorization effective starting January 1, 2024 and extending through December 31, 2026. Share repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws. While the Board of Directors has approved the program, the timing of any purchases, the prices and the number of shares of common stock to be purchased will be determined by our management, at its discretion, and will depend upon market conditions and other factors. The share repurchase program may be extended, suspended or discontinued at any time. As of September 30, 2023, there were 0.1 million repurchased shares pending settlement.
- (b) The total number of shares purchased as part of the publicly announced program were all purchased pursuant to the October 2020 authorization.
- (c) Shares that may be purchased under the program exclude shares of common stock that may be surrendered to satisfy statutory minimum tax withholding obligations in connection with the vesting of restricted stock units and performance stock units issued to employees.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

During the quarter ended September 30, 2023, no director or officer adopted or terminated any contract, instrument or written plan for the purchase or sale of Republic securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any non-Rule 10b5-1 trading arrangement as defined in Item 408(c) of Regulation S-K.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1+	Amended and Restated Clawback Policy, dated July 19, 2023 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2023).
10.2+*	Timothy Stuart Separation Agreement, dated August 17, 2023.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1**	Section 1350 Certification of Chief Executive Officer.
32.2**	Section 1350 Certification of Chief Financial Officer.
101.INS*	XBRL Instance Document. - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

+ Indicates a management or compensatory plan or arrangement.

REPUBLIC SERVICES, INC.
AMENDED AND RESTATED CLAWBACK POLICY
(As amended and restated on July 19, 2023)

Purpose

Republic Services, Inc. (together with its subsidiaries and affiliates, “Republic”) has established this Amended and Restated Clawback Policy (this “Policy”) to encourage sound financial reporting and increase individual accountability.

This Policy was initially adopted by Republic’s Board of Directors (the “Board”) on October 29, 2014 (the “Initial Effective Date”) and was most recently amended and restated on July 19, 2023 (the “Effective Date”).

Administration

The Talent & Compensation Committee (as constituted from time to time, and including any successor committee, the “Committee”) shall administer this Policy. Subject to the provisions of this Policy and in accordance with the Applicable Rules (as defined below), the Committee shall make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary or advisable. All determinations and interpretations made by the Committee shall be final, binding and conclusive.

Policy

1. Coverage.

a. Covered Officers. All officers (as defined by Rule 10D-1(d) under the Securities Exchange Act of 1934 (the “Exchange Act”)) are “Covered Officers.” In addition, the Committee may designate other employees as “Covered Officers” (or remove such designations) from time to time. For purposes of this Policy, the term “Covered Officer” means any current or former Covered Officer.

b. Covered Compensation Arrangements; Effective Date. This Policy applies to all short- or long-term cash incentives and bonuses (including Awards as defined in and granted under Republic’s Executive Incentive Plan or any successor thereto), stock options, stock or stock-based awards (including Performance Shares and Performance Units as defined in and granted under Republic’s 2021 Stock Incentive Plan or any successor thereto), Restricted Stock Units, or other incentive compensation, and in each case (i) to the extent that the amount, payment and/or vesting of which is calculated based in whole or in part on the application of, in the case of a Restatement (as defined below), the attainment of one or more financial reporting measures (as defined by Rule 10D-1(d) under the Exchange Act) or in the case of a Covered Event (as defined below), objective performance criteria, in either case measured during any part of the fiscal period covered by the Restatement or with respect to which the Covered Event occurred or (ii) that vest during any part of the fiscal period covered by the Restatement or with respect to which the Covered Event occurred (collectively, “Incentive Compensation”). For the avoidance of doubt, none of the following shall be deemed to be Incentive Compensation: salary, discretionary bonuses, bonuses paid solely upon completion of a specified employment period,, “other” compensation related to reasonable relocation expenses, and programs provided to salaried employees generally in which the level of benefits is not determined by the employee’s level of compensation, as determined by the Committee. This Policy shall apply only to Incentive Compensation received by a current or former Covered Officer on or after the Effective Date; provided, however, that, subject to the Applicable Rules, (i) the portions of this Policy

relating to Restatements shall continue to apply to Incentive Compensation granted on or after the Initial Effective Date if such Restatement corrects one or more errors in previously issued financial statements that are material to the previously issued financial statements (i.e., a Restatement that triggers the filing of a Form 8-K under Item 4.02(a)) and (ii) the portions of this Policy relating to Covered Events shall continue to apply to Incentive Compensation granted on or after February 24, 2022.

c. Restatement. For purposes of this Policy, a “Restatement” means an accounting restatement that Republic is required to prepare due to Republic’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For the avoidance of doubt, an accounting restatement that occurs as a result of a change in accounting principles shall not be deemed a Restatement.

d. Covered Event. For purposes of this Policy, a “Covered Event” shall mean that a Covered Officer engages in any of the following conduct: (i) Covered Officer is convicted of or pleads guilty (or nolo contendere) to a felony, or a crime involving moral turpitude and, in either case, the result of which exposes Republic to serious actual or potential injury (financial, reputational or otherwise); (ii) Republic determines that Covered Officer knowingly committed a material violation of any of Republic’s policies, rules or guidelines; (iii) Covered Officer breaches a fiduciary duty or the terms of any confidentiality or other restrictive covenants, in each case, owed to or in favor of Republic; or (iv) Republic determines that Covered Officer willfully engaged in conduct, or willfully failed to perform assigned duties, the result of which exposes Republic to serious actual or potential injury (financial, reputational or otherwise).

2. Exercise of Clawback Authority

a. Restatement.

In the event of a Restatement, the Committee shall review all Incentive Compensation received by (or, in the case of equity-based compensation, which was awarded to or vested for) Covered Officers on the basis of having met or exceeded specific financial reporting measures or performance targets for performance periods during the Restatement period. For purposes of this Policy, Incentive Compensation is deemed received in the fiscal period during which the financial reporting measure specified in the applicable award is attained, even if the payment or grant occurs after the end of such period. The Committee shall require each Covered Officer or former Covered Officer, as applicable, reasonably promptly, to forfeit or repay any award, vesting or amount of Incentive Compensation (as applicable), whether vested or unvested and including gains on equity, received during the three completed fiscal-year period preceding the date on which Republic is required to prepare the Restatement, that is in excess of what would have been awarded to, vested and/or received by the Covered Officer had the relevant financial reporting measures or performance targets been determined based on the Restatement, without regard to any taxes paid. The Committee may seek forfeiture or recoupment from the Covered Officer from any of the following sources: prior Incentive Compensation payments; future Incentive Compensation payments; cancellation of outstanding equity awards; future equity awards; and direct repayment. Any forfeiture or recoupment under this Policy will be in addition to any other remedies that may be available under applicable law or Republic policy, including termination of employment or institution of civil proceedings.

For Incentive Compensation based on stock price or total shareholder return, where the amount to be recovered is not subject to mathematical recalculation directly from information in the Restatement, the

amount to be recovered shall be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return, as applicable, and Republic shall retain documentation of the determination of such estimate and provide such documentation to the New York Stock Exchange if so required by the Applicable Rules.

b. Covered Event.

If a Covered Event has occurred, the Committee may review all Incentive Compensation received by (or, in the case of equity-based compensation, which was awarded to or vested) Covered Officers on the basis of having met or exceeded specific performance targets for performance periods during the period during which the Covered Event occurred. With respect to each Covered Officer, the Committee may seek to require the reasonably prompt forfeiture or repayment of the award, vesting or amount of Incentive Compensation (as applicable), in part or in whole, whether vested or unvested and including gains on equity, during the three completed fiscal year period preceding the occurrence of the Covered Event. In determining the appropriate action to take, the Committee may consider such factors as it deems appropriate, including, without limitation, the requirements of applicable law; the extent to which the Covered Officer participated in or otherwise bore responsibility for the Covered Event; the extent to which the Covered Officer's Incentive Compensation may or may not have been adjusted for the period in which the Covered Event occurred or may or may not have been impacted had the Committee known about the Covered Event; the associated costs and benefits of seeking to recover the Incentive Compensation and the extent to which any applicable agreement or arrangement with the Covered Officer specifically provides for any consequence upon the occurrence of the Covered Event. The Committee may seek forfeiture or recoupment from the Covered Officer from any of the following sources: prior Incentive Compensation payments; future Incentive Compensation payments; cancellation of outstanding equity awards; future equity awards; and direct repayment. In addition, the Committee may, in its sole discretion, determine whether and to what extent additional action is appropriate to address the circumstances surrounding the Covered Event so as to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate. Any forfeiture or recoupment under this Policy will be in addition to any other remedies that may be available under applicable law or Republic policy, including termination of employment or institution of civil proceedings.

3. Limitations

Notwithstanding anything in this Policy to the contrary, the Committee shall not be obligated to pursue recovery of any Incentive Compensation pursuant to the terms of this Policy relating to a Restatement if it makes a determination that recovery would be impracticable and one of the following circumstances exists: (a) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided Republic has (i) made a reasonable attempt to recover such Incentive Compensation, (ii) documented such reasonable attempt, and (iii) provided such documentation to the New York Stock Exchange; (b) recovery would violate home country law where the law was adopted prior to November 28, 2022, provided Republic has (i) obtained an opinion of home country counsel acceptable to the New York Stock Exchange that recovery would result in such violation and (ii) provided such opinion to the New York Stock Exchange; or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Republic, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

The authority set forth in Section 2(b) of this Policy relating to a Covered Event shall be limited to the extent that it would violate any applicable statute or government regulation or, unless otherwise

required by applicable statute or government regulation, (1) result in substantial adverse tax or accounting consequences for Republic, (2) prejudice Republic's interests in any related proceeding or investigation, or (3) reasonably result in expenses that exceed the amount that would be forfeited and/or recouped in exercising such authority. In each case, the Committee will determine the extent of such limitation in its sole discretion.

Any determination regarding this Policy and any application and implementation thereof need not be uniform with respect to each Covered Officer, or payment recovered or forfeited under this Policy.

4. Acknowledgement by Covered Officers

The Committee or its delegate shall provide notice and seek written acknowledgement of this Policy from each Covered Officer as soon as practicable after the later of (i) the Effective Date and (ii) the date on which the employee is designated as a Covered Officer; provided, however, that failure to obtain such acknowledgement shall have no impact on the enforceability of this Policy.

5. Amendment and Termination

The Committee may, from time to time, terminate, suspend, discontinue, revise or amend this Policy in any respect whatsoever, and (except as described in the immediately following paragraph) any such amendment will apply to Incentive Compensation granted on or after the effective date of that amendment. Nothing in this Policy will be deemed to limit or restrict Republic from providing for forfeiture or repayment of compensation (including Incentive Compensation) under circumstances not set forth in this Policy.

This Policy shall be interpreted in a manner that is consistent with any applicable rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934 or otherwise (the "Applicable Rules") and any other applicable law and shall otherwise be interpreted (including in the determination of amounts recoverable) in the business judgment of the Committee. To the extent the Applicable Rules require recovery of incentive-based compensation in additional circumstances besides those specified above, nothing in this Policy shall be deemed to limit or restrict Republic's right or obligation to recover incentive-based compensation to the fullest extent required by the Applicable Rules. This Policy shall be deemed to be automatically amended, as of the date the Applicable Rules become effective with respect to Republic, to the extent required for this Policy to comply with the Applicable Rules, and any such amendment shall apply to Incentive Compensation granted either before or after that amendment to the extent the Applicable Rules so require.

6. Indemnification

No member of the Board, member of the Committee or employee of Republic in each case exercising such person's responsibilities under this Policy (each, an "Indemnitee") will have liability to any recipient of an award of Incentive Compensation or any other person for any action taken or omitted to be taken or any determination made in good faith with respect to this Policy. Republic shall indemnify, defend, and hold harmless each Indemnitee from and against any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnitee in connection with or resulting from any action, suit or proceeding to which such Indemnitee may be a party or in which such Indemnitee may be involved by reason of any action taken or omitted to be taken under this Policy and from and against any and all amounts paid by such Indemnitee, with Republic's approval, in settlement thereof, or paid by such Indemnitee in satisfaction of any judgment in any such action, suit or proceeding against such Indemnitee. The foregoing rights of indemnification, defense, and hold harmless shall not be

available to an Indemnitee to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that such Indemnitee's acts or omissions giving rise to the indemnification claim resulted from such Indemnitee's bad faith, fraud or willful misconduct. The foregoing rights of indemnification, defense, and hold harmless will not be exclusive of any other rights of indemnification to which Indemnitees may be entitled under Republic's Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws, as a matter of law, or otherwise, or any other power that Republic may have to indemnify or defend such persons or hold them harmless. For the avoidance of doubt, the foregoing right of indemnification, defense, and hold harmless shall not be available to a Covered Officer or former Covered Officer with respect to the forfeiture or recovery of an award or other payment made to such Covered Officer or former Covered Officer, in accordance with this Policy.

7. Severability

If any provision of this Policy or its application to any Covered Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provision shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

AGREEMENT

August 17, 2023

To: Timothy Stuart

Re: Employment Separation

Your employment with Republic Services, Inc. (the “Company”) is terminated effective August 17, 2023. To make sure that your separation from the Company occurs on mutually acceptable terms, the Company is prepared to make certain commitments to you in exchange for certain promises you will make to the Company. By signing this Agreement, you will be accepting the Company’s offer and entering into a legally binding agreement on the terms stated below.

1. Employment Separation and Separation Benefits

Your employment is terminated effective August 17, 2023 (“Termination Date”). Whether or not you choose to sign this Agreement, the Company will pay to you within 10 days after your Termination Date any unpaid compensation you have earned through the Termination Date.

If you choose to sign this Agreement, the Company will pay you the total gross amount of \$1,420,000, which is equal to twenty-four (24) months of your current base salary, from which appropriate taxes and deductions will be withheld (“Separation Payment”). The Separation Payment will be made to you in equal installments over a twenty-four (24) month period (the “Payment Period”) beginning on the payroll date following the sixtieth (60th) day after your Termination Date. Each such periodic payment is designated as a “separate payment” for purposes of Section 409A of the Internal Revenue Code. However, if you are hired by the Company or any related entity before the expiration of the Payment Period, either as an employee or contractor, any remaining unpaid portion of the Separation Payment will terminate and not be paid as of the date your employment begins.

If you choose to sign this Agreement, the Company also will pay you a prorated 2023 annual incentive (“Annual Incentive Payment”) in accordance with the Executive Incentive Plan. Such amount, if any, will be paid at the same time as incentive payments are paid to current similarly situated employees of the Company and appropriate taxes and deductions will be taken.

If you choose to sign this Agreement and you and your spouse and/or dependents are enrolled in the Company’s group health plan(s) as of your Termination Date, you and your spouse and dependents may elect to continue coverage under such plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”). In such a case, the Company will subsidize (on an after-tax basis) the applicable COBRA premiums, such that you and your spouse and dependents will continue to participate in the Company’s group health plan(s) on a COBRA continuation coverage basis at the same cost applicable to similarly situated actively-employed executive officers of the Company. Such coverage (and the Company’s subsidy of the coverage) will continue until (i) the date you and your spouse and dependents, as applicable, are no longer eligible for COBRA continuation coverage under the Company’s group health plans (other than by reason of the exhaustion of eighteen (18) months of COBRA continuation coverage), or (ii) the second anniversary of the termination date (the “Continuation of Benefits”).

If you sign this Agreement and, therefore, elect the Continuation of Benefits, your share of the premiums will be deducted from your Separation Payment. If you choose **not** to sign this Agreement, your benefits coverage will be canceled effective midnight on your Termination Date.

The Company will not be able to continue any other group insurance coverage, such as life insurance, short term disability, long-term disability or accident coverage beyond your Termination Date, because these plans require status as an active full-time employee.

If you choose to sign this Agreement, any equity awards, including restricted stock unit awards (other than cliff vested awards), granted to you that remain outstanding as of your Termination Date will continue to vest and be exercisable as if you were employed during the one-year period following your Termination Date (“Continued Vesting”).

If you choose to sign this Agreement, the performance share (PSU) awards that remain outstanding for the 2021-2023 performance period will vest on a pro-rated basis based on the product of (i) earned performance shares and (ii) a fraction, the numerator of which is the number of months of the performance period which have elapsed from the first day of the performance period to the end of the month of the termination date, and the denominator of which is the total number of months in the performance period (the “PSU Vesting”).

The Separation Payment, Annual Incentive Payment, Continuation of Benefits, Continued Vesting and PSU Vesting will be collectively referred to throughout the remainder of this Agreement as the “Separation Benefits” to which you will become entitled only if you enter into this Agreement. The Separation Benefits provided by this Agreement will be instead of any payments or benefits to which you may be entitled under the terms of any plan or program of the Company in effect on the Termination Date.

To enter into this Agreement, you must sign and return this complete Agreement in the form in which it has been provided to you on or before September 8, 2023 (“Due Date”). You must return this signed Agreement to Catharine Ellingsen, 18500 N. Allied Way, Phoenix, AZ 85054, which, if mailed, must be postmarked on or before the Due Date. For your own protection, you should mail the Agreement by certified mail with a return receipt requested. If the complete signed Agreement is received in an envelope postmarked after the Due Date, it will be considered invalid, it will not be binding upon the parties, and you will not be entitled to receive the Separation Benefits.

Whether or not you choose to sign this Agreement, if the Company mistakenly sends you the Separation Payment or any other payment to which you are not entitled, you must immediately reimburse the Company in the full amount of those payments.

2. Release of Claims Against the Released Parties

Release: In exchange for the Separation Benefits, you, on behalf of yourself and your marital community, heirs, and assigns (if any), release, knowingly and willingly, the Company, and its subsidiary, parent, affiliated, predecessor and successor corporations and entities, and its and their past and present officers, directors, agents, employees, and the Company’s employee benefit plans and programs and their administrators and fiduciaries (collectively referred to as the “Released Parties”) from any kind of claim you have arising out of or related to your employment and/or the termination of your employment and/or against the Released Parties.

This general and complete release applies to all claims for relief, whether you know about them or not, that you may have against the Released Parties as of the date of execution of this Agreement. This release of claims includes, but is not limited to any claims under: federal, state or local employment, labor, civil rights, equal pay, or anti-discrimination laws, statutes, case law, regulations, and ordinances; federal or state Constitutions; any public policy, contract, tort or common law theory; and any statutory or common law principle allowing for the recovery of damages, compensation, fees or other expenses, including attorneys' fees. The claims that you are releasing include, but are not limited to, claims under the following laws (as amended): Family Medical Leave Act; Title VII of the Civil Rights Act of 1964; Civil Rights Act of 1991; Sections 1981 through 1988 of Title 42 of the United States Code; Equal Pay Act of 1963; Employee Retirement Income Security Act of 1974; Americans with Disabilities Act; Fair Credit Reporting Act; Occupational Safety and Health Act and any applicable state plans; Age Discrimination in Employment Act of 1967; and Worker Adjustment and Retraining Notification Act.

If any claim is not subject to release, to the extent permitted by law, you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which the Company or any other of the Released Parties is a party.

3. Exceptions

Nothing in this Agreement is intended to waive claims (i) for unemployment or workers' compensation benefits, (ii) for vested rights under ERISA-covered employee benefit plans as applicable on the date you sign this Agreement, (iii) that may arise after you sign this Agreement, or (iv) which cannot be released by private agreement. In addition, nothing in this Agreement, including but not limited to the release of claims, confidentiality, nondisclosure, non-disparagement and cooperation/assistance provisions, prevents you from filing a charge or complaint with, or from participating in, an investigation or proceeding (including providing documents or other information) conducted by the Equal Employment Opportunity Commission, the National Labor Relations Board, the Securities and Exchange Commission, the Occupational Safety and Health Administration, or any other federal, state or local agency charged with the enforcement of any laws. By signing this Agreement, however, you are waiving rights to individual relief (including any back pay, front pay, reinstatement or other legal or equitable relief), in any charge, complaint, lawsuit or other proceeding brought by you or on your behalf by any third-party, except for any right you may have to receive an award from a government agency (and not the Company) for information provided to the government agency or where such a waiver of individual relief is prohibited.

4. Confidentiality, Nondisclosure, Non-Disparagement, Cooperation/Assistance and Return of Company Property

a. **Confidentiality**: You agree to keep this Agreement and its terms confidential except as otherwise required by law. Specifically, you agree not to initiate or participate in any discussion or communication concerning or relating to this Agreement or any of its terms other than you may discuss the terms of this Agreement with your immediate family, tax advisors and/or attorneys, provided that they agree to maintain the confidentiality of the information disclosed.

b. **Nondisclosure**: You agree to maintain the confidentiality of all of the Released Parties' privileged or confidential information.

c. Non-Disparagement: Subject to the exceptions in Section 3, you agree not to disparage or say or write negative things about the Released Parties, its officers, directors, agents, or employees. This non-disparagement provision applies to all comments posted or transmitted to others by you, directly or indirectly, online or by email or text messages in or through any media, including, without limitation, social networking sites such as Facebook, Twitter, Instagram, LinkedIn, MySpace, personal blogs, web pages, and similar methods of communication. Additionally, you agree to promptly remove any such existing online postings or comments, prior to executing this Agreement.

d. Cooperation and Assistance: Subject to the exceptions in Section 3, at the Company's request, you agree to assist and cooperate with the Company concerning matters about which you possess relevant knowledge or information (including testifying in depositions, hearings, and/or trials). Nothing in this Section or Agreement should be construed as suggesting that you testify or communicate information other than in a truthful manner. Unless prohibited from doing so by law or court order and subject to the exceptions in Section 3, you agree to promptly notify the Company (by telephonic or written communication to Chief Legal Officer, Republic Services Legal Department, 18500 N. Allied Way, Phoenix, AZ 85054, phone number 480-627-2700) if any person or entity contacts you, including via a subpoena, in an effort to obtain information, documents or testimony about the Company, your work experience with the Company and/or this Agreement, prior to disclosing any such information, and to disclose the name of the person or entity contacting you and the information, documents or testimony requested. This does not include, however, information you provide to a future employer as part of your application for employment.

e. Return of Company Property: You affirm that you have returned all of the Company's property, documents, and/or any confidential information in your possession or control. This includes all documents, records, and files (including, but not limited to books, videotapes, tape recordings, CDs, USB drives and other electronic forms of information) relating in any manner whatsoever to the Company's business, including, but not limited to, those which are owned by the Company or used in connection with conducting its business. You also affirm that you are in possession of all of your personal property that you brought to the Company's premises and that the Company is not in possession of any of your personal property.

f. Representations of Employment: As of the Termination Date, you may not represent yourself as currently working for the Company in any capacity, including but not limited to on LinkedIn, your resume, or elsewhere.

5. Damages For Breach

You agree to hold harmless and indemnify the Company from and against any loss, cost, damage or expense, including, without limitation, attorneys' fees, incurred by the Company, arising out of any breach of this Agreement by you. In addition, you and the Company agree that it would be impossible to determine the actual damages suffered by the Company as a result of a breach of Sections 4a – d above, and that the time and expenses involved in proving the actual damage suffered by the Company for such a breach make liquidated damages appropriate. Accordingly, in the event that you violate the terms of Sections 4a, b, c or d, you will immediately pay to the Company liquidated damages in the amount of \$100,000 for each violation, which amounts the Company may offset against any unpaid portion of the Separation Payment (though the total amount of liquidated damages that may be owed to the Company under this Section shall not exceed the amount of the Separation Payment). You agree that this amount constitutes a reasonable pre-estimate of the damages that the Company would suffer from a breach of Sections 4a – d and that this provision provides for liquidated damages, not a

penalty. Neither a breach of Sections 4a – d, nor the payment of liquidated damages, will affect the continuing validity or enforceability of this Agreement.

6. Confidentiality, Non-Solicitation and/or Non-Compete Agreement

You agree to remain bound by the terms of your current Non-Competition, Non-Solicitation and Confidentiality Agreement.

7. Severability; Entire Agreement; No Oral Modifications; No Waivers

If a court of competent jurisdiction determines that any of the provisions of this Agreement are invalid or legally unenforceable, all other provisions of this Agreement shall not be affected and are still enforceable. If any portion of this Agreement is deemed unenforceable, the unenforceable provision will be severed and/or modified from the Agreement and the remainder of the Agreement will be enforceable. This Agreement is a single integrated contract expressing our entire understanding regarding the subjects it addresses. As such, it supersedes all oral and written agreements and discussions that occurred before the time you sign it except as to any obligations you may owe to the Company under the terms of any prior agreement that restricts your post-employment activities regarding confidentiality, non-solicitation and/or non-competition. This Agreement may be amended or modified only by an agreement in writing signed by an executive officer of the Company. The failure by the Company to declare a breach, or to otherwise assert its rights under this Agreement, shall not be construed as a waiver of any of its rights under this Agreement.

8. No Admission Of Liability Or Wrongful Conduct.

This Agreement shall not be construed as an admission by the Company of any liability or acts of wrongdoing, nor shall it be considered to be evidence of such liability or wrongdoing.

9. Code Section 409A

This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code (“Section 409A”), and should be interpreted and construed consistent with such intent. Any right to installment payments under this Agreement will be treated as a right to a series of separate payments for purposes of Section 409A. No payment payable to the Employee under this Agreement or any other arrangement of the Company shall be paid later than the last day of the calendar year following the calendar year in which the expense was incurred, and no such payment during any calendar year should affect the amounts eligible for payment in any other calendar year, except in each case to the extent that the right to payment does not provide a deferral of compensation under Section 409A.

10. Agreement Not To Seek Or Accept Future Employment.

As further consideration, you agree that, because of circumstances unique to you (including irreconcilable differences with the Company), you are not eligible for reemployment with the Company now or in the future and promise that you will not apply for or accept future employment with the Company, its parent, subsidiary, affiliate, or successor companies (collectively referred to as the “Company” in this section); and that in the event you do apply for such employment with the Company, the Company may reject your application legitimately and lawfully solely because you breached this promise. You further agree that if you become employed by the Company without having obtained a written waiver of this provision from an

executive officer of the Company, you will resign your employment with the Company when asked to do so in writing by an executive officer of the Company.

Acknowledgements and Certifications

You acknowledge and certify that:

- you have read and you understand all of the terms of this Agreement and are not relying on any representation or statement, written or oral, not set forth in this Agreement;
- you are signing this Agreement knowingly and voluntarily;
- you would not be entitled to receive the Separation Benefits if you did not make the promises that you are making to the Company in this Agreement (including the release of claims you are giving the Released Parties);
- through this writing, you are advised to consult with an attorney before signing this Agreement;
- you have the right to consider the terms of this Agreement for 21 calendar days; however, you do not have to take all 21 days to consider it. If you take fewer than 21 days to review this Agreement and Release, you expressly waive any and all rights to consider this Agreement for the balance of the 21-day review period. In addition, you and the Company agree that any changes that have been made to this Agreement from the version originally presented to you do not extend the 21-day period you have been given to consider this Agreement, whether those changes are deemed material or non-material; and
- the Section of this Agreement titled “Release of Claims Against the Released Parties” includes a release of any claim you might have under the Age Discrimination in Employment Act (“ADEA Claims”). For seven calendar days after signing this Agreement, you have the right to revoke your release of ADEA Claims. To revoke your release of any ADEA Claims, you must inform the Company of your revocation within seven days of having signed the Agreement. You further understand that in order to revoke the ADEA Claims, the revocation must be in writing, and must be delivered to Catharine Ellingsen, Legal Department, 18500 N. Allied Way, Phoenix, AZ 85054 either by hand-delivery or certified mail (return receipt requested) within the 7-day period. If delivered by mail, the revocation must be (1) postmarked within the 7-day period; (2) properly addressed to Catharine Ellingsen, Legal Department, 18500 N. Allied Way, Phoenix, AZ 85054; and (3) sent by certified mail return receipt requested. You should understand that revoking your release of ADEA Claims does not revoke your release of other claims that you have released in this Agreement, nor does it affect the validity or remainder of this Agreement in any way. If you exercise your right to revoke the release of ADEA Claims during the seven-day revocation period, you will be entitled to receive only \$25,000 of the Separation Benefits.

IF YOU SIGN THIS DOCUMENT BELOW, IT BECOMES A LEGALLY ENFORCEABLE AGREEMENT.

August 26, 2023 /s/ TIMOTHY STUART

Date

Timothy Stuart

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jon Vander Ark, certify that:

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

/s/ JON VANDER ARK

Jon Vander Ark
President and Chief Executive Officer
(Principal Executive Officer)

Date: October 26, 2023

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian DeGhiaccio, certify that:

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

/s/ BRIAN DELGHIACCIO

Brian DeGhiaccio
Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)

Date: October 26, 2023

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Republic Services, Inc. (the Company) for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jon Vander Ark, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JON VANDER ARK

Jon Vander Ark
President and Chief Executive Officer
(Principal Executive Officer)

Date: October 26, 2023

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Republic Services, Inc. (the Company) for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brian DelGhiaccio, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ BRIAN DELGHIACCIO

Brian DelGhiaccio
Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)

Date: October 26, 2023