GFL GREEN FOR LIFE environmental

Q3 2020
Investor Review

November 5, 2020

Disclaimer

Unless otherwise indicated, all references in this presentation to ''GFL,'' ''we,'' ''our,'' ''us,'' ''the Company'' or similar terms refer to GFL Environmental Inc. and its consolidated subsidiaries.

Forward-looking Information

This presentation contains "forward-looking information" within the meaning of applicable U.S. and Canadian securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial performance, financial condition or results, business strategy, growth strategies, budgets, operations and services. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "believes", or variations of such words. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts nor assurances of future performance but instead represent management's expectations, estimates and projections regarding future events or circumstances. This and other forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. The forward-looking information is subject to a number of risks and uncertainties that could cause actual results, events or conditions to differ materially from those expressed or implied by the forward-looking information. There can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. In particular, it is difficult to predict the duration and severity of the COVID-19 pandemic and its impact on the economy, our operations and our financial results.

Other factors that could materially affect our forward-looking information can be found in our public filings filed with Canadian securities regulators and the U.S. Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these risks carefully in evaluating our forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information included in this presentation is provided as of the date of this presentation and, except as required by law, we undertake no obligation to publicly update this information to reflect subsequent events or circumstances.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable U.S. or Canadian securities laws.

Non-IFRS Measures

This presentation makes reference to certain measures that are not recognized under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. It should be noted that companies calculate non-IFRS measures differently; as a result, the non-IFRS measures presented herein may not be comparable to similarly titled measures reported by other companies. We use non-IFRS measures, including Acquisition EBITDA, Adjusted EBITDA, EBITDA, Free Cash Flow, Adjusted Net Income (Loss), Net Leverage and Run Rate EBITDA. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. See the appendix for definitions and reconciliations of the non-IFRS measures used herein.

Certain Other Matters

Any graphs, tables or other information demonstrating our historical performance or the historical performance of any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance.

All amounts are presented in millions of Canadian dollars unless otherwise stated.

Q3 Highlights

- ***Q3: Financial Results***
  - Second sequential quarter with highest ever reported revenue, adjusted EBITDA and adjusted EBITDA margin
  - Revenue of $1,036.0 million, increase of 15.4%
  - Adjusted EBITDA[(1)] of $281.2 million, increase of 24.6%
    - Adjusted EBITDA margin of 27.1%, 200 bps ahead of prior year
    - Solid waste adjusted EBITDA margin of 30.6%, 240 bps ahead of prior year
  - Free cash flow[(2)] of $177.1 million

- ***Delivering on Growth Strategies***
  - Organic solid waste growth despite challenging backdrop
  - Finalized WCA and WM/ADS Divestiture acquisitions[(3)] and closed three tuck ins
  - Remain disciplined in capital allocation towards creating long term shareholder value

- ***Reducing cost of capital***
  - Issued US$750.0 million of 3.750% senior secured notes (lowest coupon in the Company's history)
  - Private placement of US$600.0 million of preferred shares, convertible at ~20% premium to the US$21.26 share price at the time of issue
  - Amended revolver facility to reduce margin by 50 bps[(4)]

- ***COVID-19: Continue to prioritize the health and safety of our employees while navigating dynamic environment***
  - Continued focus on ensuring the health and safety of our employees
  - Modified work arrangements to accommodate local recommendations of public health authorities
  - Responding to dynamic regulatory frameworks across our geographies

(1) For a reconciliation of non-IFRS measures to its nearest IFRS equivalent, please refer to the appendix in this presentation.
(2) Please refer to the Definitions in the appendix of this presentation.
(3) Transactions completed in Q4.
(4) Amendment process commenced in Q3 and is expected to be finalized in November 2020.

Our Roadmap

IPO Messages	Focus Areas Going Forward
✓ Use proceeds of IPO to delever	Integration of acquisitions
✓ Improve margins	Continue to improve operating margins
✓ Execute strategic acquisitions • Close two larger acquisitions • Tuck in M&A program	Continue tuck in M&A program • No larger acquisitions on horizon • Self fund tuck in
✓ Maintain leverage philosophy	Delever balance sheet
✓ Reduce cost of capital	Further reduce cost of capital

Establish solid foundation…

… Building long-term shareholder value

Q3 Growth

	Three months ended September 30, 2020			
	Contribution from Acquisitions	Organic Growth	Foreign Exchange	Total Revenue Growth
Solid waste:				
Canada	17.4%	3.9%	0.0%	21.4%
USA	22.2%	1.5%	0.9%	24.6%
Total solid waste	**20.2%**	**2.5%**	**0.5%**	**23.2%**
Infrastructure and soil remediation	0.0%	(16.8%)	0.0%	(16.7%)
Liquid waste	34.3%	(18.3%)	0.2%	16.1%
Total	**18.1%**	**(3.1%)**	**0.4%**	**15.4%**

	Nine months ended September 30, 2020			
	Contribution from Acquisitions	Organic Growth	Foreign Exchange	Total Revenue Growth
Solid waste:				
Canada	26.0%	0.1%	0.0%	26.1%
USA	21.7%	1.3%	1.9%	24.9%
Total solid waste	**23.4%**	**0.8%**	**1.1%**	**25.4%**
Infrastructure and soil remediation	6.7%	(4.2%)	0.0%	2.5%
Liquid waste	34.6%	(18.6%)	0.3%	16.4%
Total	**22.0%**	**(2.0%)**	**0.9%**	**20.8%**

- ***Solid Waste***
  - 2.5% positive organic growth
    - 3.5% net price and surcharges partially offset by 1.7% negative volume (primarily ICI collection/post-collection)
  - Sequential monthly activity increases
    - Trend line continues to improve month over month
    - Volume impact varies by region, eastern Canada most significant declines
  - Shifting macro factors
    - 0.7% from improved commodity price
    - 0.5% from F/X
- ***Infrastructure and Soil Remediation***
  - Majority of existing projects deemed essential service and continued; delays with new phases/projects
    - Volume impact greatest in the U.S. North East
  - Impact from low volume/high frequency customers
  - Revenue mix impacts blended margin profile
- ***Liquid Waste***
  - Certain customers in this segment deemed non-essential and service levels temporarily suspended or reduced
    - Certain annual projects deferred to 2021
  - UMO volume sequential improvements over Q2
    - Net pricing up 13.9% vs prior year

Operating Segment Breakdown

(C$ millions unless otherwise noted)

	Three months ended September 30,					
	2020			2019		
	Revenue	Adjusted EBITDA[1]	Adjusted EBITDA Margin	Revenue	Adjusted EBITDA[1]	Adjusted EBITDA Margin
Solid waste:						
Canada	329.7	96.9	29.4%	271.7	74.5	27.4%
USA	461.6	145.4	31.5%	370.3	106.5	28.8%
Total solid waste	**791.3**	**242.3**	**30.6%**	**642.0**	**181.0**	**28.2%**
Infrastructure and soil remediation	133.0	27.0	20.3%	159.9	33.0	20.6%
Liquid waste	111.7	32.0	28.6%	96.1	23.5	24.5%
Corporate	-	(20.1)	-	-	(11.8)	-
Total	**$1,036.0**	**$281.2**	**27.1%**	**$898.0**	**$225.7**	**25.1%**

	Nine months ended September 30,					
	2020			2019		
	Revenue	Adjusted EBITDA[1]	Adjusted EBITDA Margin	Revenue	Adjusted EBITDA[1]	Adjusted EBITDA Margin
Solid waste:						
Canada	910.5	251.0	27.6%	722.3	195.8	27.1%
USA	1,354.0	427.4	31.6%	1,083.9	321.0	29.6%
Total solid waste	**2,264.5**	**678.4**	**30.0%**	**1,806.2**	**516.8**	**28.6%**
Infrastructure and soil remediation	394.9	75.2	19.0%	385.3	77.6	20.1%
Liquid waste	301.2	71.4	23.7%	258.8	63.4	24.5%
Corporate	-	(59.5)	-	-	(41.0)	-
Total	**$2,960.6**	**$765.5**	**25.9%**	**$2,450.3**	**$616.8**	**25.2%**

- ***Solid Waste***
  - 240 bps margin expansion
    - Margin improvement in both geographies
    - Realizing benefits from pricing, procurement and cost control initiatives
    - Continue to realize synergies from acquisitions
  - Macro factors
    - Commodity and diesel fuel prices tailwind for the quarter
    - F/X volatility reduced CAD EBITDA recognized from Solid Waste USA segment compared to Q2
- ***Infrastructure and Soil Remediation***
  - Changing revenue mix offset underlying margin expansion
    - Reduced volumes from low volume/high frequency customers
    - Cost structure of segment yields higher decremental margin impact from reduced volumes
- ***Liquid Waste***
  - 410 bps margin expansion
    - Cost control measures
    - Improved net UMO pricing
    - Realizing synergies from acquisitions

(1) For a reconciliation of non-IFRS measures to its nearest IFRS equivalent, please refer to the appendix in this presentation.

Cash Flow Highlights

(C$ millions unless otherwise noted)

	Three months ended September 30,		Change	
	2020	**2019**	***$***	***%***
Cash flows from operating activities	256.7	81.7	*175.0*	*214.2%*
Cash flows used in investing activities	(105.8)	(551.8)	*446.0*	*(80.8%)*
Cash flows from financing activities	942.1	264.4	*677.7*	*256.3%*
Increase (decrease) in cash	**$1,093.0**	**($205.7)**		
Changes due to foreign exchange	0.3	(3.6)		
Cash, beginning of period	723.9	209.3		
Cash, end of period	**$1,817.2**	-		

	Nine months ended September 30,		Change	
	2020	**2019**	***$***	***%***
Cash flows from operating activities	338.7	118.0	*220.7*	*187.0%*
Cash flows used in investing activities	(1,459.7)	(930.6)	*(529.1)*	*56.9%*
Cash flows from financing activities	2,364.2	804.5	*1,559.7*	*193.9%*
Increase (decrease) in cash	**$1,243.2**	**($8.1)**		
Changes due to foreign exchange	(0.8)	0.7		
Cash, beginning of period	574.8	7.4		
Cash, end of period	**$1,817.2**	-		

	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
Cash flows from operating activities	**256.7**	**81.7**	**338.7**	**118.0**
Cheques issued in excess of cash on hand	-	2.2	-	2.2
Proceeds on sale of PP&E	6.1	3.8	10.5	19.1
Purchase of PP&E and intangible assets	(85.7)	(107.1)	(305.7)	(313.9)
Free cash flow [(1)]	**$177.1**	**($19.4)**	**$43.5**	**($174.6)**

- ***Operating activities***
  - 214% increase in cash flows from operating activities
  - Results inclusive of non-linear cash interest cost cadence
  - Continued focus on DSO improvements and AP management in light of COVID uncertainty
- ***Investing activities***
  - $79.6 million net capital expenditures
  - Deployed $26.2 million for three tuck in acquisitions
- ***Financing activities***
  - Reflective of August US$750 million bond offering
- ***Free cash flow***[(1)]
  - Free cash flow[(1)] of $177.1 million
- ***Subsequent to September 30***
  - Cash on hand, new equity and revolver used to fund WCA and WM/ADS

(1) Please refer to the Definitions in the appendix of this presentation.

Net Leverage and Liquidity

(C$ millions unless otherwise noted)

	Q3-20	Q3-20 at 12/31 FX[1]	Q4-19
Revolver	20.0	20.0	-
Term loan facility	2,744.2	2,671.9	3,351.2
4.250% 2025 notes (US$500 mm)	667.0	649.4	-
5.125% 2026 notes (US$500 mm)	667.0	649.4	649.4
3.75% 2025 notes (US$750 mm)	1,000.4	974.1	-
Unsecured notes	1,020.4	993.6	2,630.1
5.625% 2022 notes (US$350 mm)	-	-	454.6
5.375% 2023 notes (US$400 mm)	-	-	519.5
7.000% 2026 notes (US$675 mm)	540.2	526.0	876.7
8.500% 2027 notes (US$600 mm)	480.2	467.6	779.3
PIK notes	-	-	1,008.0
Other debt & adjustments	8.2	8.2	37.0
Subtotal	**6,127.2**	**5,966.6**	**7,675.7**
Fair value, deferred financing and other adjustments	(67.9)	(67.9)	(50.6)
Total long-term debt	**6,059.3**	**5,898.7**	**7,625.1**
Cash & cash equivalents	1,817.2	1,771.0	574.8
LTM Adjusted EBITDA[2]	974.6	974.6	825.6
LTM Acquisition EBITDA Adjustment[2]	66.6	66.6	98.9
Run Rate EBITDA[2]	**$1,041.2**	**$1,041.2**	**$924.5**
Net Leverage[2]	**4.14x**	**4.03x**	**7.68x**

- ***Delevered balanced sheet***
  - IPO proceeds used to pay down debt
  - Historically H1 is a use of cash driven by seasonality and front end loading of capital expenditures
    - Historical seasonality curve flattening with US growth/regional diversification
  - Change in F/X from 1.30 at 12/31 to 1.33 at 9/30 drives non-cash revaluation of USD denominated debt
    - LTM USD denominated EBITDA translated at historical F/X rate of 1.35
  - Net Leverage[2] at quarter end translating USD denominated debt balances at 12/31 F/X rate is 4.03x
    - Pro forma for WCA and WM/ADS acquisitions, year end net leverage in mid 4s
- ***Available liquidity***
  - No significant maturities for 5 years
  - Covenant-lite facilities provide maximum financial flexibility
  - Amended revolver subsequent to quarter end[3]
- ***Looking forward***
  - Focus on delevering
  - 2021 refinancing opportunities
  - Evaluate other financing opportunities as they present themselves

(1) Reflects the translation of all balance sheet items from USD to CAD at year end F/X rate of 1.30. EBITDA related measures have not been retranslated.
(2) Please refer to the Definitions in the appendix of this presentation.
(3) Amendment process commenced in Q3 and is expected to be finalized in November 2020.

Appendix

Adjusted EBITDA Reconciliation

(C$ millions unless otherwise noted)

	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
Net loss	**(114.7)**	**(109.9)**	**(508.2)**	**(271.3)**
Interest and other finance costs	94.9	130.9	459.7	381.8
Depreciation and amortization	124.6	107.9	370.9	303.4
Amortization of intangible assets	109.3	86.4	319.5	247.4
Income tax recovery	(44.9)	(33.3)	(170.9)	(84.8)
EBITDA	**169.2**	**182.0**	**471.0**	**576.5**
(Gain) loss on foreign exchange[1]	(22.0)	10.2	75.6	(34.8)
Loss (gain) on sale of property, plant and equipment	0.3	(0.5)	2.4	1.1
MTM loss on fuel hedge	-	0.6	1.8	0.9
MTM loss on Purchase Contracts[2]	107.5	-	93.3	-
Share-based payments[3]	7.2	3.6	27.1	10.9
Transaction costs[4]	17.1	18.3	36.0	36.9
IPO transaction costs[5]	-	-	46.2	-
Acquisition, rebranding and other integration costs[6]	0.9	10.5	10.1	23.3
Deferred purchase consideration	1.0	1.0	2.0	2.0
Adjusted EBITDA	**$281.2**	**$225.7**	**$765.5**	**$616.8**
Adjusted EBITDA margin	*27.1%*	*25.1%*	*25.9%*	*25.2%*

1. ***(Gain) loss on foreign exchange:*** *Consists of (i) non-cash gains and losses on foreign exchange and interest rate swaps entered into in connection with our debt instruments, (ii) and gains and losses attributable to foreign exchange rate fluctuations.*

2. ***MTM loss on Purchase Contracts:*** *This is a non-cash item that consists of the fair value "mark to market" adjustment on the Purchase Contracts.*

3. ***Share-based payments:*** *This is a non-cash item and consists of the amortization of the estimated fair market value of share-based options granted to certain members of management under share-based option plans.*

4. ***Transaction costs:*** *Consists of acquisition, integration and other costs such as legal, consulting and other fees and expenses incurred in respect of acquisitions and financing activities completed during the applicable period. We expect to incur similar costs in connection with other acquisitions in the future and, under IFRS, such costs relating to acquisitions are expensed as incurred and not capitalized. This is part of SG&A.*

5. ***IPO transaction costs:*** *Consists of costs associated with the IPO, such as legal, audit, regulatory and other fees and expenses incurred in connection with the IPO, as well as underwriting fees related to the TEUs that were expensed as incurred.*

6. ***Acquisition, rebranding and other integration costs:*** *Consists of costs related to the rebranding of equipment acquired through business acquisitions. We may incur similar expenditures in the future in connection with other acquisitions. This is part of cost of goods sold.*

Adjusted Net Income (Loss) Reconciliation

(C$ and shares in millions unless otherwise noted)

	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
Net loss	**(114.7)**	**(109.9)**	**(508.2)**	**(271.3)**
Amortization of intangibles [1]	109.3	86.4	319.5	247.4
PP&E depreciation increase due to recapitalization	4.7	4.7	14.2	14.2
IPO transaction costs [2]	-	-	46.2	-
Loss on extinguishment on debt [3]	-	-	133.2	-
Amortization of deferred financing costs	3.4	2.4	26.0	7.1
MTM loss on Purchase Contracts [4]	107.5	-	93.3	-
(Gain) loss on foreign exchange [5]	(22.0)	10.2	75.6	(34.8)
Transaction costs [6]	17.1	18.3	36.0	36.9
Acquisition, rebranding and other integration costs [7]	0.9	10.5	10.1	23.3
TEU amortization expense	1.1	-	2.2	-
Tax effect [8]	(62.2)	(35.1)	(200.4)	(77.9)
Adjusted Net Income (Loss)	**$45.1**	**($12.5)**	**$47.7**	**($55.1)**
Weighted average number of shares, basic and diluted	360.4	180.8	360.4	180.8
Adjusted earnings (loss) per share, basic and diluted ($)	0.13	(0.07)	0.13	(0.30)

1. ***Amortization of intangibles:*** *This is a non-cash item and consists of the amortization of intangible assets such as customer lists, municipal contracts, non-complete agreements, trade name and other licenses.*

2. ***IPO transaction costs:*** *Consists of costs associated with the IPO, such as legal, audit, regulatory and other fees and expenses incurred in connection with the IPO, as well as underwriting fees related to the TEUs that were expensed as incurred.*

3. ***Loss on extinguishment on debt:*** *This consists of interest and penalties related to loss on extinguishment of the PIK Notes and the redemption of the 2022 Notes and the 2023 Notes in their entirety and partial early repayment of the 2026 Notes and 2027 Notes.*

4. ***MTM loss on Purchase Contracts:*** *This is a non-cash item that consists of the fair value "mark to market" adjustment on the Purchase Contracts.*

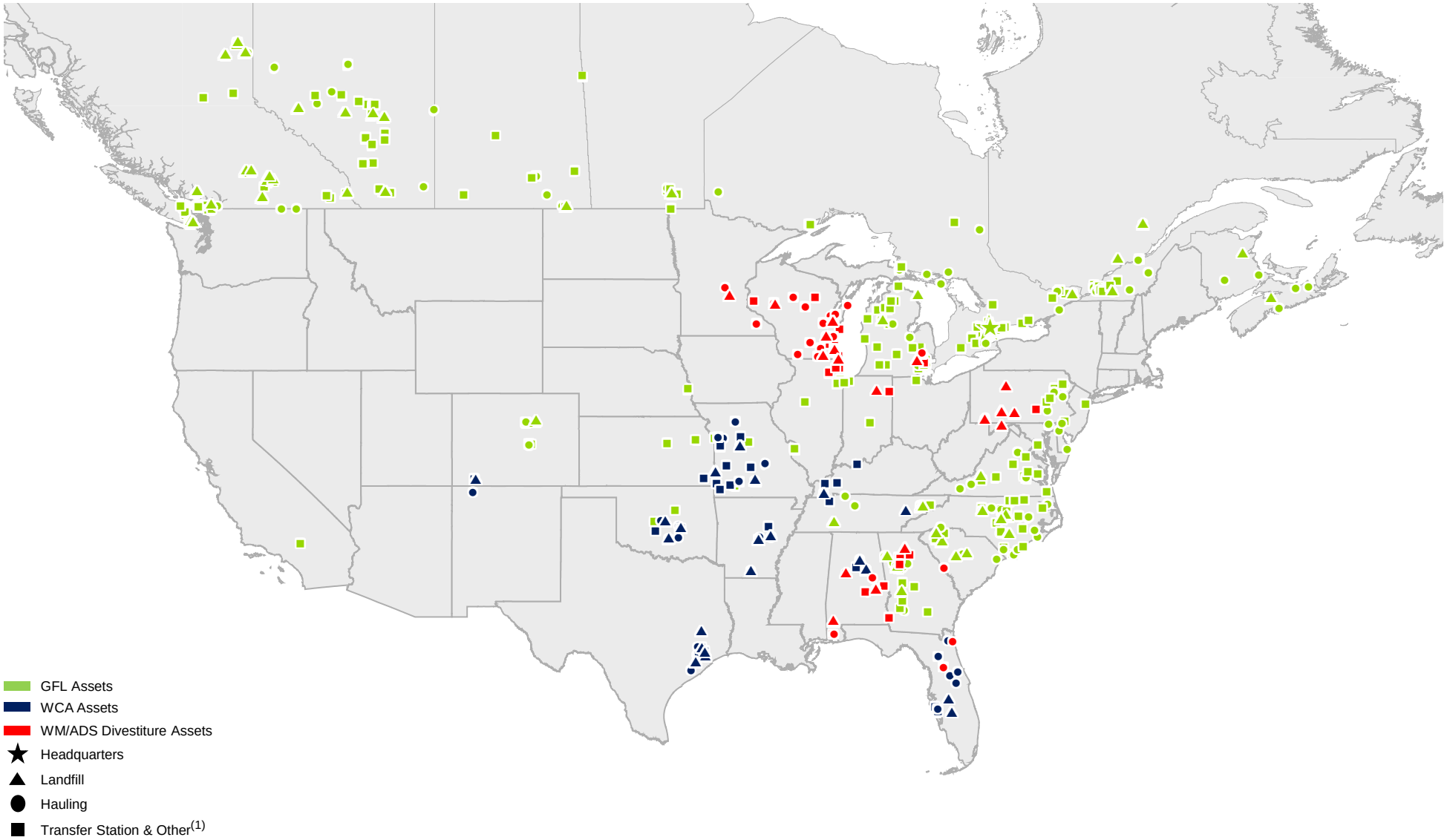
5. ***(Gain) loss on foreign exchange:*** *Consists of (i) non-cash gains and losses on foreign exchange and interest rate swaps entered into in connection with our debt instruments, (ii) and gains and losses attributable to foreign exchange rate fluctuations.*

6. ***Transaction costs:*** *Consists of acquisition, integration and other costs such as legal, consulting and other fees and expenses incurred in respect of acquisitions and financing activities completed during the applicable period. We expect to incur similar costs in connection with other acquisitions in the future and, under IFRS, such costs relating to acquisitions are expensed as incurred and not capitalized. This is part of SG&A.*

7. ***Acquisition, rebranding and other integration costs:*** *Consists of costs related to the rebranding of equipment acquired through business acquisitions. We may incur similar expenditures in the future in connection with other acquisitions. This is part of cost of goods sold.*

8. ***Tax effect:*** *Consists of the tax effect of the adjustments to net loss.*

Pro Forma Geographic Footprint



(1) *Other includes: material recovery, recycling, liquid waste, organics processing and soil remediation facilities.*

Definitions

- **Adjusted EBITDA:** Is calculated by adding and deducting, as applicable, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including: (a) loss (gain) on foreign exchange, (b) loss (gain) on sale of property, plant and equipment, (c) mark-to-market loss (gain) on fuel hedge, (d) mark-to-market loss (gain) on Purchase Contracts, (e) share-based payments, (f) acquisition, integration and other costs (included in selling, general and administrative expenses related to acquisition activity), (g) costs associated with the IPO, (h) acquisition, rebranding and other integration costs (included in cost of sales related to acquisition activity), and (i) deferred purchase consideration. We use Adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis reflecting factors and trends affecting our business.
- **Adjusted Net Income (Loss):** Represents net income (loss) adjusted for (a) amortization of intangibles, (b) the increase in property, plant and equipment depreciation due to recapitalization, (c) the IPO transaction related expenses, (d) loss on the extinguishment of debt, (e) amortization of deferred financing costs, (f) mark-to-market loss on Purchase Contracts, (g) foreign exchange loss or gain, (h) transaction costs, (i) acquisition, rebranding and other costs, (j) TEU amortization expense, and (k) the tax impact of the forgoing. Adjusted earnings (loss) per share is defined as Adjusted Net Income (Loss) divided by the weighted average shares in the period.
- **Acquisition EBITDA:** Represents, for the applicable period, management's estimates of the annual Adjusted EBITDA of an acquired business, based on its most recently available historical financial information at the time of acquisition, as adjusted to (a) give effect to the elimination of expenses related to the prior owners and certain other costs and expenses that are not indicative of the underlying business performance, if any, as if such business had been acquired on the first day of such period ("Acquisition EBITDA adjustments"), and (b) give effect to contract and acquisition annualization for contracts entered into and acquisitions completed by such acquired business prior to our acquisition. Further adjustments are made to such annual Adjusted EBITDA to reflect estimated operating cost savings and synergies, if any, anticipated to be realized upon acquisition and integration of the business into our operations. We use Acquisition EBITDA for the acquired businesses to adjust our Adjusted EBITDA to include a proportional amount of the Acquisition EBITDA of the acquired businesses based upon the respective number of months of operation for such period prior to the date of our acquisition of each such business.
- **Run Rate EBITDA:** Represents Adjusted EBITDA for the applicable period as adjusted to give effect to management's estimates of (a) Acquisition EBITDA Adjustments and (b) the impact of annualization of certain new municipal and disposal contracts and cost savings initiatives, entered into, commenced or implemented, as applicable, in such period, as if such contracts or costs savings initiatives had been entered into, commenced or implemented, as applicable, on the first day of such period. These adjustments reflect monthly allocations of Acquisition EBITDA for the acquired businesses based on straight line proration. As a result, these estimates do not take into account the seasonality of a particular acquired business. While we do not believe the seasonality of any one acquired business is material when aggregated with other acquired businesses, the estimates may result in a higher or lower adjustment to our Run Rate EBITDA than would have resulted had we adjusted for the actual results of each of the acquired businesses for the period prior to our acquisition.
- **Net Leverage:** Is a supplemental measure used by management to evaluate borrowing capacity and capital allocation strategies. Net leverage is equal to our total long-term debt, as adjusted for fair value, deferred financings and other adjustments and reduced by our cash and cash equivalents, divided by Run Rate EBITDA.
- **Free Cash Flow:** Is a supplemental measure used by investors as a valuation and liquidity measure in the solid waste industry. Management uses free cash flow as one of the measures to evaluate and monitor the ongoing financial performance of the Company. We define free cash flow as cash flows from operating activities as adjusted for cheques issued in excess of cash on hand, proceeds on sale of property, plant and equipment and purchase of property, plant and equipment and intangible assets.