



## Investor Update

March 15, 2021



# 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 Statements

This presentation contains “forward-looking statements” within the meaning of applicable U.S. and Canadian securities laws. Forward-looking statements may relate to our future outlook, financial guidance and anticipated events or results and may include statements regarding the expected financial and other benefits of the Acquisition and the expected timing, our expected credit rating profile and leverage, our financial performance, financial condition or results, business strategy, growth strategies, budgets, operations and services. Particularly, statements regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking statements. In some cases, forward-looking statements 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, potential or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts nor assurances of future performance but instead represent management’s expectations, estimates and projections regarding future events or circumstances. Forward-looking statements are based on our opinions, estimates and assumptions in light of our experience, track record and perception of historical trends, current conditions, growth opportunities and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Certain assumptions are set out herein and in the Company’s press releases dated February 22, 2021 and March 15, 2021 and include our ability to obtain and maintain existing financing on acceptable terms; our ability to source and execute on acquisitions on terms acceptable to us; our ability to find purchasers for non-core assets on terms acceptable to us; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standard. Other factors that could materially affect our forward-looking statements can be found under the heading “Risk Factors” in our annual report for the 2020 fiscal year filed on Form 20-F and in our other 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 statements and are cautioned not to place undue reliance on such statements.

The forward-looking statements contained herein are subject to a number of risks and uncertainties, including those referred to above, that could cause actual results, events or conditions to differ materially from those expressed or implied by the forward-looking statements. 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, the North American financial markets, our operations, our M&A pipeline and our financial results.

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.

The purpose of disclosing our financial outlook set out in this presentation is to provide investors with more information concerning the financial impact of our business initiatives and growth strategies.

## 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 Adjusted EBITDA, EBITDA, Adjusted Free Cash Flow, Net Leverage and Adjusted EBITDA Margin. 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.

The Company’s Full Year 2021 Guidance and 2021 Upside Opportunities include non-IFRS measures such as Adjusted EBITDA, Adjusted Free Cash Flow and Net Leverage. The Company anticipates that these measures will exclude the effects of other events or circumstances in 2021 that are not representative or indicative of the Company’s results of operations. Such excluded items are not currently determinable, but may be significant, such as changes in the foreign exchange rate, the mark to market (gain) loss on the purchase contracts forming part of the Company’s tangible equity units, the cost of refinancings and acquisition, integration, rebranding and other costs. Due to the uncertainty of the likelihood, amount and timing of any such items, the Company does not have information available to provide a quantitative reconciliation of such projections to the comparable IFRS measure. Historical definitions of these measures can be found in the Company’s prior public disclosure including its press release of February 22, 2021 and its annual report for the 2020 fiscal year filed on Form-20F with the Canadian and U.S. securities regulators.

## Certain Other Matters

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

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

# GFL to Acquire Terrapure Environmental Ltd.

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## ■ **Transaction Summary**

- GFL has entered into a definitive agreement to acquire the Solid Waste and Environmental Solutions division of Terrapure Environmental Ltd and its subsidiaries (“Terrapure”) for an aggregate purchase price of C\$927.5 million (the “Acquisition”).
- The Acquisition is subject to certain customary closing conditions, including clearance under the Competition Act (Canada). Closing is expected to occur in the third or fourth quarter of 2021.
  - Integration of acquisitions completed in late 2020 are ahead of schedule and are expected to be substantially complete by the second quarter of 2021. Expected timing of closing of Terrapure will allow 12 months between acquisitions, de-risking integration concerns
- The Acquisition is not subject to any financing conditions. GFL intends to finance the transaction using a combination of capacity under its revolving credit facility, cash on hand and incremental financing. Following completion of the Acquisition, GFL expects to maintain its current credit rating profile.

## ■ **Strategic Benefits**

### ■ **Key assets enhance GFL capabilities and reach**

- The Acquisition brings a high-quality, complementary asset network and customer base to GFL’s existing operations and strengthens GFL’s existing service offerings in several regional markets. The Stoney Creek industrial landfill is a highly strategic asset located in the Greater Toronto Area with recently approved expansion of 14+ years.

### ■ **Create significant synergies**

- The Acquisition is anticipated to generate at least C\$12.5 million of cost synergies, with significant additional upside. Synergies focus on eliminating duplicative administrative functions and asset utilization from geographic overlap between the existing operations of Terrapure and GFL.

### ■ **Create Long Term Shareholder Value**

- The Acquisition aligns with GFL’s commitment of creating long term equity value for shareholders. Terrapure’s strategically located asset network coupled with its strong operating margins are expected to be immediately accretive to free cash flow and provide opportunities for GFL to continue to pursue its growth strategy.

# Overview of Terrapure Environmental Ltd.

## ■ *Terrapure Summary*

- Terrapure is a leading provider of solid and liquid waste management and industrial services in Canada.
- Terrapure's integrated service offerings cover a diverse range of waste streams from generation through collection, processing, recovery, recycling reuse and disposal.
  - The battery recycling operation currently performed by Terrapure is excluded from the transaction perimeter and will be transferred out of Terrapure prior to closing.
- Terrapure services over 7,000 customers with integrated assets divided among landfill, organics collection & waste processing and environmental services. Terrapure is supported by a fleet of over 500 collection vehicles and approximately 1,600 employees.
- The Terrapure asset footprint is highly complementary to GFL's existing network. Terrapure currently offers the same services as GFL, resulting in integration and cross-selling opportunities as well as the expansion of GFL operations into new regions.
- Revenue of approximately C\$365 million in 2020, inclusive of COVID related volume impacts (2019 revenue >C\$410 million)

Landfill



Organics



Collections & Processing



Environmental Services

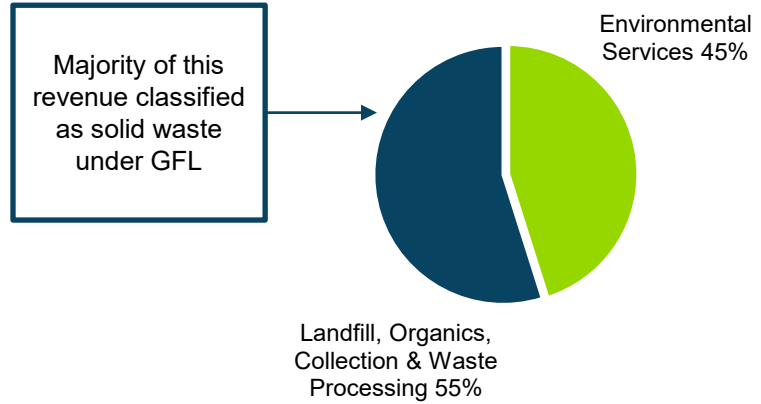


# Geographic Overview

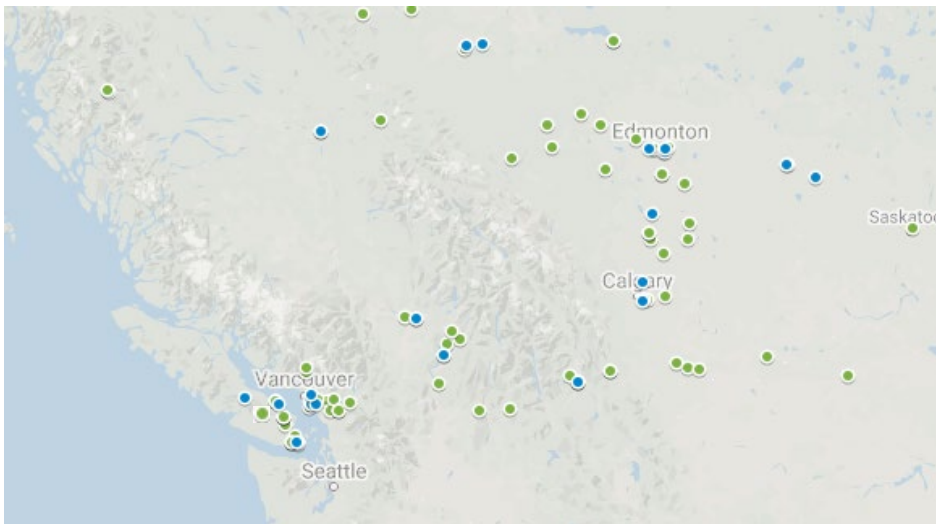
## Pro Forma Geographic Breakdown – Canada Central



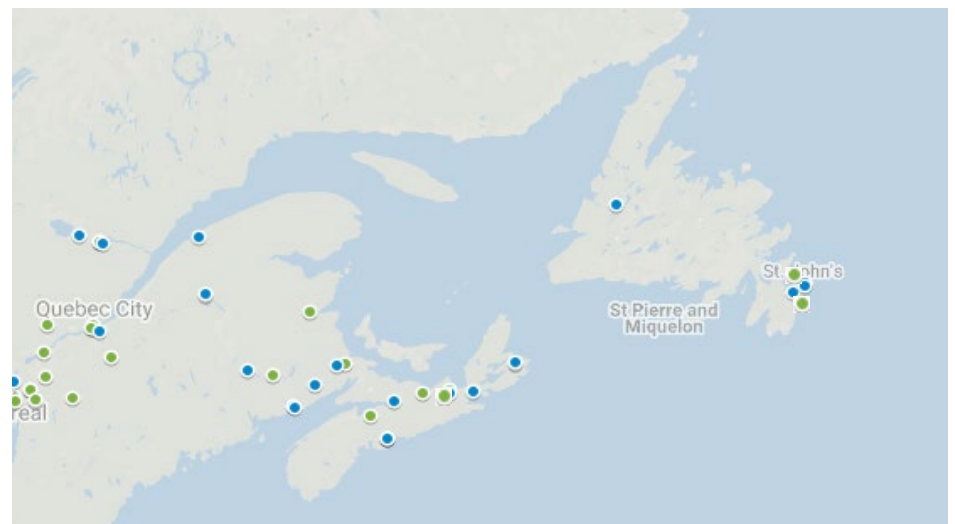
## Revenue By Type



## Pro Forma Geographic Breakdown – Canada West



## Pro Forma Geographic Breakdown – Canada East



- Legend**
- GFL Assets
  - Terrapure Assets

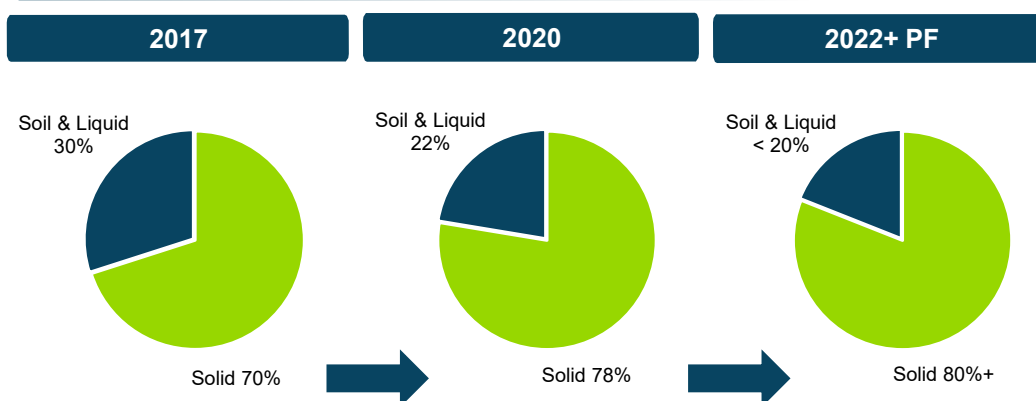
# Illustrative Pro Forma Financial Information

## Pro Forma Financial Information

| (C\$ millions)                      | 2021<br>Guidance <sup>(1)</sup> | Terrapure <sup>(3)</sup> | 2021<br>Guidance<br>Pro Forma <sup>(6)</sup> |
|-------------------------------------|---------------------------------|--------------------------|--|
| <b>Income Statement / Cash Flow</b> |                                 |                          |  |
| Revenue                             | 5,090                           | 375                      | 5,465  |
| Adjusted EBITDA                     | 1,360                           | 110 <sup>(4)</sup>       | 1,470  |
| Adjusted EBITDA margin              | 26.7%                           | 29.3%                    | 26.9%  |
| Capex                               | (510)                           | (28)                     | (538)  |
| Capex Rate <sup>(2)</sup>           | 10.0%                           | 7.5%                     | 9.8%   |
| Interest                            | (300)                           | (34) <sup>(5)</sup>      | (334)  |
| Other                               | (70)                            | (3)                      | (73)   |
| <b>Adjusted Free Cash Flow</b>      | <b>\$480</b>                    | <b>\$45</b>              | <b>\$525</b>                                 |
| Adjusted Free Cash Flow Margin      | 9.4%                            | 12.0%                    | 9.6%   |
| Adjusted Free Cash Flow Conversion  | 35.3%                           | 41.0%                    | 35.7%  |
| Net Leverage                        | ~4.30x                          |                          | ~4.60x                                       |

- Acquisition expected to be immediately accretive across key financial measures
- Terrapure annual amounts inclusive of COVID related volume impacts
- Pro forma numbers include C\$12.5 million of cost synergies, providing opportunity for upside
- Current financing considerations increase expected year end Net Leverage to ~ 4.6x.
- No expected implications to growth goals or long-term leverage philosophy.
- Go forward free cash flow generation provides opportunity for future delevering.

## GFL Revenue by Segment



Inclusive of Terrapure, GFL's Solid segment is expected to account for over 80% of revenue in the near term

6 1. Represents the mid-point of our estimated range for the 2021 guidance.  
 2. Represents annualized capex divided by LTM revenue.  
 3. Represents estimated amounts for the last twelve months at time of closing. Actual amounts reported within our 2021 financial statements will depend on the timing of the closing of the Acquisition.

4. Adjusted EBITDA reflects estimate for synergies of ~\$12.5 million  
 5. Interest cost estimated based on incremental debt of C\$750 million at an interest rate of 4.5%  
 6. Column represents the arithmetic sum of the "2021 Guidance" and "Terrapure" columns. Column is not representative of updated 2021 guidance but rather presents for illustrative purposes only what our 2021 Guidance would have been had the Acquisition closed on January 1, 2021.

# 2021 Adjusted FCF – Potential Run Rate

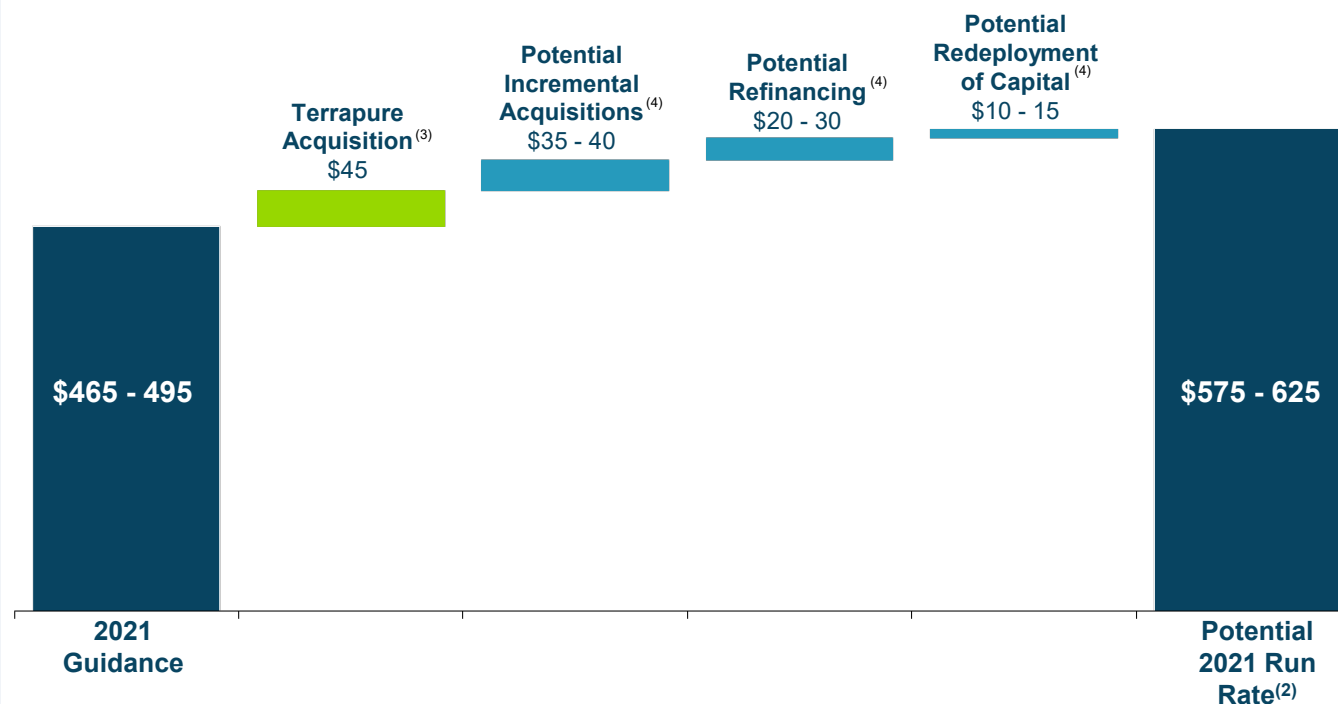
## Adjusted FCF Bridge

Potential 2021 Run Rates Inclusive of Terrapure and Upside Opportunities<sup>(1)</sup>

Revenue \$5,730M

Adj. EBITDA<sup>(2)</sup> \$1,535M

Adj. FCF<sup>(2)</sup> \$600M



Note: C\$ millions unless otherwise noted.

1) Amounts represent the following mid-points of the range: Revenue \$5,630 – \$5,825, Adjusted EBITDA \$1,505 – \$1,565, Adjusted Free Cash Flow \$575 – \$625 million.

2) Due to the uncertainty of the likelihood, amount and timing of effects of events or circumstances to be excluded from these measures, the Company does not have information available to provide a quantitative reconciliation of such projections to the comparable IFRS measure.

3) Represents estimated amount for the last twelve months at time of closing. Actual amount reported within our 2021 financial statements will depend on the timing of the closing of the Acquisition.

4) Represents the 2021 potential upside opportunities identified in the Company's February 22, 2021 press release.