



Position: Short

(NASDAQ: CWST)

Price Target: \$90.33 (24% downside)

Company Overview



Description

Casella Waste Systems is a waste management company working in solid waste operations and resource solutions for residential, commercial, and municipal clients.

CWST operates as a serial acquirer in 10 Northeast states and employs over 5,000 people.

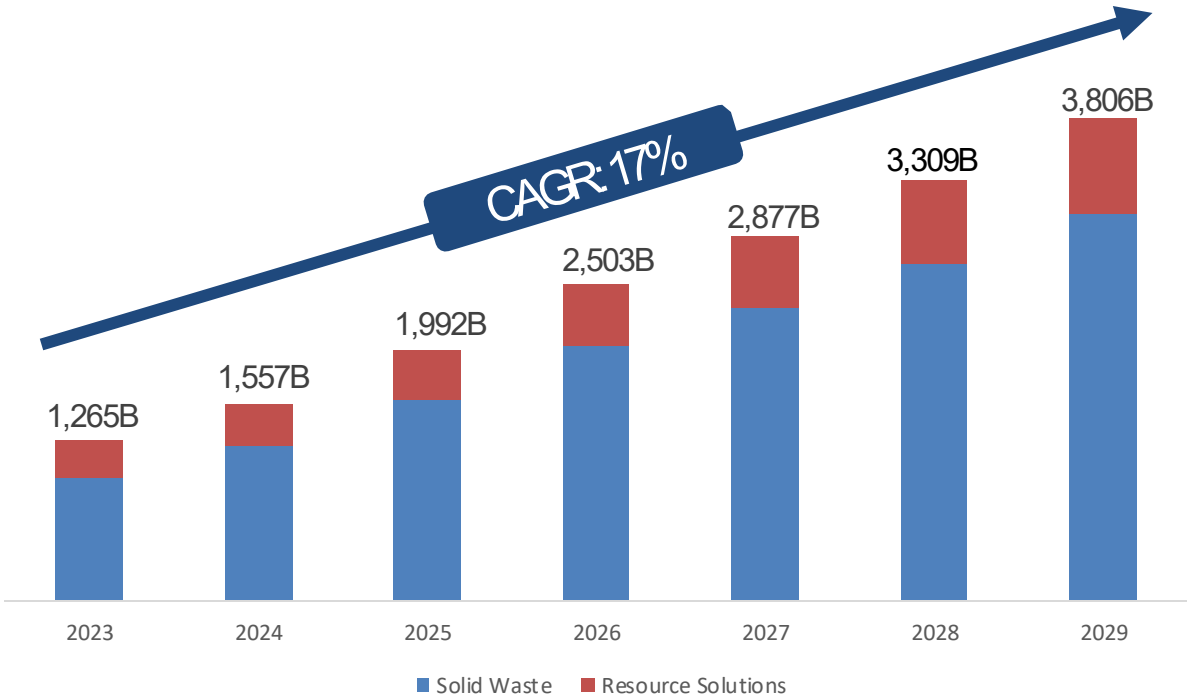
Segment Break Down (FY24)

Segment	Revenue	% of Revenue
Collection (SW)	962B	61.8%
Disposal (SW)	247B	15.8%
Power Generation/Processing (SW)	19B	1.2%
Processing (RS)	130B	8.4%
Non-Processing (RS)	199B	12.8%
Total	1,557B	100.0%

Recent Acquisitions



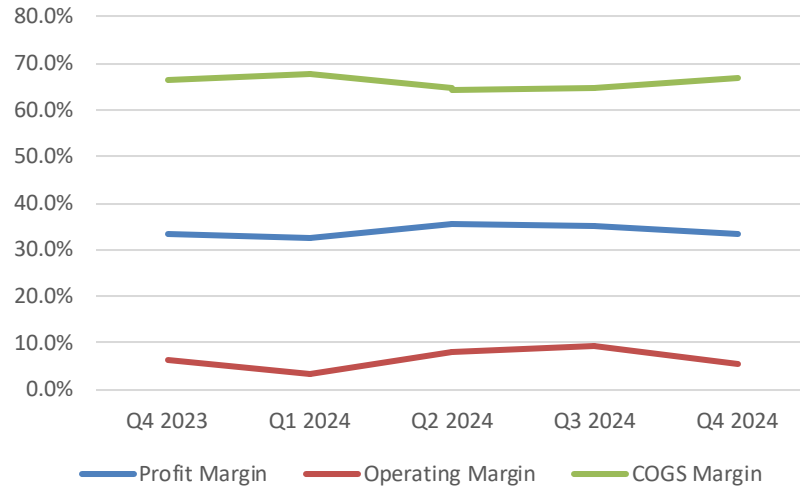
Revenue (\$)



Company Overview - Financials



Margins



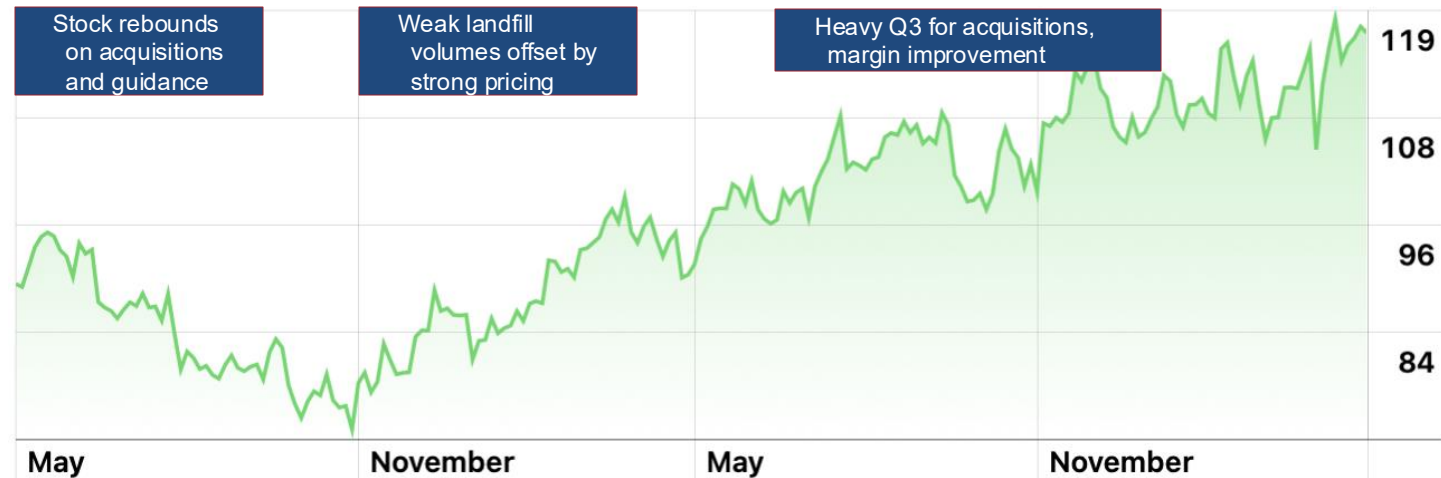
Financial Statistics*

Share Price	\$116.75	EPS	\$.22
Mkt Cap	\$7.409B	Cash	\$5.6B
P/E	530.68	Revenue	\$54.2B

*As of 5/3/2025

Stock Performance

- Over the past 2 years, the stock has generated 30.62% returns to investors
- The company completed 8 acquisitions in 2024 representing over \$200 million in annualized revenues
- Growth plan is simple: acquire businesses and integrate them vertically, growing presence in the Northeast



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Competitive Advantage

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Investment Thesis

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Risk and Mitigation

Industry Overview



Waste Management Industry

- Few large national players but a lot of the industry remains regional/local, especially in collection and hauling
- Leading firms often own the full value chain - including landfills, transfer stations, and recycling facilities, - enabling pricing power and operational efficiency.

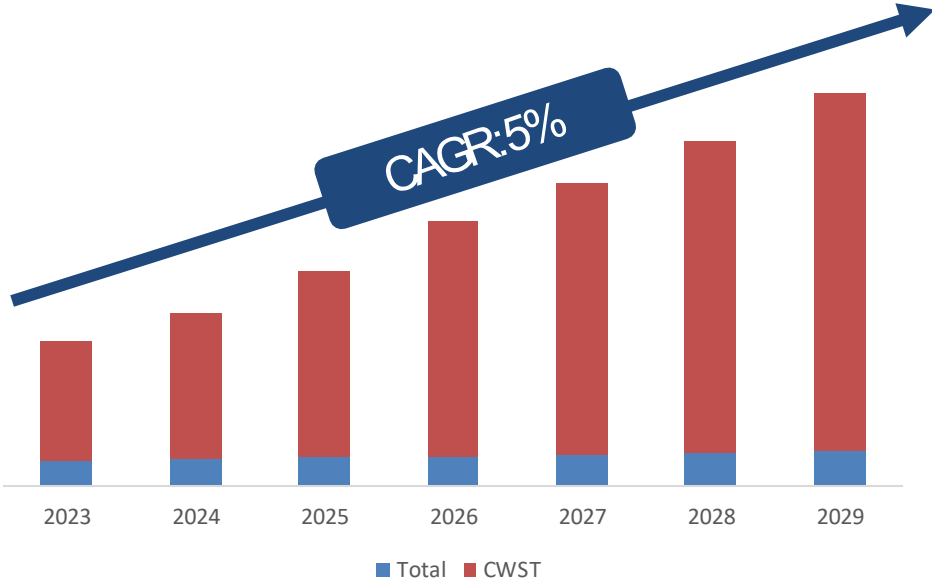
Key Competitors



Opportunities

- Active mergers and acquisitions gives some opportunity for growth, geographic diversification
- By diverting collected waste into company-owned landfills, Casella reduces exposure to volatile third-party disposers
- Upgrading order-to-cash systems, digital customer portal, automating fleet operations

Industry Growth



Threats

- Casella relies on contracts to fuel revenue (with 90% coming from open-market contracts), exposing them to competitive bidding
- Mid-Atlantic region (acquired from GFL) had higher churn rates, hard to collect A/R which might stymie expansion

Competitive Disadvantage

1. Lower Margins

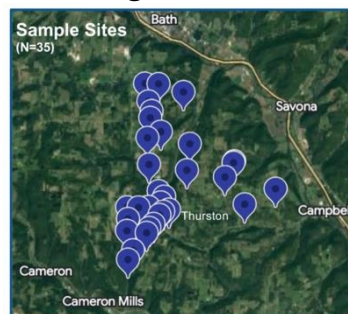
- Compared to named peers in trading groups, CWST consistently trades at a lower gross, EBITDA, EBIT, and pretax margin
- Weaker earnings power, making it harder for the company to grow operational efficiency with more acquisitions

2. Integration Risks

- Rapid M&A activity forces them to scale through multiple deals and strains back-office resources especially in deals where A/R is inherited

3. Exposure to Regulations

- Casella faces heightened exposure to new PFAS treatment costs and commodity price volatility from recycling business
- More earnings volatility and pressure margins compared to larger diversified/balanced names



Casella under fire for PFAS treatment for sites dating decades

4. Geographic Concentration

- With 71% of operations and majority customers in the Northeast, Casella isn't insulated from regional downturns, regulatory changes, and competitive pressures that force them to move out



Company Name	Ticker	Fiscal Period	Gross Margin (%)		EBITDA Margin (%)		EBIT Margin (%)		Pretax Margin (%)	
			Actual	NTM	Actual	NTM	Actual	NTM	Actual	NTM
Casella Waste Syst...	CWST-...	12/2024	18.9	34.7	22.5	23.5	6.7	9.5	1.4	4.8
Waste Management	WM-US	03/31/...	28.9	39.6	29.3	29.7	18.2	19.4	14.7	15.9
Republic Services	RSG-US	03/31/...	30.8	42.1	31.6	31.7	20.3	20.5	15.4	16.5
Waste Connections	WCN-CA	03/31/...	28.9	42.9	25.6	33.4	12.5	20.9	8.6	17.7
Average			26.9	39.8	27.2	29.6	14.4	17.6	10.0	13.7
Median			28.9	40.8	27.4	30.7	15.3	20.0	11.7	16.2

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Competitive Disadv.

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Investment Thesis

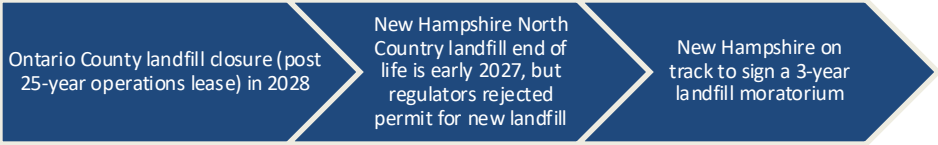
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Risk and Mitigation

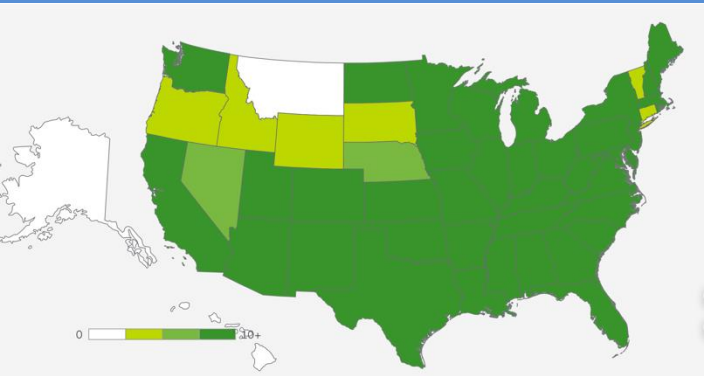
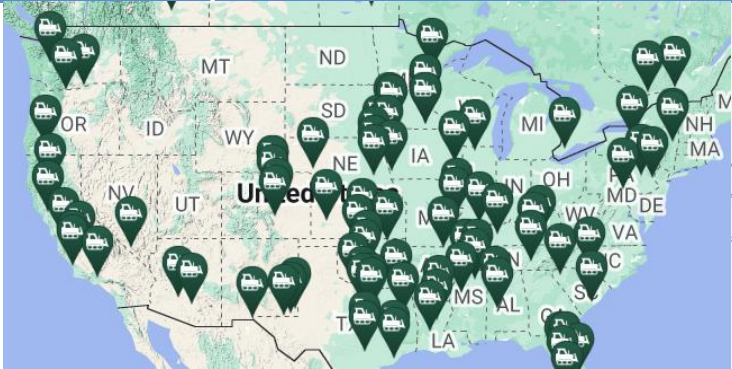
Investment Thesis - 1



Casella's 71% revenue concentration in the Northeast exposes it to a limited TAM and structural inefficiencies



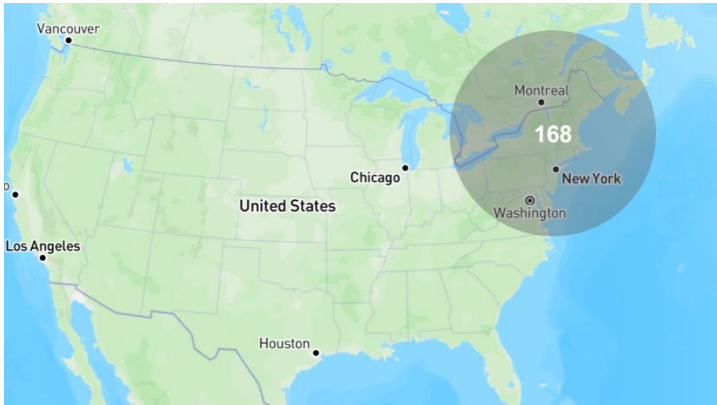
Northeast US has landfill capacity constraints, and management has noted resident pushback to adding capacity



WCN vs. WM vs. CWST

Consequences of Limited Capacity

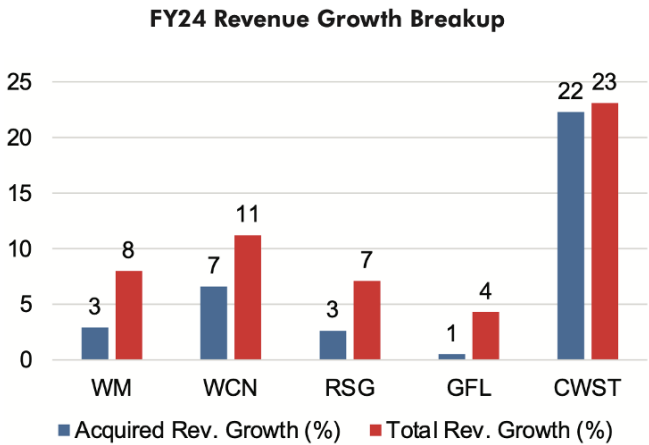
- Acquisition-heavy company means buyouts in different geographies (to take customers from WCN/WM/RSG) will be priced at higher premiums
- Prices will be passed down to consumers who have different options and bargaining power to squeeze CWST
- Contracts are long-term, so pricing power will have to be taken by CWST until 1-5 year contracts expire



Investment Thesis - 2



Casella's aggressive M&A strategy (8 deals FY24, 4 Q1 25) has created debt-filled balance sheet and shady income statements

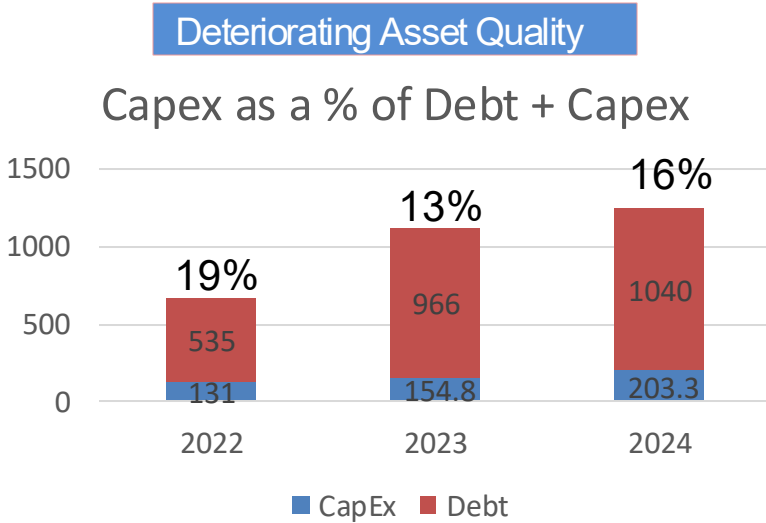


Acquired Rev. Growth Problems

- As CWST's revenue split approaches 50-50, company continues to hide EBITDA drag.

Consequences of Acquisition Growth

- As the revenue split approaches 50-50, the company continues to hide the EBITDA drag.
- "D&A associated with acquisitions was approximately 25% of acquired revenues as compared to 14% of the base business"
- When buyouts happen more frequently, D&A is higher than it would be organically and EBITDA is inflated based on unrealized synergies
- CapEx spend is growing disproportionately with debt with decreasing net income on increasing revenues



- Worry is that CWST is becoming more reliant on debt/equity to fund acquisitions instead of organic FCF

1. Q3 2025 Earnings Miss

- If CWST misses EPS or revenue expectations due to integration costs, weak landfill volumes, or margin pressure, investor sentiment might trigger a sell-off
- Particularly important to watch acquisition vs. organic growth

Acquisition Information

- When CWST releases more information about acquisitions vs. organic growth, margins and adjusted EBITDA numbers can be analyzed

2. PFAS Regulatory Updates

- New or stricter regulations on PFAS treatment or landfill expansions in the Northeast could increase costs and limit future growth
- PFAS removal from wastewater is \$1m+ pound and remediation efforts will force CWST to incur balance sheet or landfill closure risks

3. Interest Rates/Credit Tightening

- Higher interest rates make acquisitions more expensive to finance and will slow the acquisition-heavy business model
- Offering shares to raise money to fund acquisitions – leverage and interest coverage are stretched enough that relying on debt only wouldn't work
- Equity is more expensive and more equity raises means acquisitions aren't even from organic growth

Summary

- CWST is a company relying on debt to fund acquisitions, and there is a limit to how much debt you can take on without constantly injecting shareholder capital
- Operating in a strict regulatory climate in the Northeast makes business expensive

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Risks and Mitigations



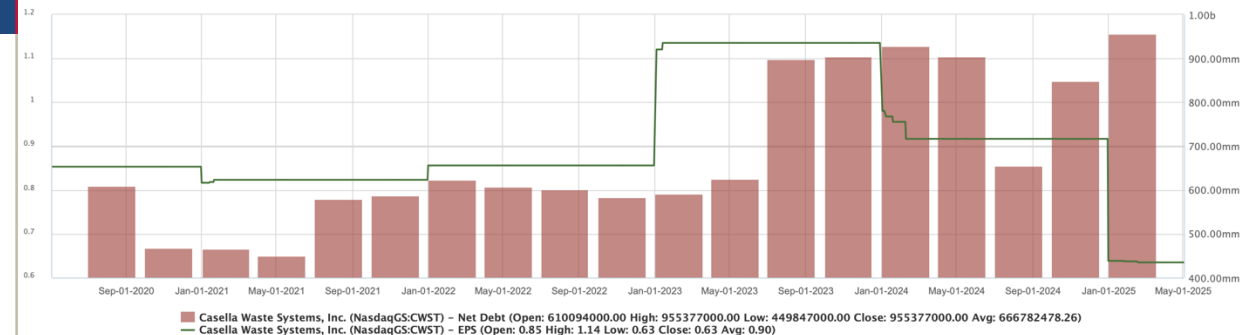
Risk to short: Aggressive M&A drives growth and market share

- Wall Street thinks that Casella’s serial acquisitions rapidly expand footprint, revenue base, and vertical integration in the Northeast
- By pushing out competitors in the Northeast and continuing contract dominance, TAM is still growing for CWST

Mitigations

- Even though footprint might still be increasing, M&A-driven growth hides weaker organic performance and inflates EBITDA through high D&A which increases integration risk by forcing higher write-offs
- Expansion into other regions (if Northeast remains segmented) will be cost prohibitive as Casella doesn’t have current infrastructure to support new operations there

EPS vs. Net Debt



EPS hasn’t grown substantially in years while net debt continues to increase over time

Landfill Capacity by Region

Region	Remaining Capacity (years)	Annual rate of loss
Northeast	8	-5.0%
Southeast	14	-2.5%
Midwest	11	-4.0%
Western	22	-1.5%
Pacific	17	-1.9%
USA	15	-2.6%

Landfill capacity in the Northeast is lower than rest of country and losing space faster

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Risk and Mitigation

Valuation

2	Discounted Cash Flow - CWST				
3	Dollars in US \$ millions except per share amount				
4					
5	FCF Projection				
6					
7	Unlevered Free Cash Flow				
8		2025	2026	2027	2028
9	EBIT	\$92.6	\$117.1	\$131.6	\$147.4
10	Less Taxes	(3.2)	(4.8)	(6.9)	(8.2)
11	Tax-effected EBIT	\$89.4	\$112.3	\$124.7	\$139.2
12	+ Depreciation & Amortization	307.3	387.9	434.5	486.6
13	+/- Deferred Taxes	76.4	76.4	76.4	76.4
14	+/- Other Non-Cash Charges	60.0	60.0	60.0	60.0
15	+/- Changes in Working Capital	(708.7)	(1,371.7)	1,260.0	(144.1)
16	Less Capital Expenditures	(412.0)	(473.8)	(473.8)	(473.8)
17	Total Unlevered Free Cash Flow	(\$587.6)	*****	\$1,481.7	\$144.3
18	Cost of Capital Calculation (Optional)				
19	Risk Free Rate	#	Debt YE 2012	#	
20	Market Risk Premium	#	Stock Price	#	
21	Beta	#	Shares Outstanding	#	
22	Cost of Equity	#	Equity Value	#	
23	Cost of Debt	#			
24	WACC*	#VALUE!			
25	(*Reference only. Enter WACC assumption below in C30)				
26					
27	NPV of FCFs				
28	Method 1: Net Present Value Calculation (with math)				
29	WACC	7.14%	*Factset		
30	Period	1.0	2.0	3.0	4.0
31	Discounted Cash Flow (write formula)	(548.4)	(1,053.1)	1,204.8	109.5
32	Total Net Present Value				(77.0)
33					
34	Method 2: Net Present Value Calculation (using NPV)				
35	WACC	7.20%			
36	Total Net Present Value	(\$77.0)			
37					
38	Terminal Value				
39	Exit Multiple Method				
40	Exit Year EBITDA	710.1			
41	Multiple	20.0x			
42	Terminal Value	14,201.9			
43	Net Present Value	10,059.8			
44	Perpetuity Method				
45	Unlevered Free Cash Flow	296.8			
46	Growth Rate	3.0%			
47	Terminal Value	7,384.1			
48	Net Present Value	5,230.4			
49					
50	Discounted Cash Flow Total Valuation				
51		EBITDA Method	Perpetuity Method		
52	Total of Present Value of Cash Flows	(77.0)	(77.0)		
53	+ Present Value of Terminal Value	10,059.8	5,230.4		
54	Total Enterprise Value	9,982.8	5,153.4		
55	Less: Net Debt & Non-controlling interests	490.6	490.6		
56	Equity Value	10,473.4	5,644.1		
57	Share Count (millions)	62.5	62.5		
58	Estimated Equity Value per Share	\$167.63	\$90.33		
59					
60	Sensitivity Analysis				
61	Valuation (Perpetuity Method) by WACC and Growth Rate				
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- Modeled cash acquisitions stable so steady-state where acquisitions no longer materially drive the numbers
- Base case revenue assumptions (6% QoQ -> 10-12% YoY growth)

Bull Case: \$204.20 (72% IRR) – 20% weighting.

Revenue growth goes ballistic due to organic growth on top of continued acquisitive growth, which might only happen if firm successfully pushes out WM/RSG/WCN from geographic area and grows Northeast TAM.

Base Case: \$90.33 (-24% IRR) – 75% weighting.

Continued acquisitive growth and limited organic growth, with constant margins.

Bear Case: \$5.03 (-95% IRR) – 5% weighting. Organic revenue growth slows and bad acquisitions drag revenue, company breaches debt covenants and credit downgrades multiple times until breakup/divestiture by larger competitors.

Appendix 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	Base																			
2	Period	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q2 '23	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26	Q3 '26	Q4 '26	2027	2028	2029
3	Solid Waste Operations																			
4	Collection Revenue	139.98	149.85	206.09	214.67	211.36	223.96	252.58	273.89	280.94	297.80	315.67	334.61	354.69	375.97	398.52	422.44	1,737.80	1,946.34	2,179.90
5	Collection Revenue%	53.3%	51.7%	58.4%	59.7%	62.0%	59.4%	61.4%	64.1%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%
6	Disposal Revenue	51.47	63.63	66.34	63.15	50.14	65.12	67.45	64.00	76.579842	81.174633	86.045111	91.207817	96.680286	102.4811	108.62997	115.14777	473.69182	530.53484	594.19902
7	Disposal Revenue%	19.6%	22.0%	18.8%	17.6%	14.7%	17.3%	16.4%	15.0%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
8	Power Generation Revenue	1.92	1.32	1.80	1.58	2.51	1.98	1.65	1.81	2.2656758	2.4016163	2.5457133	2.6984561	2.8603635	3.0319853	3.2139044	3.4067387	14.014551	15.696297	17.579853
9	Power Generation Revenue%	0.7%	0.5%	0.5%	0.4%	0.7%	0.5%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
10	Processing Revenue	1.58	2.75	3.02	2.60	1.93	2.88	3.48	2.67	2.718811	2.8819396	3.054856	3.2381474	3.4324362	3.6383824	3.8566853	4.0880864	16.817461	18.835556	21.095823
11	Processing Revenue%	0.6%	1.0%	0.9%	0.7%	0.6%	0.8%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
12	Total Solid Waste Revenues	194.94	217.55	277.25	282.00	265.94	293.95	325.17	342.37	362.51	384.26	407.31	431.75	457.66	485.12	514.22	545.08	2,242.33	2,511.41	2,812.78
13	Resource Solutions Revenues																			
14	Processing Revenue	22.81	25.38	27.78	30.03	29.76	33.28	34.95	32.47	36.250813	38.425862	40.731413	43.175298	45.765816	48.511765	51.422471	54.507819	224.23282	251.14075	281.27764
15	Processing Revenue%	8.7%	8.8%	7.9%	8.4%	8.7%	8.8%	8.5%	7.6%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
16	Non-Processing Revenue	44.85	46.71	47.71	47.54	45.31	49.94	51.51	52.65	54.376219	57.638792	61.09712	64.762947	68.648724	72.767647	77.133706	81.761729	336.34922	376.71113	421.91646
17	Non-Processing Revenue%	17.1%	16.1%	13.5%	13.2%	13.3%	13.2%	12.5%	12.3%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
18	Total Resource Solutions Revenue	67.65	72.09	75.49	77.57	75.07	83.22	86.46	85.12	90.63	96.06	101.83	107.94	114.41	121.28	128.56	136.27	560.58	627.85	703.19
19	Total Revenue	262.60	289.65	352.74	359.57	341.01	377.16	411.63	427.49	453.14	480.32	509.14	539.69	572.07	606.40	642.78	681.35	2,802.91	3,139.26	3,515.97
20	Solid Waste as % of Revenue	74.2%	75.1%	78.6%	78.4%	78.0%	77.9%	79.0%	80.1%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
21	Resource Solution as % of Revenue	25.8%	24.9%	21.4%	21.6%	22.0%	22.1%	21.0%	19.9%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
22	Rev. Growth %		10.3%	21.8%	1.9%	-5.2%	10.6%	9.1%	3.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	12.0%	12.0%	12.0%
23	Rev. Check (0)									0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24																				
25																				
26																				
27																				
28	Notes																			
29	FlatlinePower Gen Rev. at .5%																			
30	FlatlineProcessing Rev. at .6%																			
31																				
32																				
33	Revenue Cases	Rev. Growth		-2027																
34	Bear	4.0%																		
35	Base	6.0%																		
36	Bull	8.0%																		
37																				
38																				
39	Revenue Cases	Rev. Growth		-2028																
40	Bear	10.0%																		
41	Base	12.0%																		
42	Bull	14.0%																		
43																				
44																				
45																				
46	Segment	Revenue	% of Revenue			Year Revenues	Solid Waste	Resource Solutions	Total											
47	Collection (SW)	962	61.8%			2023	971.74	292.80	1,264.54											
48	Disposal (SW)	247	15.8%			2024	1,227.42	329.87	1,557.28											
49	Power Generation/Processing (SW)	19	1.2%			2025	1,585.83	396.46	1,982.29											
50	Processing (RS)	130	8.4%			2026	2,002.08	500.52	2,502.60											
51	Non-Processing (RS)	199	12.8%			2027	2,242.33	560.58	2,802.91											
52	Total	1,557	100.0%			2028	2,511.41	627.85	3,139.26											
53						2029	2,812.78	703.19	3,515.97											
54																				
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57																				
58																				
59	Revenue Cases	Rev. Growth		-2029																
60	Bear	8.0%																		
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63																				

Appendix 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1																				
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3	Income Statement																			
4	Period	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q2 '23	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26	Q3 '26	Q4 '26	2027	2028	2029
5																				
6	Revenue	262.6	289.6	352.7	359.6	341.0	377.2	411.6	427.5	453.13516	480.3232696	509.1426658	539.6912257	572.0726993	606.3970612	642.7808849	681.347738	2802.910189	3139.259412	3515.970542
7	Total Revenue	262.6	289.6	352.7	359.6	341.0	377.2	411.6	427.5	453.1	480.3	509.1	539.7	572.1	606.4	642.8	681.3	2802.9	3139.3	3516.0
8																				
9	Cost Of Goods Sold	180.2	186.3	226.3	239.2	230.8	243.8	267.1	285.6	302.6942869	320.8559441	340.1073007	360.5137388	382.1445631	405.0732369	429.3776311	455.140289	1872.344007	2097.025287	2348.668322
10	COGS as a % of Rev.	68.6%	64.3%	64.2%	66.5%	67.7%	64.6%	64.9%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%
11	Gross Profit	82.4	103.3	126.4	120.4	110.2	133.4	144.5	141.8	150.4	159.5	169.0	179.2	189.9	201.3	213.4	226.2	930.6	1042.2	1167.3
12																				
13	Selling General & Admin Exp.	35.7	35.9	41.2	43.1	44.3	47.2	47.0	52.2	58.9	62.4	66.2	70.2	74.4	78.8	83.6	88.6	364.4	408.1	457.1
14	SG&A as % of Rev.	13.6%	12.4%	11.7%	12.0%	13.0%	12.5%	11.4%	12.2%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
15	Depreciation & Amort.	33.4	34.9	47.7	54.6	55.3	59.2	66.4	70.2	70.2	74.5	88.7	83.7	94.0	99.6	105.6	434.5	486.6	545.0	
16	D&A as % of Rev.	12.7%	12.1%	13.5%	15.2%	15.8%	14.7%	14.4%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
17	Other Operating Exp., Total	69.1	70.8	88.9	97.7	98.4	102.5	106.2	118.6	129.3	137.0	145.2	153.9	163.2	173.0	183.3	194.3	799.0	894.8	1002.2
18																				
19	Operating Income	13.2	32.5	37.5	22.7	11.8	30.9	38.3	23.3	21.2	22.4	23.8	25.2	26.8	28.4	30.1	31.9	131.6	147.4	165.1
20																				
21	Interest Expense	(7.0)	(9.0)	(15.7)	(15.9)	(15.9)	(15.3)	(15.7)	(15.5)	(16.3)	(17.3)	(18.3)	(19.4)	(20.6)	(21.8)	(23.1)	(24.5)	(100.9)	(113.0)	(126.6)
22	Interest Expense as % of Rev.	-2.7%	-3.1%	-4.5%	-4.4%	-4.7%	-4.1%	-3.8%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%
23	Interest and Invest. Income	0.7	1.6	5.5	2.9	2.8	2.6	1.4	3.6	3.6	3.8	4.1	4.3	4.6	4.9	5.1	5.5	22.4	25.1	28.1
24	Interest Income as % of Rev.	0.3%	0.6%	1.6%	0.8%	0.8%	0.7%	0.3%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
25	Net Interest Exp.	(6.3)	(7.4)	(10.2)	(12.9)	(13.1)	(12.7)	(14.4)	(11.8)	(12.7)	(13.5)	(14.3)	(15.1)	(16.1)	(17.0)	(18.0)	(19.1)	(78.5)	(87.9)	(98.5)
26																				
27	Other Non-Operating Inc. (Exp.)	0.3	0.5	0.2	0.6	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.6	1.6	1.6
28	EBT Excl. Unusual Items	7.3	25.6	27.5	10.3	(0.9)	18.6	24.4	11.9	8.4	9.4	9.9	10.5	11.1	11.8	12.4	13.2	54.7	61.1	68.2
29																				
30	Restructuring Charges	(0.1)	(0.1)	(0.1)	(4.1)	-	-	(8.5)	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Merger & Related Restruct. Charges	(2.9)	(3.7)	(3.3)	(5.2)	(5.0)	(7.8)	(5.5)	(6.6)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
32	Legal Settlements	-	(6.2)	-	0	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
33	Other Unusual Items	-	(8.2)	-	0.0	-	-	-	(1.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	EBT Incl. Unusual Items	4.3	7.5	24.2	1.0	(5.9)	10.8	10.4	5.7	2.9	3.9	4.4	5.0	5.6	6.3	6.9	(6.8)	34.7	41.1	48.2
35																				
36	Income Tax Expense	0.8	2.0	6.0	2.8	(1.8)	3.8	4.7	0.8	0.6	0.8	0.9	1.0	1.1	1.3	1.4	(1.4)	6.9	8.2	9.6
37	Earnings from Cont. Ops.	3.5	5.5	18.2	(1.8)	(4.1)	7.0	5.8	4.9	2.4	3.1	3.5	4.0	4.5	5.0	5.6	(5.5)	27.8	32.9	38.6
38																				
39	Net Income	3.5	5.5	18.2	(1.8)	(4.1)	7.0	5.8	4.9	2.4	3.1	3.5	4.0	4.5	5.0	5.6	(5.5)	27.8	32.9	38.6
40	Check																			
41																				

Appendix 3

Cash Flow																			
Period	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q2 '23	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26	Q3 '26	Q4 '26	2027	2028	2029
Net Income	3.5	5.5	18.2	(1.8)	(4.1)	7.0	5.8	4.9	2.4	3.1	3.5	4.0	4.5	5.0	5.6	(5.5)	27.8	32.9	38.6
Depreciation & Amort.	29.4	30.7	37.6	49.4	41.5	43.1	45.1	57.9											
Amort. of Goodwill and Intangibles	4.1	4.2	10.1	12.8	12.6	12.2	14.0	17.6											
Depreciation & Amort., Total	33.4	34.9	47.7	62.0	54.0	55.3	59.2	75.6	70.2	74.5	78.9	83.7	88.7	94.0	99.6	105.6	434.5	486.6	545.0
Other Amortization	0.5	1.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Stock-Based Compensation	2.0	2.4	2.4	2.4	2.1	2.7	2.6	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Other Operating Activities	7.2	14.5	10.4	5.0	4.9	12.8	20.0	1.4	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	60.0	60.0	60.0
Change in Acc. Receivable	5.7	(9.7)	(19.3)	(16.1)	10.5	(17.5)	(1.9)	10.1	9.9	10.6	11.2	11.9	12.6	13.3	14.1	15.0	823.4	130.5	146.2
Change in Acc. Payable	(7.6)	16.5	15.7	17.0	(36.5)	14.2	1.8	6.9	6.6	7.1	7.5	7.9	8.4	8.9	9.5	10.0	551.2	87.4	97.9
Change in Other Net Operating Assets	(28.8)	2.0	(1.1)	6.1	(24.0)	(3.1)	3.6	5.4	-7.451	0.202	1.434	5.815	-7.451	0.202	1.434	5.815	27.164	0.043	0
Cash from Ops.	16.1	67.1	74.6	75.3	7.7	72.1	91.8	109.8	99.9	112.8	119.5	129.8	122.7	136.9	145.1	156.9	1,901.7	770.0	854.5
Capital Expenditure	(17.9)	(32.5)	(39.9)	(64.5)	(30.3)	(44.6)	(51.5)	(76.9)	(103.0)	(103.0)	(103.0)	(103.0)	(118.5)	(118.5)	(118.5)	(118.5)	(473.8)	(473.8)	(473.8)
Sale of Property, Plant, and Equipment	0.4	0.4	0.2	0.1	0.5	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Cash Acquisitions	(0.3)	(547.3)	(300.2)	(4.1)	(0.3)	1.6	(260.5)	(209.4)	(55.0)	(0.3)	(260.5)	(209.4)	(0.3)	1.6	(260.5)	(209.4)	(468.6)	(468.6)	(468.6)
Divestitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale (Purchase) of Intangible assets	-	-	-	-	-	(0.2)	(0.1)	0	0	0	0	0	0	0	0	0	0	0	0
Invest. in Marketable & Equity Secur.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activities	-	-	-	-	-	-	0.1	0	0	0	0	0	0	0	0	0	0	0	0
Cash from Investing	(17.7)	(579.5)	(339.9)	(68.5)	(30.1)	(42.9)	(311.7)	(286.0)	(157.7)	(103.0)	(363.2)	(312.1)	(118.5)	(116.6)	(378.7)	(327.6)	(942.1)	(942.1)	(942.1)
Short Term Debt Issued	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
Long-Term Debt Issued	-	-	-	-	0.9	-	-	-	0	0	0	0	0	0	0	0	0	0	0
Total Debt Issued	-	430.0	35.0	0	0.9	0.9	800.0	45.0	0.9	0.9	800.0	45.0	0.9	0.9	800.0	45.0	846.8	846.8	846.8
Short Term Debt Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt Repaid	(9.0)	-	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Repaid	(9.0)	(1.6)	(7.9)	(7.7)	(10.0)	(10.1)	(760.8)	(2.9)	(10.0)	(10.1)	(760.8)	(2.9)	(10.0)	(10.1)	(760.8)	(2.9)	(783.8)	(783.8)	(783.8)
Issuance of Common Stock	-	496.4	-	0	-	-	496.6	0.0	0	0	0	0	0	0	0	0	0	0	0
Repurchase of Common Stock	-	-	(0.1)	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
Total Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Dividend Paid	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
Other Financing Activities	(0.3)	(6.9)	(5.6)	0	-	-	(6.4)	(1.6)	-	-	(6.4)	(1.6)	-	-	(6.4)	(1.6)	(8.0)	(8.0)	(8.0)
Cash from Financing	(9.3)	917.9	21.4	(7.7)	(9.1)	(9.2)	529.4	40.5	(9.1)	(9.2)	39.2	42.1	(9.1)	(9.2)	39.2	42.1	63.0	63.0	63.0
Net Change in Cash	(10.9)	405.5	(243.9)	(0.9)	(31.5)	20.0	309.5	(135.7)	(67.0)	0.5	(204.5)	(140.2)	(4.9)	11.1	(194.3)	(128.5)	1,022.5	(109.1)	(24.6)

Appendix 4

6	Balance Sheet																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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