

CASELLA WASTE SYSTEMS INC

Form 424B5

January 22, 2019

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**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-224788**

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

**Subject to completion, dated January 22, 2019**

**Preliminary Prospectus Supplement**

**(To Prospectus dated May 9, 2018)**

**3,100,000 Shares**

## **Class A Common Stock**

*We are offering 3,100,000 shares of Class A common stock, \$0.01 par value per share, in this offering.*

*Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol **CWST**. On January 18, 2019, the last reported sale price of our Class A common stock on the Nasdaq Global Select Market was \$31.73 per share.*

*We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock.*

**Investing in our Class A common stock involves risks. See **Risk Factors** beginning on page S-13 of this prospectus supplement and the risk factors described in the other documents incorporated by reference herein.**

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	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions (1)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) See Underwriting in this prospectus supplement for additional information regarding underwriter compensation and estimated offering expenses.

*If all of the shares of Class A common stock are not sold at the public offering price, the underwriters may change the offering price and may offer shares of Class A common stock from time to time for sale in negotiated transactions or otherwise, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or otherwise.*

*We have granted the underwriters an option for a period of up to 30 days from the date of this prospectus supplement to purchase up to 465,000 additional shares of Class A common stock at the public offering price less the underwriting discounts and commissions. If the underwriters exercise this right in full, the total public offering price will be \$ , the total underwriting discounts and commissions payable by us will be \$ , and the total proceeds to us, before expenses, will be \$ .*

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

*The underwriters expect to deliver the shares of Class A common stock to purchasers on or about January , 2019, subject to the satisfaction of certain conditions.*

***Book-Running Manager***

**RAYMOND JAMES**

**The date of this prospectus supplement is January , 2019**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this Class A common stock offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference herein or therein. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference herein or therein filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein or in the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreement, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

You should rely only on the information contained in this prospectus supplement or the accompanying prospectus, or incorporated by reference herein or therein. We have not authorized, and the underwriters have not authorized, anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in this prospectus supplement or the accompanying prospectus, or incorporated by reference herein or therein, is accurate only as of the respective dates hereof or thereof, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our Class A common stock. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you in the sections entitled *Where You Can Find More Information* and *Incorporation of Certain Information by Reference* in this prospectus supplement.

We are offering to sell, and seeking offers to buy, shares of our Class A common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Class A common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the Class A common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

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Unless otherwise stated, all references in this prospectus supplement and the accompanying prospectus to we, us, our, Casella, the Company similar designations refer to Casella Waste Systems, Inc. and all of its subsidiaries. The Casella logo and all other Casella product names are trademarks of Casella or its subsidiaries in the United States and in other select countries. Solely for convenience, trademarks and trade names referred to in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein and therein may appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights to these trademarks and trade names.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements that involve substantial risks and uncertainties. All statements contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, other than statements of historical fact, are forward-looking statements. The words anticipate, around, believe, estimate, expect, intend, may, plan, predict, project, target, would, could, should, continue, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include, among other things, statements about:

the projected development of additional disposal capacity or expectations regarding permits for existing capacity;

the outcome of any legal or regulatory matter;

expected liquidity and financing plans;

expected future revenues, operations, expenditures and cash needs;

preliminary estimated financial results;

fluctuations in or the level of commodity pricing of our recyclables, increases in landfill tipping fees and fuel costs and general economic and weather conditions;

projected future obligations related to final capping, closure and post-closure costs of our existing landfills and any disposal facilities which we may own or operate in the future;

our ability to use our net operating losses and tax positions;

our ability to service our debt obligations;

the recoverability or impairment of any of our assets or goodwill;

estimates of the potential markets for our products and services, including the anticipated drivers for future growth;

sales and marketing plans or price and volume assumptions;

potential business combinations or divestitures;

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projected improvements to our infrastructure and the impact of such improvements on our business and operations;

our expected use of proceeds from this offering; and

other risks and uncertainties, including those described in the Risk Factors section of this prospectus supplement.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

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These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate, as well as management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance, circumstances or events. The occurrence of the events described and the achievement of the expected results depends on many events, some or all of which are not predictable or within our control. Actual results may differ materially from those set forth in our forward-looking statements.

We have included important factors in the cautionary statements included in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, particularly in the Risk Factors section of this prospectus supplement that could cause actual results or events to differ materially from the forward-looking statements that we make. We do not assume any obligation to update any forward-looking statements, except as required by applicable law.

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### **SUMMARY**

*The following information supplements, and should be read together with, the information contained or incorporated by reference in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information about us and this offering. This summary may not contain all of the information that may be important to you. You should read carefully all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the information set forth under the caption "Risk Factors" in this prospectus supplement and the accompanying prospectus, as well as our consolidated financial statements and the related notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in our Class A common stock.*

### **Company Overview**

Founded in 1975 with a single truck, Casella Waste Systems, Inc. is a regional, vertically-integrated solid waste services company. We provide resource management expertise and services to residential, commercial, municipal and industrial customers, primarily in the areas of solid waste collection and disposal, transfer, recycling and organics services. We provide integrated solid waste services in six states: Vermont, New Hampshire, New York, Massachusetts, Maine and Pennsylvania, with our headquarters located in Rutland, Vermont. We manage our solid waste operations on a geographic basis through two regional operating segments, the Eastern and Western regions, each of which provides a full range of solid waste services, and our larger-scale recycling and commodity brokerage operations through our Recycling segment. Organics services, ancillary operations, along with major account and industrial services, are included in our Other segment.

### **Growth Strategy**

In early August 2017, we announced an updated long-term strategic plan through our fiscal year ending December 31, 2021 (the "2021 Plan"). The 2021 Plan remains focused on enhancing shareholder returns by improving cash flows and reducing debt leverage through the following strategic initiatives:

Increasing landfill returns by driving pricing in excess of inflation in the disposal capacity constrained markets in the Northeast and working to maximize capacity utilization.

Driving additional profitability in our collection operations through profitable revenue growth and operating efficiencies.

Creating incremental value through our resource solutions offerings in our recycling, organics, and customer solutions operations.

Using technology to drive profitable growth and efficiencies through our efforts to update key systems to drive back office transformation, operating efficiencies and sales force effectiveness.

Allocating capital to balance debt delevering with smart growth through continued capital discipline and selective acquisitions of complementary businesses and assets.

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To support our efforts, we continue to invest in our employees through leadership development, technical training and career paths, and incentive compensation structures that seek to align our employees' incentives with our long-term goal to improve cash flows and returns on invested capital.

### ***Increasing Landfill Returns***

Disposal capacity continues to tighten in the Northeast market as permanent site closures are reducing capacity and stronger economic and construction activity are driving higher volumes. Given this supply-demand imbalance and the favorable positioning of our assets, we were able to successfully advance landfill pricing by +4.1% (or average price per ton by +6.3%) for the 12-months ended September 30, 2018.

We believe that this positive pricing backdrop will continue as additional site closures are expected over the next several years, and as we reset multi-year contracts we expect to advance pricing in excess of CPI on a larger percentage of our inbound waste streams.

On the landfill development side, we continue to advance key permitting activities across our landfills to increase annual capacity limits at select sites and expand total permitted capacity across our footprint. We have been successful in advancing permit increases at our Hyland, Ontario County, Chemung County, Juniper Ridge, and Clinton County landfills over the last 3-years. Cumulatively, these efforts have added 462,000 tons per year of permitted capacity and approximately 33.3 million cubic yards of permitted airspace.

### ***Driving Additional Profitability in Collection Operations***

Collection pricing was up +4.8% for the 12-months ended September 30, 2018 with sustained execution against our strategic pricing programs. On the operating side, we continue to advance several key areas, including route optimization, fleet standardization, and maintenance programs, to further reduce our operating costs in the collection line-of-business. We are in the fourth year of our comprehensive fleet plan, which is designed to optimize our fleet and target truck replacements to maximize returns, reduce our operating expenses through lower maintenance costs, and improve our service levels through reduced down times.

The combination of these operating advancements and pricing programs are driving improved results in our collection line-of-business, with our cost of operations as a percentage of revenues down 640 basis points from the calendar year ended December 31, 2014 to the 12-months ended September 30, 2018.

### ***Creating Incremental Value Through Resource Solutions***

One of the key objectives of our strategy is to differentiate ourselves in the marketplace by offering value-added resource solutions to our customers. These solutions range from our customer solutions business, which provides professional services to large industrial customers, to our organics business, which is the leader in organics processing and disposal in the Northeast, and to our large scale, technology-driven recycling business.

Our customer solutions business has continued to improve margins and returns through the third quarter of the fiscal year ended December 31, 2018 (fiscal year 2018), as we further transformed the business from the legacy brokerage model to a professional services organization focused on providing resource solutions to large industrial and institutional accounts.

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Over the last two years, we have worked to reshape our recycling business model to drive higher returns in all market cycles and reduce exposure to recycling commodity volatility. We have accomplished much of this goal by restructuring several third-party processing contracts to limit downside risk through processing fees and with the implementation of our Sustainability Recycling Adjustment Fee or SRA Fee for our collection customers. The SRA Fee floats inversely to changes in recycling commodity prices. Our risk mitigation programs have offset most of the recent commodity price declines driven primarily by China's National Sword program that banned the import of certain recycled materials and imposed strict new contamination standards for others, and we expect these programs to continue to reduce our commodity risk exposure.

### ***Using Technology to Drive Profitable Growth and Efficiencies***

We launched a new 5-year technology plan in August 2017 to drive profitable growth and reduce our general and administration costs by 75 to 100 basis points as a percentage of revenues by 2021. We plan to focus our efforts on improving our overall technology platform, driving salesforce effectiveness, and increasing efficiencies in our back-office and across our operations.

To date as part of our technology plan, we have successfully implemented the Microsoft Dynamics CRM system to help manage and drive higher salesforce effectiveness, and we have successfully implemented the cloud-based NetSuite ERP system as the new financial backbone to our business.

### ***Allocating Capital to Balance Debt Delevering with Smart Growth***

Over the last five years we have made significant progress in simplifying our business structure, improving cash flows and reducing risk exposure by: (1) divesting, or in certain cases, closing underperforming operations that did not enhance or complement our core operations; (2) refinancing debt to lower interest costs and improve financial flexibility; and (3) adhering to strict capital discipline and debt repayment.

As a result of these actions, we have significantly reduced our consolidated leverage ratio from 5.42x as of December 31, 2014 to 3.54x as of September 30, 2018. For additional information about the calculation of our consolidated leverage ratio, see Management's Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018.

Given our progress in each area and as part of the new 2021 Plan, we have shifted our capital strategy to use our capital in a manner that balances continued delevering with smart acquisition and development growth. As part of this new strategy, we set a goal of \$20 million to \$40 million per year of acquisition or development activity. We believe that acquisition or development activity should be opportunistic, and we plan to strictly adhere to our disciplined capital return hurdles and rigorous review process.

## **Recent Developments**

### ***Acquisition Strategy***

We have made significant progress ramping up our strategic growth initiative, as we have acquired ten solid waste collection and transfer businesses during fiscal year 2018, with approximately \$77 million of annualized revenues. Since September 30, 2018, we have acquired

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five solid waste collection and transfer businesses with approximately \$28 million of annualized revenues. We expect revenue growth of over \$40 million in 2019 from the impact of including a full year of revenue from acquisitions completed in 2018, but which contributed to our revenues for only part of the year in 2018.

We are focused on acquiring well-run businesses in strategic markets across our footprint that will drive additional internalization to our landfills and operating synergies. We are also focused on more effectively optimizing waste placement around the northeast as the ever-tightening disposal market is creating additional opportunities to source new volumes at higher prices.

### ***Southbridge Settlement and Landfill Closure Charges***

On November 8, 2018, we and the Town of Southbridge, Massachusetts (the "Town") reached a settlement to resolve claims that were the subject of litigation filed in Worcester Superior Court. Under the terms of the settlement, we and the Town agreed to advance the date through which we are obligated to provide free curbside collection and disposal of the Town's residential waste from May 28, 2027 to March 31, 2024. The settlement also permits us to close the waste transfer station located in the Town after December 31, 2018. Following the settlement, we expect to record a charge of between \$8.2 million and \$9.2 million in the fourth quarter of 2018 for the free waste collection and disposal services we are obligated to provide to the Town through March 31, 2024 and for other remaining cash payment obligations to the Town that will continue until May 28, 2027. For more information about our litigation with the Town, see Part II, Item 1. "Legal Proceedings" in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018.

During November 2018, we stopped accepting waste at the Southbridge Landfill in accordance with our plan to permanently close the site. We have been actively working with the Massachusetts Department of Environmental Protection, third party consultants and our internal engineering staff to finalize plans regarding the final capping, closure and post-closure activities at Southbridge Landfill in accordance with federal and Massachusetts state regulations. Given additional regulatory requirements, we have revised our plans for final capping, closure and post-closure to be more expansive than prior plans including a lengthened multi-year closure period. As a result, we have reviewed our cost estimates and expect to record a charge of between \$5.5 million and \$6.5 million in the fourth quarter of 2018 to properly establish liabilities for final capping, closure and post-closure activities at Southbridge Landfill.

### **Preliminary Financial Results – Year Ended December 31, 2018**

These preliminary estimated financial results have been prepared by and are the responsibility of management and are based upon information available to us as of January 22, 2019. Neither our independent registered public accounting firm nor any other independent registered public accounting firm has audited, reviewed or compiled, examined or performed any procedures with respect to the preliminary estimated financial results, nor have they expressed any opinion or any other form of assurance on the preliminary estimated financial results. These preliminary estimated financial results relating to fiscal year 2018 are subject to adjustment as a result of the completion of the audit of our financial statements, and our actual results may differ materially from our preliminary results.

Revenues are estimated to be between \$660.2 million and \$661.2 million for fiscal year 2018, as compared to \$599.3 million in the fiscal year ended December 31, 2017 ("fiscal year 2017"), exceeding the previously disclosed guidance range of \$642 million to \$652 million.

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Net income is estimated to be between \$7.2 million and \$7.8 million for fiscal year 2018, as compared to a Net loss of \$(21.8) million in fiscal year 2017.

Adjusted EBITDA\* is estimated to be between \$137.7 million and \$138.3 million for fiscal year 2018, as compared to \$129.0 million in fiscal year 2017, within the previously disclosed guidance range of \$137 million to \$140 million.

Net cash provided by operating activities is estimated to be between \$120.5 million and \$121.1 million for fiscal year 2018, as compared to \$107.5 million in fiscal year 2017.

Normalized Free Cash Flow\* is estimated to be between \$46.8 million and \$47.4 million for fiscal year 2018, as compared to \$38.8 million in fiscal year 2017, exceeding the previously disclosed guidance range of \$44 million to \$47 million.

As of December 31, 2018, we had cash and cash equivalents of \$4.0 million as compared to cash and cash equivalents of \$3.1 million as of September 30, 2018. As of December 31, 2018, we had outstanding total debt of \$555.2 million, as compared to outstanding total debt of \$528.2 million as of September 30, 2018, with the increase due mainly to acquisition activity during the fourth quarter of 2018.

### **\*Non-GAAP Financial Measures**

In addition to disclosing financial results prepared in accordance with GAAP, we also disclose earnings before interest, taxes, and depreciation and amortization, adjusted for accretion, depletion of landfill operating lease obligations, the Southbridge Landfill closure (settlement) charge, net, gains on asset sales, development project charges, contract settlement charges, legal settlement costs, tax settlement costs, bargain purchase gains, asset impairment charges, environmental remediation charges, severance and reorganization costs, expense from acquisition activities and other items, gains on the settlement of acquisition related contingent consideration, proxy contest costs, as well as impacts from divestiture transactions ( Adjusted EBITDA ), which is a non-GAAP financial measure.

We also disclose net cash provided by operating activities, less capital expenditures, less payments on landfill operating lease contracts, plus proceeds from divestiture transactions, plus proceeds from the sale of property and equipment, plus proceeds from property insurance settlement, plus (less) contributions from (distributions to) noncontrolling interest holders, (less) certain cash outflows (inflows) associated with landfill closure, site improvement and remediation, plus certain cash outflows associated with new contract and project capital expenditures, plus certain cash outflows associated with contract settlement costs, plus certain cash outflows associated with expense from acquisition activities and other items, plus certain cash outflows associated with capital expenditures related to acquisitions or assumption of new customers from a distressed or defunct market participant, plus (less) cash outflows (inflows) associated with certain business dissolutions, plus cash interest outflows associated with the timing of refinancing transactions ( Normalized Free Cash Flow ), which is a non-GAAP financial measure.

Adjusted EBITDA is reconciled to net income (loss); Normalized Free Cash Flow is reconciled to net cash provided by operating activities.

We present Adjusted EBITDA and Normalized Free Cash Flow because we consider them important supplemental measures of our performance and believe they are frequently used by

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securities analysts, investors and other interested parties in the evaluation of our results. Management uses these non-GAAP financial measures to further understand its core operating performance. We believe our core operating performance is helpful in understanding our ongoing performance in the ordinary course of operations. We believe that providing Adjusted EBITDA and Normalized Free Cash Flow, to investors, in addition to corresponding income statement and cash flow statement measures, affords investors the benefit of viewing our performance using the same financial metrics that the management team uses in making many key decisions and understanding how the core business and its results of operations has performed. We further believe that providing this information allows our investors greater transparency and a better understanding of our core financial performance.

Non-GAAP financial measures are not presented in accordance with or intended as an alternative for GAAP. Adjusted EBITDA and Normalized Free Cash Flow should not be considered in isolation from or as a substitute for financial information presented in accordance with GAAP, and may be different from Adjusted EBITDA and Normalized Free Cash Flow presented by other companies.

**Following is a reconciliation, in the form of a range, of preliminary estimated Adjusted EBITDA to preliminary estimated Net income, the most comparable GAAP measure, for fiscal year 2018; and Adjusted EBITDA to Net (loss) for fiscal year 2017 (in millions):**

	(Preliminary) Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
<b>Net income (loss)</b>	<b>\$7.2 to \$7.8</b>	<b>\$ (21.8)</b>
Benefit for income taxes	(0.1) to (0.7)	(15.3)
Other income	(0.7)	(0.9)
Loss on debt extinguishment	7.4	0.5
Interest expense, net	26.1	24.9
Expense from acquisition activities and other items	1.8	0.2
Southbridge Landfill closure charge, net	7.6 to 8.6	65.2
Contract settlement charge	2.1	
Development project charge	0.3	
Depreciation and amortization	70.5	62.1
Depletion of landfill operating lease obligations	9.7	9.6
Interest accretion on landfill and environmental remediation liabilities	5.7	4.5
<b>Adjusted EBITDA</b>	<b>\$ 137.7 to \$138.3</b>	<b>\$ 129.0</b>

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Following is a reconciliation, in the form of a range, of preliminary estimated Free Cash Flow and preliminary estimated Normalized Free Cash Flow to preliminary estimated Net cash provided by operating activities, the most comparable GAAP measure, for fiscal year 2018; and Free Cash Flow and Normalized Free Cash Flow to Net cash provided by operating activities for fiscal year 2017 (in millions):

	(Preliminary) Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
<b>Net cash provided by operating activities</b>	<b>\$ 120.5 to \$121.1</b>	<b>\$ 107.5</b>
Capital expenditures	(73.0) to (73.4)	(64.9)
Payments on landfill operating lease contracts	(7.4)	(7.2)
Proceeds from sale of property and equipment	0.9	0.7
Proceeds from property insurance settlement	1.0	
<b>Free Cash Flow</b>	<b>\$41.7 - \$42.3</b>	<b>\$36.1</b>
Contract settlement costs (i)	2.1	
Landfill closure, site improvement and remediation (ii)	(2.8)	2.2
Cash outflows related to acquisitions and other items (iii)	1.3	
Non-recurring capital expenditures (iv)	4.2 to 4.6	0.5
<b>Normalized Free Cash Flow</b>	<b>\$46.8 to \$47.4</b>	<b>\$38.8</b>

- (i) Includes a contract settlement cash outlay associated with exiting a contract.
- (ii) Includes cash inflows and cash outlays associated with the Southbridge Landfill closure. This includes \$6.5 million of the \$10.0 million recovery of the environmental insurance settlement and excludes \$3.5 million pertaining to the recovery of cash flows from investing activities.
- (iii) Includes cash outlays associated with acquisition activities and other items.
- (iv) Includes capital expenditures related to acquisitions or assumption of new customers from a distressed or defunct market participant.

**Corporate Information**

Casella Waste Systems, Inc. is a Delaware corporation. Our principal executive offices are located at 25 Greens Hill Lane, Rutland, Vermont 05701, and our telephone number at that location is (802) 775-0325. Our website address is [www.casella.com](http://www.casella.com). The information contained on, or that can be accessed through, our website is not a part of this prospectus supplement. We have included our website address in this prospectus supplement solely as an inactive textual reference.

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**THE OFFERING**

Issuer	Casella Waste Systems, Inc.
Class A common stock offered by us	3,100,000 shares (or 3,565,000 shares if the underwriters exercise their option to purchase additional shares in full)
Class A common stock to be outstanding after this offering	45,044,475 shares (or 45,509,475 shares if the underwriters exercise their option to purchase additional shares in full)
Class B common stock to be outstanding after this offering	988,200 shares
Total Class A common stock and Class B common stock to be outstanding after this offering	46,032,675 shares (or 46,497,675 shares if the underwriters exercise their option to purchase additional shares in full)
Underwriters' option to purchase additional shares of Class A common stock	We have granted the underwriters an option for a period of up to 30 days from the date of this prospectus supplement to purchase up to 465,000 additional shares of Class A common stock at the public offering price less the underwriting discounts and commissions.
Voting rights	We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock. The Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by law. See "Description of Capital Stock" in the accompanying prospectus.
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes, including potential acquisitions or development of new operations or assets with the goal of complementing or expanding our business, working capital and capital expenditures. See "Use of Proceeds."
Nasdaq Global Select Market symbol	CWST





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Risk factors See Risk Factors beginning on page S-13 of this prospectus supplement for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on 41,944,475 shares of Class A common stock outstanding and 988,200 shares of Class B common stock outstanding, in each case, as of December 31, 2018, and excludes:

668,621 shares of Class A common stock issuable upon the exercise of outstanding stock options at a weighted-average exercise price of \$6.37 per share as of December 31, 2018;

1,614,750 additional shares of Class A common stock reserved for future issuance under our 2016 Incentive Plan as of December 31, 2018;

116,855 shares of Class A common stock reserved for future issuance under our Amended and Restated 1997 Employee Stock Purchase Plan as of December 31, 2018;

an aggregate of 1,357,936 shares of Class A common stock issuable upon the vesting of outstanding restricted stock units and performance stock units as of December 31, 2018; and

up to 103,034 shares of Class A Common Stock issuable to the sellers of a business purchased by us in August 2018, which are being held by us as security for certain obligations under the respective acquisition agreement.

Unless we specifically state otherwise, all information in this prospectus supplement:

assumes that the underwriters do not exercise their option to purchase additional shares of our Class A common stock; and

assumes no exercise of outstanding options.

**Table of Contents****SUMMARY CONSOLIDATED FINANCIAL DATA**

You should read the following summary consolidated financial data together with our financial statements and related notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our periodic reports incorporated by reference in this prospectus supplement. We derived the summary consolidated statements of operations data for the years ended December 31, 2017, 2016 and 2015 and the summary consolidated balance sheet data as of the years ended December 31, 2017, 2016 and 2015 from our audited financial statements incorporated by reference in this prospectus supplement. We derived the summary statements of operations data for the nine months ended September 30, 2018 and 2017 and the balance sheet data as of September 30, 2018 from our unaudited financial statements incorporated by reference in this prospectus supplement. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our results for any interim period are not necessarily indicative of results for a full fiscal year.

	<div> <div>Nine Months Ended</div> <div>September 30,</div> <div>2018</div> </div>		<div> <div>Fiscal Year Ended</div> <div>December 31,</div> <div>2017</div> <div>2016</div> <div>2015</div> </div>		
	(in thousands, except per share data)				
Statement of Operations Data:					
Revenues	\$ 485,936	\$ 448,087	\$ 599,309	\$ 565,030	\$ 546,500
Operating expenses:					
Cost of operations	331,527	300,961	405,188	381,973	382,615
General and administration	62,365	58,388	79,243	75,356	72,892
Depreciation and amortization	51,572	46,307	62,102	61,856	62,704
Contract settlement charge	2,100				1,940
Expense from acquisition activities and other items	930		176		
Development project charge	311				
Southbridge Landfill closure (settlement) charge, net	(7,740)	64,868	65,183		
Environmental remediation charge				900	
Divestiture transactions					(5,517)
	441,065	470,524	611,892	520,085	514,634
Operating income (loss)	44,871	(22,437)	(12,583)	44,945	31,866
Other expense (income):					
Interest income	(161)	(180)	(273)	(290)	(330)
Interest expense	19,347	19,052	25,160	38,942	40,420
Loss on debt extinguishment	7,352	517	517	13,747	999
Loss on derivative instruments					227
Impairment of investments					2,099
Other income	(597)	(567)	(935)	(1,090)	(1,119)
Other expense, net	25,941	18,822	24,469	51,309	42,296
Income (loss) before income taxes	18,930	(41,259)	(37,052)	(6,364)	(10,430)
(Benefit) provision for income taxes	(1,166)	561	(15,253)	494	1,351
Net income (loss)	20,096	(41,820)	(21,799)	(6,858)	(11,781)
Less: Net (loss) income attributable to noncontrolling interests				(9)	1,188
Net income (loss) attributable to common stockholders	\$ 20,096	\$ (41,820)	\$ (21,799)	\$ (6,849)	\$ (12,969)

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Earnings per share attributable to common stockholders:

Basic	\$	0.47	\$	(1.00)	\$	(0.52)	\$	(0.17)	\$	(0.32)
Diluted	\$	0.46	\$	(1.00)	\$	(0.52)	\$	(0.17)	\$	(0.32)
Weighted average common shares outstanding										
Basic		42,605		41,783		41,846		41,233		40,642
Diluted		43,938		41,783		41,846		41,233		40,642

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	Nine Months Ended September 30,		Fiscal Year Ended December 31,		
	2018	2017	2017	2016	2015
	(in thousands)				
Statement of Comprehensive Income (Loss) Data:					
Net income (loss)	\$ 20,096	\$ (41,820)	\$ (21,799)	\$ (6,858)	\$ (11,781)
Other comprehensive income (loss), net of taxes:					
Hedging activity:					
Interest rate swap settlements	(217)	(304)	(410)		
Interest rate swap amounts reclassified into interest expense	247	320	421		
Unrealized gain (loss) resulting from changes in fair value of derivative instruments	1,090	(263)	155		
Unrealized gain (loss) resulting from changes in fair value of marketable securities		64	86	(75)	(51)
Other comprehensive income (loss), net of taxes:	1,120	(183)	252	(75)	(51)
Comprehensive income (loss)	21,216	(42,003)	(21,547)	(6,933)	(11,832)
Less: Net (loss) income attributable to noncontrolling interests				(9)	1,188
Comprehensive income (loss) attributable to common stockholders	\$ 21,216	\$ (42,003)	\$ (21,547)	\$ (6,924)	\$ (13,020)

	September 30, 2018	2017	December 31, 2016	2015
	(in thousands)			
<b>Balance Sheet Data:</b>				
Cash and cash equivalents	\$ 3,083	\$ 1,995	\$ 2,544	\$ 2,312
Total current assets	\$ 101,875	\$ 84,380	\$ 78,588	\$ 76,668
Working capital (1)	\$ (10,185)	\$ (6,184)	\$ (6,382)	\$ (10,990)
Property, plant and equipment, net	\$ 387,246	\$ 361,547	\$ 398,466	\$ 402,252
Total assets	\$ 702,848	\$ 614,949	\$ 631,512	\$ 633,669
Total debt, less unamortized discount and debt issuance costs	\$ 516,687	\$ 482,502	\$ 508,647	\$ 507,433
Total liabilities	\$ 708,127	\$ 652,811	\$ 656,062	\$ 655,266
Total stockholders' deficit	\$ (5,279)	\$ (37,862)	\$ (24,550)	\$ (21,597)

Nine Months Ended  
September 30,