

REPUBLIC SERVICES, INC.  
Form 10-Q  
July 25, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended June 30, 2014  
or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 1-14267

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REPUBLIC SERVICES, INC.  
(Exact name of registrant as specified in its charter)

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DELAWARE 65-0716904  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

18500 NORTH ALLIED WAY 85054  
PHOENIX, ARIZONA  
(Address of principal executive offices) (Zip Code)

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

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

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

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

|                         |   |                           |                          |
|-------------------------|---|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/>  | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input checked="" type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |

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

On July 17, 2014, the registrant had outstanding 413,764,065 shares of Common Stock, par value \$.01 per share (excluding 58,066,592 treasury shares).

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

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

|  | June 30,<br>2014<br>(Unaudited) | December 31,<br>2013 |
|--|---------------------------------|----------------------|
| <b>ASSETS</b>  |                                 |                      |
| Current assets:  |                                 |                      |
| Cash and cash equivalents  | \$49.5                          | \$213.3              |
| Accounts receivable, less allowance for doubtful accounts of \$39.3 and \$38.3, respectively | 932.8                           | 890.7                |
| Prepaid expenses and other current assets  | 135.5                           | 200.3                |
| Deferred tax assets  | 107.3                           | 117.6                |
| Total current assets   | 1,225.1                         | 1,421.9              |
| Restricted cash and marketable securities  | 178.1                           | 169.7                |
| Property and equipment, net  | 7,126.9                         | 7,036.8              |
| Goodwill   | 10,752.3                        | 10,724.1             |
| Other intangible assets, net   | 292.0                           | 315.8                |
| Other assets   | 301.6                           | 280.9                |
| Total assets   | \$19,876.0                      | \$19,949.2           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                 |                      |
| Current liabilities:   |                                 |                      |
| Accounts payable   | \$522.3                         | \$511.4              |
| Notes payable and current maturities of long-term debt                                       | 10.1                            | 15.7                 |
| Deferred revenue   | 313.3                           | 301.8                |
| Accrued landfill and environmental costs, current portion                                    | 184.4                           | 178.7                |
| Accrued interest   | 65.8                            | 68.2                 |
| Other accrued liabilities  | 609.6                           | 641.3                |
| Total current liabilities  | 1,705.5                         | 1,717.1              |
| Long-term debt, net of current maturities  | 7,042.1                         | 7,002.4              |
| Accrued landfill and environmental costs, net of current portion                             | 1,476.7                         | 1,464.3              |
| Deferred income taxes and other long-term tax liabilities                                    | 1,149.5                         | 1,185.4              |
| Self-insurance reserves, net of current portion  | 291.2                           | 294.9                |
| Other long-term liabilities  | 355.5                           | 379.0                |
| Commitments and contingencies  |                                 |                      |
| Stockholders' equity:  |                                 |                      |
| Preferred stock, par value \$0.01 per share; 50 shares authorized; none issued               | —                               | —                    |
| Common stock, par value \$0.01 per share; 750 shares authorized; 413.6 and 411.0 issued      | 4.1                             | 4.1                  |
| including shares held in treasury, respectively  |                                 |                      |
| Additional paid-in capital   | 6,843.9                         | 6,764.9              |
| Retained earnings  | 2,758.0                         | 2,632.7              |
| Treasury stock, at cost (58.1 and 50.6 shares, respectively)                                 | (1,757.3)                       | (1,501.2)            |
| Accumulated other comprehensive income, net of tax   | 4.5                             | 3.0                  |
| Total Republic Services, Inc. stockholders' equity   | 7,853.2                         | 7,903.5              |

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|  |            |            |
|--|------------|------------|
| Noncontrolling interests                   | 2.3        | 2.6        |
| Total stockholders' equity                 | 7,855.5    | 7,906.1    |
| Total liabilities and stockholders' equity | \$19,876.0 | \$19,949.2 |

The accompanying notes are an integral part of these statements.

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

|   | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |           |
|---|--------------------------------|-----------|------------------------------|-----------|
|   | 2014                           | 2013      | 2014                         | 2013      |
| Revenue   | \$2,225.3                      | \$2,111.7 | \$4,299.0                    | \$4,110.3 |
| Expenses:   |                                |           |                              |           |
| Cost of operations  | 1,373.0                        | 1,410.0   | 2,694.3                      | 2,633.1   |
| Depreciation, amortization and depletion                                  | 230.3                          | 217.0     | 443.4                        | 426.6     |
| Accretion   | 19.4                           | 19.2      | 38.9                         | 38.4      |
| Selling, general and administrative                                       | 221.0                          | 228.2     | 434.7                        | 434.7     |
| Negotiation and withdrawal costs - Central States Pension and Other Funds | 1.5                            | 53.9      | 1.5                          | 116.1     |
| Gain on disposition of assets and impairments, net                        | —                              | (0.8)     | —                            | (1.9)     |
| Restructuring charges   | 1.8                            | 3.0       | 1.8                          | 7.9       |
| Operating income  | 378.3                          | 181.2     | 684.4                        | 455.4     |
| Interest expense  | (86.9)                         | (90.2)    | (173.8)                      | (179.8)   |
| Loss on extinguishment of debt  | (1.4)                          | (0.3)     | (1.4)                        | (2.1)     |
| Interest income   | 0.3                            | 0.1       | 0.4                          | 0.4       |
| Other income, net   |                                |           |                              |           |