Republic Services Inc. (RSG)

Updated February 18th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$211	**5 Year Annual Expected Total Return:**	8.6%	**Market Cap:**	$68.5 B
Fair Value Price:	$188	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	04/02/2026
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.3%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	1.2%	**5 Year Price Target**	$303	**Years Of Dividend Growth:**	21
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Republic Services, Inc. is an industry leader and national provider of recycling and non-hazardous solid waste disposal, operating in 41 states and Puerto Rico. The company holds approximately 20% market share of the landfill volume in the United States, positioned as the second-largest player behind Waste Management (WM), which holds about 26% market share of the nation's disposal capacity. Moreover, by operating in an industry with increasing consolidation, its position should improve further. The trash-collection industry benefits from predictable cash flows because of its non-cyclical business model. As a result, Republic Services has been able to return capital to its shareholders consistently. The dividend has been growing for the past 21 years, since the first one was declared in 2004. The company generated $16.6 billion in revenues last year and is based in Phoenix, Arizona.

On February 17th, 2026, Republic Services posted its Q4 results for the period ending December 31st, 2025. Adjusted EPS came in at $1.76, up 11.4% from Q4-2024, while revenues rose 2.2% year-over-year to $4.14 billion. Revenue growth included 0.9% internal growth and a 1.3% contribution from acquisitions. During the quarter, the company repurchased 1.3 million shares for $270 million. At the end of the quarter, the remaining authorized purchase capacity under the company's October 2023 repurchase program was about $1.7 billion.

For FY2026, management forecasts revenue to be in the $17.05 billion to $17.15 billion range and adjusted EBITDA to be in the range of $5.475 billion to $5.525 billion. Management also expects adjusted diluted EPS to be in the range of $7.20 to $7.28 and adjusted free cash flow to be between $2.52 billion and $2.56 billion. We have applied the midpoint of this range in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.79	$3.79	$3.17	$3.34	$3.56	$4.17	$4.93	$5.61	$6.46	$7.02	***$7.24***	***$11.66***
DPS	$1.24	$1.33	$1.44	$1.56	$1.66	$1.77	$1.91	$2.06	$2.23	$2.41	***$2.50***	***$3.43***
Shares[1]	343.0	337.1	326.9	321.1	319.3	318.8	317.1	316.7	314.8	312.2	***312.2***	***280.0***

Republic Services' EPS CAGR has been 16.4% over the past decade, while DPS CAGR has been about 7.7% over the same period. We have set our EPS growth estimate to 10%, to be sustained by organic growth, contractually secured rate hikes, and stock buybacks. Over the years, contracts are switching to annual rate increases, and Republic is constantly beating and raising its own estimates. Thus, EPS growth is likely to be faster through 2031, though we remain prudent

More specifically, Republic Services should benefit from steady organic waste volume growth, pricing power in a stable industry, accretive acquisitions, and sustainability-driven tailwinds such as recycling and renewable natural gas. Further, regarding the rate of buybacks, note that since 2011, the company has retired around 19% of the outstanding shares. We also retain our DPS growth estimates at 6.5%, which while below the most recent dividend increase of 7.8%, and should be well-within what the company can afford.

[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	25.0	27.1	16.6	26.8	30.2	28.7	26.6	25.0	28.0	32.8	***29.2***	***26.0***
Avg. Yld.	3.0%	2.0%	2.0%	1.8%	1.8%	1.4%	1.5%	1.5%	1.2%	1.0%	***1.2%***	***1.1%***

During the last decade, investors have shown a growing appreciation for the steady and dependable cash flows of Republic Services. This has resulted in a rather elevated multiple in recent years. Today, Republic Services' valuation is hovering at a somewhat pricy P/E of 29.2, notably higher than its historical average. We believe that a lower P/E of around 26 is a more suitable one, especially given the current interest rates environment. Hence, shares may be subject to valuation headwinds. Presently, Republic Services is providing a low yield of only 1.2% and we predict that the yield will continue to remain near this level.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	69%	35%	45%	47%	47%	42%	39%	37%	35%	34%	***35%***	***29%***

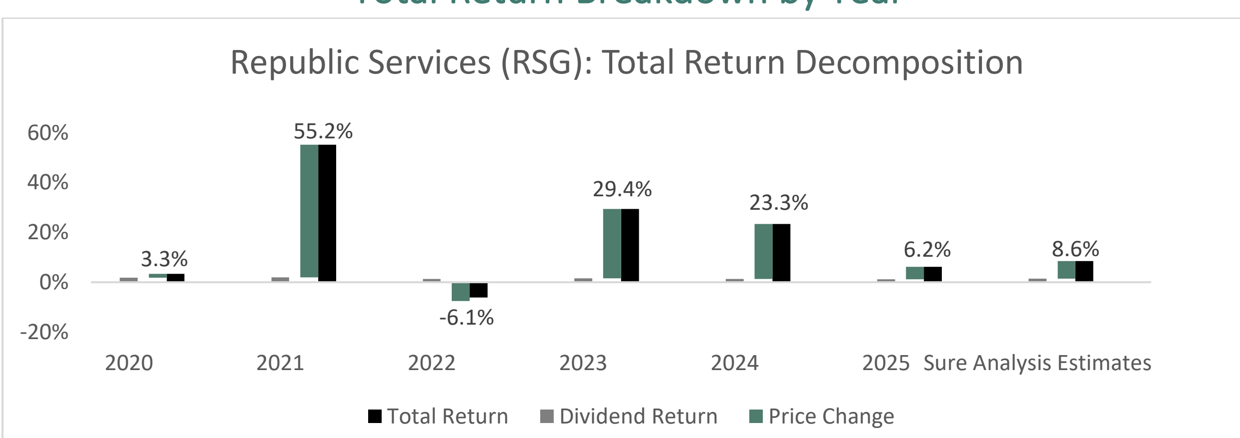
The company's large market share is clear evidence of its competitive advantage. With the three largest operators having captured more than 75% of the industry and continuous consolidation, entry into the market by new competitors is almost impossible. The long-term contracts tied to annual rate increases and Republic Services' robust customer base (which includes municipalities) allow it to operate in an extremely low volatility environment.

Further, the dividend remains well-covered. It equals just 35% of Republic's projected adjusted EPS. In 2008, during the Great Financial Crisis, the company increased its revenues and also merged with Allied Waste Services to strengthen its market position. During the COVID-19 pandemic in 2020-2021, the company also continued to grow revenues and EPS with ease, due to the nature of its business model. If another recession occurs, the company has enough cash to repeat such strategic acquisitions, continue its dividends, and even buy back more shares. The recently announced acquisition of Ecology is great example of Republic executing strategic M&A to grow its market share and unlock synergies.

Final Thoughts & Recommendation

Republic Services seems to be a safe investment option considering its stability, robust cash flows, and consistent return of capital to shareholders. The company should shine in times of uncertainty and during wild market swings, exhibiting its quality and low-volatility characteristics. We forecast annualized returns of 8.6% through 2031, which we expect to be powered by earnings growth of 10% and a starting dividend yield of 1.2%, offset by the possibility for a 2.3% annual valuation headwind. The stock earns a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	$9,115	$9,388	$10,042	$10,041	$10,299	$10,150	$11,300	13,510	14,960	16,030
Gross Profit	$3,596	$3,624	$3,827	$3,891	$4,001	$4,053	$4,557	5,306	6,022	6,682
Gross Margin	39.5%	38.6%	38.1%	38.8%	38.8%	39.9%	40.3%	39.3%	40.3%	41.7%
SG&A Exp.	$965	$955	$1,059	$1,013	$1,042	$1,060	$1,176	1,336	1,522	1,647
Operating Profit	$1,519	$1,578	$1,652	$1,729	$1,803	$1,807	$2,093	2,489	2,848	3,224
Operating Margin	16.7%	16.8%	16.5%	17.2%	17.5%	17.8%	18.5%	18.4%	19.0%	20.1%
Net Profit	$750	$613	$1,278	$1,037	$1,073	$967	$1,290	1,488	1,731	2,043
Net Margin	8.2%	6.5%	12.7%	10.3%	10.4%	9.5%	11.4%	11.0%	11.6%	12.7%
Free Cash Flow	$734	$920	$921	$1,171	$1,145	$1,277	$1,470	1,736	1,987	2,081
Income Tax	$446	$353	$3	$283	$222	$173	$283	344	460	388

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	20536	20630	21147	21617	22684	23430	$24,960	29,050	31,411	32,400
Cash & Equivalents	$32	$68	$83	$71	$47	$38	$29	143	140	74
Accounts Receivable	$963	$995	$1,106	$1,103	$1,126	$1,091	$1,271	1,677	1,768	1,821
Inventories	$39	$44	$51	$53	$57	$59	$72	97	97	98
Goodwill & Int. Ass.	11392	11346	11457	11507	11767	12220	$13,090	14,800	16,330	16,530
Total Liabilities	12759	12936	13186	13688	14563	14950	$15,980	19,370	20,870	21,000
Accounts Payable	$577	$554	$598	$762	$778	$779	$910	1,222	1,412	1,345
Long-Term Debt	$7,533	$7,659	$8,187	$8,338	$8,689	$8,934	$9,554	11,790	12,820	12,710
Shareholder's Equity	$7,774	$7,691	$7,959	$7,927	$8,118	$8,484	$8,979	9,686	10,540	11,400
LTD/E Ratio	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.12

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.7%	3.0%	6.1%	4.8%	4.8%	4.2%	5.3%	5.5%	5.7%	6.4%
Return on Equity	9.7%	7.9%	16.3%	13.1%	13.4%	11.7%	14.8%	15.9%	17.1%	18.6%
ROIC	5.0%	4.0%	8.1%	6.4%	6.5%	5.7%	7.2%	7.4%	7.7%	8.6%
Shares Out.	351	344	339	328	322	320	319.4	316.5	316.7	314.8
Revenue/Share	$25.94	$27.26	$29.62	$30.58	$31.99	$31.75	$35.36	42.69	47.25	50.93
FCF/Share	$2.09	$2.67	$2.72	$3.57	$3.56	$3.99	$4.60	5.48	6.27	6.61

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.