Waste Connections, Inc. (WCN)

Updated July 24th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$168	**5 Year Annual Expected Total Return:**	12.2%	**Market Cap:**	$42.3 B
Fair Value Price:	$157	**5 Year Growth Estimate:**	13.0%	**Ex-Dividend Date:**	08/06/2026
% Fair Value:	107%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	08/20/2026
Dividend Yield:	0.8%	**5 Year Price Target**	$289	**Years Of Dividend Growth:**	17
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Waste Connections is the third largest solid waste services company in North America. It provides non-hazardous waste collection, transfer and disposal services, including by rail, along with resource recovery mainly through recycling and renewable fuels generation in 44 U.S. states and six provinces in Canada. It also provides non-hazardous oil and natural gas exploration and production, waste treatment, recovery and disposal services in several basins across North America. Finally, it offers intermodal services for the movement of cargo and solid waste containers in the Pacific Northwest. Waste Connection generated $9.5 billion in revenue last year, and is headquartered in Ontario, Canada.

On July 22nd, 2026, Waste Connections posted its Q2 results for the period ending June 30th, 2026. Revenue of $2.562 billion was up from $2.407 billion in the prior-year period, supported by excellent operational execution and acquisition contributions, despite higher fuel costs and lower commodity values. Management said the quarter topped expectations and raised its full-year outlook.

Waste Connections posted adjusted EBITDA of $840.1 million in Q2, up 6.8% year-over-year and representing a margin of 32.8%. Adjusted net income was $381.7 million, compared to $333.1 million last year, while adjusted EPS rose to $1.50 from $1.29. Net income was $296.4 million, or $1.17 per diluted share, compared to $290.3 million, or $1.12 per diluted share, in the prior-year period.

The company also completed acquisitions representing more than $100 million in annualized revenue and repurchased $614.5 million of shares during the first half. Management raised its 2026 outlook, calling for revenue between $10.02 billion and $10.05 billion and adjusted EBITDA between $3.33 billion and $3.34 billion. Based on this outlook and its ongoing performance trajectory, we expect that Waste Connections will post adjusted EPS of about $5.60 in FY2026. Note that all past figures are on a GAAP basis.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.07	$2.10	$2.07	$2.15	$0.78	$2.37	$3.25	$2.96	$2.39	$4.18	***$5.60***	***$10.32***
DPS	$0.41	$0.50	$0.58	$0.67	$0.76	$0.85	$0.98	$1.05	$1.17	$1.30	***$1.40***	***$2.36***
Shares[1]	230.3	263.7	263.7	263.8	263.2	261.2	257.4	257.6	258.0	258.7	***253.9***	***265.0***

Waste Connections has managed to grow its earnings-per-share rapidly in recent years. Growth has averaged in the double-digits, which also holds true for its dividend, now spanning 17 years of consecutive increases. The company's growth is being fueled by continuous expansion of market penetration and customer growth, as well as by upselling additional waste management services to existing clients. Strong pricing power is another excellent growth driver.

Moreover, the company pursues growth through acquisitions, targeting markets ripe for expansion or consolidation. For instance, last April Waste Connections bought the previously publicly-traded Secure Energy Services. With this Waste Connections got access to a portfolio of 30 energy waste treatment and disposal facilities in Western Canada to further expand its foot print.

[1] Share count is in millions.

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We believe that the company's tried-and-true strategy will continue to yield strong growth in financials over time. Thus, we project annualized growth of 13% in Waste Connections' earnings-per-share and 11% in dividend-per-share through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	26.9	33.7	38.5		47.4	40.0	46.1	43.3	***30.0***	***28.0***
Avg. Yld.	---	---	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	***0.8%***	***0.8%***

Waste Connections' P/E has historically hovered at hefty levels. This is due a few factors. First, as a waste management company, it benefits from key qualities that ensure its long-term prosperity. It operates in an oligopolistic industry that has seen consistent consolidation. Along with its cash flows being driven by long-term contracts, including periodic rate hikes, investors have been willing to pay a premium for its quite predictable growth prospects. Also, its GAAP earnings tend to include high amortization of intangibles, further inflating the stock's P/E on paper. Moving forward, we do see the potential of a modest valuation compression from here as the company matures, but still expect a premium price tag. The yield is quite thin, though the dividend has ample room to grow.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	38%	24%	28%	31%	97%	36%	30%	35%	49%	31%	***25%***	***23%***

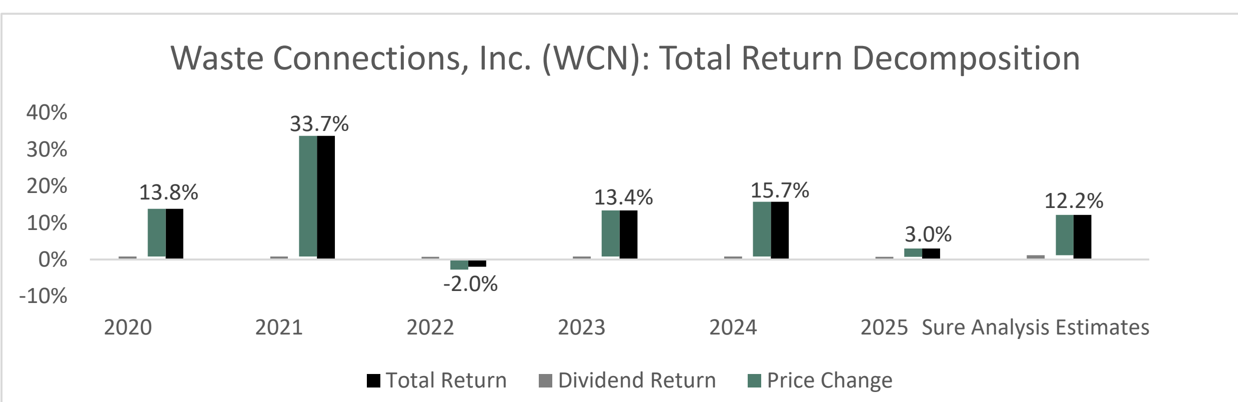
Waste Connections features several qualities. As is the case with its two larger peers, Waste Management and Republic Services, the company thrives in an oligopolistic market, having significant pricing power and facing minimal immediate competitive pressures. Further, the company aims to secure additional exclusive arrangements, leveraging franchise agreements, municipal contracts, and governmental certificates to establish barriers to entry. Along with the inherently recession-proof nature of the waste management industry, Waste Connections enjoys highly predictable cash flows.

For this reason, we believe the company's dividend is rather safe, and that there is overall little volatility involved in the company's investment case. One noteworthy risk revolves around the company's $9.1 billion net debt position. Still, it is backed by hard assets, while interest payments remain well-covered.

Final Thoughts & Recommendation

Waste Connections displays a strong track record of growth, which has translated into market-beating returns over an extended number of years. Its proven growth strategy, along with the several qualities attached to its business model, are likely to keep yielding strong growth. We project annualized returns of 12.2% through 2031, as solid earnings growth and any further returns from the dividend could be offset by a soft 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,376	4,630	4,923	5,389	5,446	6,151	7,212	8,022	8,920	9,467
Gross Profit	1,418	1,926	2,057	2,190	2,169	2,497	2,876	3,277	3,728	2,779
Gross Margin	42.0%	41.6%	41.8%	40.6%	39.8%	40.6%	39.9%	40.9%	41.8%	29.4%
SG&A Exp.	474	510	524	546	538	612	696	799	883	960
D&A Exp.	464	632	680	744	752	813	919	1,003	1,164	1,232
Operating Profit	480	784	852	900	879	1,072	1,260	1,475	1,681	1,777
Operating Margin	14.2%	16.9%	17.3%	16.7%	16.1%	17.4%	17.5%	18.4%	18.8%	18.8%
Net Profit	247	577	547	567	205	618	836	763	618	1,077
Net Margin	7.3%	12.5%	11.1%	10.5%	3.8%	10.0%	11.6%	9.5%	6.9%	11.4%
Free Cash Flow	451	708	865	874	744	954	1,110	1,193	1,173	1,220
Income Tax	114	(69)	160	139	50	152	213	221	146	341

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	11,104	12,015	12,627	13,738	13,992	14,700	17,135	17,916	19,820	21,270
Cash & Equivalents	154	434	319	327	617	147	79	78	62	46
Accounts Receivable	485	554	610	663	630	710	834	857	935	1,025
Inventories	---	---	---	---	37	44	55	62	71	79
Goodwill & Int. Ass.	5,457	5,769	6,160	6,674	6,882	7,538	8,576	9,008	9,942	10,400
Total Liabilities	5,449	5,741	6,167	6,799	7,129	7,706	10,021	10,218	11,960	13,020
Accounts Payable	251	331	360	437	291	393	639	642	637	765
Long-Term Debt	3,618	3,911	4,155	4,354	4,717	5,047	6,897	6,751	8,081	9,087
Shareholder's Equity	5,648	6,269	6,455	6,934	6,859	6,989	7,109	7,693	7,860	8,2245
LTD/E Ratio	0.64	0.62	0.64	0.63	0.69	0.72	0.97	0.88	1.03	1.11

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	5.0%	4.4%	4.3%	1.5%	4.3%	5.3%	4.4%	3.3%	5.2%
Return on Equity	6.4%	9.7%	8.6%	8.5%	3.0%	8.9%	11.8%	10.3%	7.9%	13.4%
ROIC	3.7%	5.9%	5.3%	5.2%	1.8%	5.2%	6.4%	5.4%	4.1%	6.4%
Shares Out.	230.3	263.7	263.7	263.8	263.2	261.2	257.4	257.6	259	258
Revenue/Share	14.61	17.52	18.62	20.37	20.65	23.50	27.95	31.07	34.48	36.70
FCF/Share	1.95	2.68	3.27	3.31	2.82	3.64	4.30	4.62	4.54	4.73

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