Republic Services Inc. (RSG)

Updated August 18th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$215	**5 Year Annual Expected Total Return:**	8.4%	**Market Cap:**	$66 B
Fair Value Price:	$189	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	10/02/2026
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.5%	**Dividend Payment Date:**	10/15/2026
Dividend Yield:	1.2%	**5 Year Price Target**	$305	**Years Of Dividend Growth:**	22
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 22 years, since the first one was declared in 2004. The company generated $16.6 billion in revenue last year and is based in Phoenix, Arizona.

On August 6th, 2026, Republic Services posted its Q2 results for the period ending June 30th, 2026. Adjusted EPS came in at $1.85, up 4.5% from Q2-2025, while revenues rose 4.6% year-over-year to $4.43 billion. Revenue growth included 3.5% internal growth and a 1.1% contribution from acquisitions. During the quarter, the company repurchased 1.6 million shares for $337 million, bringing year-to-date share repurchases to $651 million, while about $860 million was invested in acquisitions during the first half. At quarter-end, the remaining authorized capacity under the company's October 2023 repurchase program was approximately $1.0 billion. Republic also increased its quarterly dividend by about 7% to $0.67 per share. For FY2026, management raised its revenue outlook to between $17.20 billion and $17.30 billion and adjusted EBITDA guidance to between $5.525 billion and $5.550 billion. Management now expects adjusted diluted EPS of $7.23 to $7.28 and adjusted free cash flow of between $2.540 billion and $2.575 billion. We believe the company will achieve the high end of adjusted EPS outlook for the year.

Republic also raised its dividend by 7.2% to a quarterly rate of $0.67. It now boasts 22 years of annual dividend hikes.

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	***$7.28***	***$11.72***
DPS	$1.24	$1.33	$1.44	$1.56	$1.66	$1.77	$1.91	$2.06	$2.23	$2.41	***$2.68***	***$3.67***
Shares[1]	343.0	337.1	326.9	321.1	319.3	318.8	317.1	316.7	314.8	312.2	***307.6***	***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.

[1] Share count is in millions.

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We also retain our DPS growth estimates at 6.5%, which while below the most recent dividend increase of 7.2%, and should be well-within what the company can afford.

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	***29.5***	***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%***	***1.2%***

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 29.5, above 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%	***37%***	***31%***

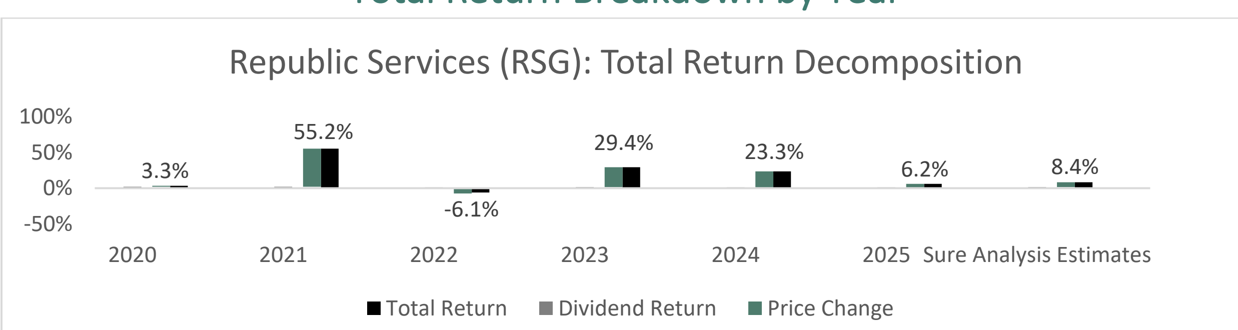
The company's large market share is clear evidence of its competitive advantage. With the three largest operators having captured more than 75% of the industry and continuous consolidation, entry into the market by new competitors is almost impossible. The long-term contracts tied to annual rate increases 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 37% 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 8.4% 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 2.5% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	$9,388	$10,042	$10,041	$10,299	$10,150	$11,300	13,510	14,960	16,030	16,590
Gross Profit	$3,624	$3,827	$3,891	$4,001	$4,053	$4,557	5,306	6,022	6,682	5,033
Gross Margin	38.6%	38.1%	38.8%	38.8%	39.9%	40.3%	39.3%	40.3%	41.7%	30.3%
SG&A Exp.	$955	$1,059	$1,013	$1,042	$1,060	$1,176	1,336	1,522	1,647	1,710
Operating Profit	$1,578	$1,652	$1,729	$1,803	$1,807	$2,093	2,489	2,848	3,224	3,322
Operating Margin	16.8%	16.5%	17.2%	17.5%	17.8%	18.5%	18.4%	19.0%	20.1%	20.0%
Net Profit	$613	$1,278	$1,037	$1,073	$967	$1,290	1,488	1,731	2,043	2,139
Net Margin	6.5%	12.7%	10.3%	10.4%	9.5%	11.4%	11.0%	11.6%	12.7%	12.9%
Free Cash Flow	$920	$921	$1,171	$1,145	$1,277	$1,470	1,736	1,987	2,081	2,409
Income Tax	$353	$3	$283	$222	$173	$283	344	460	388	455

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	20630	21147	21617	22684	23430	$24,960	29,050	31,411	32,400	34,370
Cash & Equivalents	$68	$83	$71	$47	$38	$29	143	140	74	76
Accounts Receivable	$995	$1,106	$1,103	$1,126	$1,091	$1,271	1,677	1,768	1,821	1,897
Inventories	$44	$51	$53	$57	$59	$72	97	97	98	106
Goodwill & Int. Ass.	11346	11457	11507	11767	12220	$13,090	14,800	16,330	16,530	17,370
Total Liabilities	12936	13186	13688	14563	14950	$15,980	19,370	20,870	21,000	22,400
Accounts Payable	$554	$598	$762	$778	$779	$910	1,222	1,412	1,345	1,374
Long-Term Debt	$7,659	$8,187	$8,338	$8,689	$8,934	$9,554	11,790	12,820	12,710	13,760
Shareholder's Equity	$7,691	$7,959	$7,927	$8,118	$8,484	$8,979	9,686	10,540	11,400	11,970
LTD/E Ratio	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.12	1.15

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	6.1%	4.8%	4.8%	4.2%	5.3%	5.5%	5.7%	6.4%	6.4%
Return on Equity	7.9%	16.3%	13.1%	13.4%	11.7%	14.8%	15.9%	17.1%	18.6%	18.3%
ROIC	4.0%	8.1%	6.4%	6.5%	5.7%	7.2%	7.4%	7.7%	8.6%	8.5%
Shares Out.	344	339	328	322	320	319.4	316.5	316.7	314.8	312.2
Revenue/Share	$27.26	$29.62	$30.58	$31.99	$31.75	$35.36	42.69	47.25	50.93	53.15
FCF/Share	$2.67	$2.72	$3.57	$3.56	$3.99	$4.60	5.48	6.27	6.61	7.72

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