



## Why Waste Connections Inc. Rose Nearly 2% on Wednesday

### Description

**Waste Connections Inc.** ([NYSE:WCN](#))([TSX:WCN](#)), one of the largest integrated solid waste services companies in Canada and the United States, announced better-than-expected second-quarter earnings results and raised its full-year outlook after the market closed on Tuesday, and its stock responded by rising 1.9% in Wednesday's trading session. Let's take a closer look at the results and the fundamentals of its stock to determine if we should be long-term buyers today, or if we should wait for a better entry point in the trading sessions ahead.

### A very strong quarter of double-digit percentage growth

Here's a quick breakdown of 10 of the most notable statistics from Waste Connections's three-month period ended on June 30, 2017, compared with the same period in 2016:

Metric	Q2 2017	Q2 2016	Change
Solid waste collection revenue	US\$794.74 million	US\$501.17 million	58.6%
Solid waste disposal and transfer revenue	US\$257.24 million	US\$160.03 million	60.7%
Solid waste recycling revenue	US\$41.34 million	US\$16.73 million	147.2%
E&P waste treatment, recovery, & disposal revenue	US\$47.17 million	US\$27.48 million	71.7%
Intermodal & other revenues	US\$35.08 million	US\$22.23 million	57.8%
Total revenue	US\$1,175.57 million	US\$727.64 million	61.6%
Adjusted net income	US\$145.46 million	US\$93.21 million	56.1%

Adjusted net income per share	US\$0.55	US\$0.44	25%
Operating cash flow	US\$551.91 million	US\$259.65 million	112.6%
Adjusted free cash flow	US\$156.13 million	US\$120.68 million	29.4%

## Raising its outlook on 2017

In its earnings release, Waste Connections also raised its full-year outlook on fiscal 2017. The company now expects the following:

Metric	New outlook	Previous outlook
Revenue	US\$4.57 billion	US\$4.45 billion
Adjusted EBITDA	US\$1.45 billion	US\$1.41 billion
Adjusted free cash flow	US\$750 million	US\$725 million

## What should you do with Waste Connections now?

It was a phenomenal quarter overall for Waste Connections, driven by its acquisition of Progressive Waste in June 2016 as well as price and volume growth. The results also surpassed the consensus estimates of analysts polled by **Thomson Reuters**, which called for adjusted earnings per share of US\$0.53 on revenue of US\$1.15 billion. With all of this being said, I think the market reacted correctly by sending its stock higher in Wednesday's trading session, and I think it could continue higher from here because investors will continue to pay up for its incredible growth rate and its estimated 14.5% long-term growth rate.

I think Waste Connections would make a great addition to any Foolish portfolio, so take a closer look and consider adding it to yours today.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:WCN (Waste Connections)

## PARTNER-FEEDS

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**Date**

2025/09/11

**Date Created**

2017/07/27

**Author**

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