



## A Filthy Stock That Could Make You Filthy Rich Over Time

### Description

Would you look at the long-term chart of **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#))? It's a thing of beauty. A smooth ride up over the last five years and a solid 225% in capital gains to go with a dividend (currently yielding 0.68%) that's probably going to keep on growing at a rapid rate.

The stock has been a [low-beta way for Canadian to get wealthy](#). With such a highly-profitable, moaty, and recession-proof business model, it's not a wonder why shares have typically commanded a fat premium. Waste Connections is in the filthy business of taking out the trash, but the stinky, and incredibly unsexy business that one wouldn't dare talk about at the water cooler actually has one of the sexiest long-term charts on the **TSX** with a stock that could make you filthy rich over time.

As you may be aware, Bill Gates is a huge fan of the waste services business. Collecting, transferring, disposing of waste, and recycling recyclables is a necessary, albeit dirty job. Since joining forces with Progressive Waste Services, Waste Connections has been a terrific way for Canadians to profit from both the U.S. and Canadian markets all in one stock. Just over one year ago, the firm acquired Illinois-based Groot Industries for around \$400 million, further building upon the firm's already impressive footprint in the U.S. waste market.

Fellow Fool Demetris Afxentiou noted that Waste Connections had "completed a number of well-executed acquisitions over the years, which has helped establish Waste Connections as one of the three largest companies in North America for waste collection and disposal." The keyword here is "well-executed." The company has exceptional stewards running the show, and they should be commended for their ability to drive earnings and scale up in an incredibly efficient manner.

Waste Connections has averaged 16.7% in revenue growth of the past 10 years, and with a healthy balance sheet and minimal debt (0.63 debt-to-equity as of the last quarter), the company could be readying for yet another big U.S. deal.

As you can see from the stock chart of Waste Connections, shares rarely dip by a meaningful amount. And although shares trade at over 45 times trailing earnings (and 25.3 times forward earnings), I'd say that it can't hurt to get a bit of skin in the game today in spite of the froth.

Sure, shares aren't really what you'd consider a "[value investment](#)" today, but if you're looking for reliable growth over time, under any market environment, Waste Connections is a great way to lower your portfolio's correlation while adding to its total return potential. Given that, it may be justifiable to nibble at today's premium multiple.

Stay hungry. Stay Foolish.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

## TICKERS GLOBAL

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

## PARTNER-FEEDS

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## Date

2025/09/10

## Date Created

2019/05/23

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