



## Invest \$3,000 in This Stock and Never Worry

### Description

The stock market is getting volatile. The [coronavirus](#) crash burned countless investors, and many analysts think more pain is on the way. If you want to sleep easy every night, there's a clear solution.

The trick is to find a company that runs a recession-proof business model. Many companies claim to be insulated from economic volatility, but when a true test comes, they fail.

But there's one company that operates a [proven](#) business that can grow *regardless* of what happens with the stock market overall. No matter where the economy heads, **Waste Connections Inc** ([TSX:WCN](#)) investors never need to worry.

### Safeguard your portfolio

One thing is for certain: the world is producing more trash. Rising populations and consumption create reliable tailwinds for companies that dispose of this trash. Waste Connection is one of the biggest players in this steady industry.

Just take a look at Waste Connections stock price and you'll immediately understand how rock-solid this company is. Shares *rarely* go negative. The company has a beta of just 0.74. Beta is a measure of how volatile a stock is. Waste Connection's beta implies that it's 26% less volatile than the overall market.

But lower volatility doesn't necessarily mean lower returns. Since 2009, WCN shares have returned 630% compared to a 36% rise for the **S&P/TSX Composite Index**.

If you want to safeguard your portfolio but don't feel comfortable exiting the market entirely, Waste Connections should top your list.

### This stock is special

Last week, we received yet another data point that proves Waste Connections is the perfect place to ride out the market storm. The company reported first quarter earnings and *crushed* analyst expectations.

Revenue totalled \$1.35 billion, up 8.7% year-over-over — \$18 million higher than analysts predicted. EPS came in at \$0.65, two cents above expectations.

But the most exciting data points lied deeper in the financial statements. The company posted 5.2% growth in pricing plus volumes, meaning that despite the advent of the coronavirus pandemic, its customer base produced *more* trash and paid *more* to have it taken away. This is the quintessential recession-proof stock.

The best news regarded cash flow. “In spite of the resulting significant slowdown in economic activity and impact to revenue, we exceeded our first quarter outlook for adjusted EBITDA and delivered adjusted free cash flow of \$235.7 million or 17.4% of revenue and 57.7% of adjusted EBITDA,” highlighted CEO Worthing Jackman.

Why is cash flow so important? Waste Connection will be able to use it to acquire competitors at a discount.

Trash collection is a game of scale. The biggest usually win. That's because upfront costs are high, but once they're established, it costs little to expand. For example, if Waste Connections already sends a truck to your neighborhood, it costs fairly little to service nearby homes.

As one of the largest players, Waste Connection has the capital to acquire its smaller competition. It's done this repeatedly over the years. The coronavirus pandemic should allow it to make these acquisitions at a discount, turning short-term pain into long-term gain.

Despite countless claims, there aren't many stocks that you can buy and never worry about. Waste Connections is the exception to the rule.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

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