

ModernGraham Valuation



Company Name:

Republic Services,
Inc.

Company Ticker RSG

Date of Analysis

3/1/2019

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

| | | | |
|--|--|------------------|------|
| 1. Adequate Size of the Enterprise | Market Cap > \$2Bil | \$25,278,969,949 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 0.58 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Pass |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| 5. Earnings Growth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 129.35% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 25.75 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 3.23 | Fail |

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

| | | | |
|--|--------------------------------------|-------|------|
| 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5 | 0.58 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | -6.63 | Fail |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Pass |
| 4. Dividend Record | Currently Pays Dividend | | Pass |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Pass |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$3.05 |
| MG Growth Estimate | 11.13% |
| MG Value | \$93.88 |
| MG Value based on 3% Growth | \$44.26 |
| MG Value based on 0% Growth | \$25.95 |
| Market Implied Growth Rate | 8.62% |

MG Opinion

| | |
|----------------------|----------------------|
| Current Price | \$78.60 |
| % of Intrinsic Value | 83.73% |
| Opinion | Fairly Valued |
| MG Grade | D+ |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$37.22 |
| Graham Number | \$42.27 |
| PEmg | 25.75 |
| Current Ratio | 0.58 |
| PB Ratio | 3.23 |
| Current Dividend | \$1.44 |
| Dividend Yield | 1.83% |
| Number of Consecutive Years of Dividend Growth | 17 |

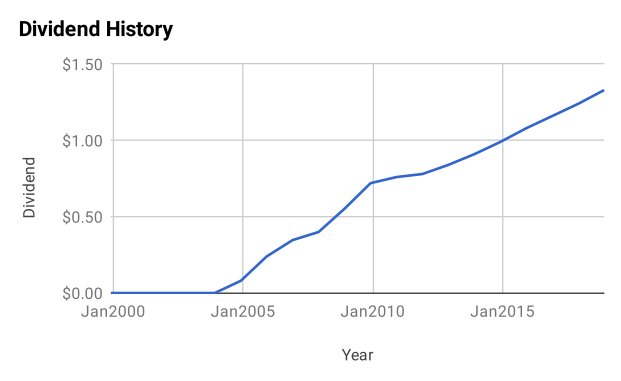
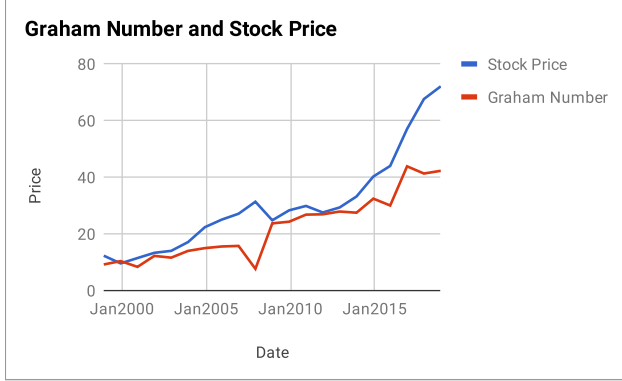
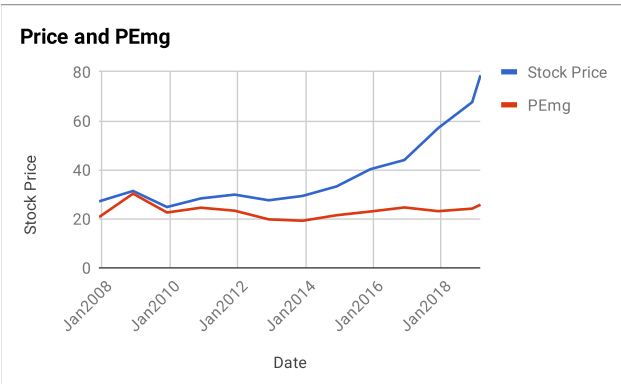
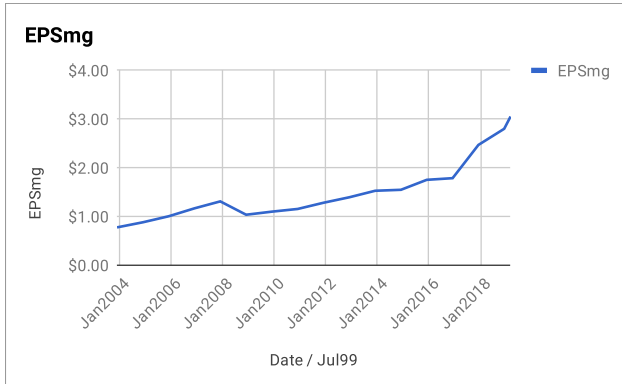
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| EPS History | | EPSmg History | |
|---------------------------|--------|--|------------------|
| Next Fiscal Year Estimate | \$3.23 | Next Fiscal Year Estimate | \$3.05 |
| Dec2018 | \$3.16 | Dec2018 | \$2.80 |
| Dec2017 | \$3.77 | Dec2017 | \$2.47 |
| Dec2016 | \$1.78 | Dec2016 | \$1.79 |
| Dec2015 | \$2.13 | Dec2015 | \$1.75 |
| Dec2014 | \$1.53 | Dec2014 | \$1.55 |
| Dec2013 | \$1.62 | Dec2013 | \$1.53 |
| Dec2012 | \$1.55 | Dec2012 | \$1.39 |
| Dec2011 | \$1.56 | Dec2011 | \$1.28 |
| Dec2010 | \$1.32 | Dec2010 | \$1.15 |
| Dec2009 | \$1.30 | Dec2009 | \$1.10 |
| Dec2008 | \$0.37 | Dec2008 | \$1.04 |
| Dec2007 | \$1.51 | Dec2007 | \$1.31 |
| Dec2006 | \$1.39 | Dec2006 | \$1.17 |
| Dec2005 | \$1.20 | Dec2005 | \$1.00 |
| Dec2004 | \$1.08 | Dec2004 | \$0.88 |
| Dec2003 | \$0.78 | Dec2003 | \$0.78 |
| Dec2002 | \$0.96 | Balance Sheet Information 12/1/2018 | |
| Dec2001 | \$0.49 | Total Current Assets | \$1,564,400,000 |
| Dec2000 | \$0.84 | Total Current Liabilities | \$2,718,600,000 |
| Dec1999 | \$0.76 | Long-Term Debt | \$7,646,800,000 |
| | | Total Assets | \$21,617,000,000 |
| | | Intangible Assets | \$11,506,600,000 |
| | | Total Liabilities | \$13,687,500,000 |
| | | Shares Outstanding (Diluted Average) | 325,700,000 |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

- Other ModernGraham posts about the company**
- [Republic Services Inc Valuation – May 2018 \\$RSG](#)
 - [Republic Services Inc Valuation – January 2017 \\$RSG](#)
 - [Republic Services Inc. Analysis – September 2015 Update \\$RSG](#)
 - [20 Companies to Research This Week – 9/6/14](#)
 - [Republic Services Inc. Annual Stock Valuation – September 2014 \\$RSG](#)

- Other ModernGraham posts about related companies**
- [Waste Management Inc Valuation – February 2019 \\$WMM](#)
 - [Clean Harbors Inc Valuation – July 2018 \\$CLH](#)
 - [Stericycle Inc Valuation – May 2018 \\$SRCL](#)
 - [Republic Services Inc Valuation – May 2018 \\$RSG](#)
 - [Waste Management Inc Valuation – April 2018 \\$WMM](#)
 - [US Ecology Inc Valuation – Initial Coverage \\$ECOL](#)
 - [Stericycle Inc Valuation – February 2017 \\$SRCL](#)
 - [Republic Services Inc Valuation – January 2017 \\$RSG](#)
 - [Clean Harbors Inc Valuation – Initial Coverage \\$CLH](#)
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