WASTE CONNECTIONS, INC.
Form 424B5
February 29, 2012
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-179724

Class of securities registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, par value $0.01 per share	12,000,000	$31.89	$382,680,000	$43,856(1)

(1) The securities registered herein are offered pursuant to an automatic shelf registration statement. In accordance with Rules 456(b) and 457(r), the registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-179724 filed by the registrant on February 27, 2012.

(2) Estimated pursuant to Rule 457(c), the offering price and registration fee are based on the average of the high and low prices for our common stock on February 27, 2012, as reported on the New York Stock Exchange.

Table of Contents

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED FEBRUARY 27, 2012

12,000,000 Shares

Common Stock

We are offering 12,000,000 shares of common stock.

Our common stock is listed on the New York Stock Exchange under the symbol WCN . On February 24, 2012, the closing price of our common stock on the New York Stock Exchange was $31.94 per share.

Investing in our common shares involves risks. See Risk Factors referenced on page S-5.

We are selling to the underwriter the shares of common stock at a price of $30.83 per share, resulting in aggregate net proceeds to us of approximately $370.0 million before expenses.

Morgan Stanley & Co. LLC may offer the shares of common stock from time to time for sale to purchasers in one or more transactions directly or through agents, or through brokers in brokerage transactions on the New York Stock Exchange, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. See Underwriting.

Delivery of the shares will be made on or about March 2, 2012.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Morgan Stanley

The date of this prospectus supplement is February 27, 2012

Table of Contents

Table of Contents

Prospectus supplement

Prospectus

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the underwriter has not, authorized anyone else to provide you with different or additional information. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We are not, and the underwriter is not, making an offer of these securities or soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate on any date subsequent to the date set forth on the front of this prospectus supplement or the date of incorporation by reference, even though this prospectus supplement and the accompanying prospectus is delivered or securities are sold on a later date.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common stock and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the common stock we are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to we , us or our mean Waste Connections, Inc. and our consolidated subsidiaries, except where it is made clear that the terms mean Waste Connections, Inc. only.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about us. It may not contain all the information that may be important to you in deciding whether to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, together with the information incorporated by reference, including the financial data and related notes, before making an investment decision.

Waste Connections, Inc.

Our company

Waste Connections, Inc. is an integrated solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. In addition, we provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of seven intermodal facilities. We also treat and dispose of non-hazardous waste that is generated in the exploration and production of oil and natural gas primarily at a facility in Southwest Louisiana. As of December 31, 2011, we served more than two million residential, commercial and industrial customers from a network of operations in 29 states: Alabama, Arizona, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of December 31, 2011, we owned or operated a network of 140 solid waste collection operations, 58 transfer stations, seven intermodal facilities, 39 recycling operations, 46 active landfills and one exploration and production waste treatment and disposal facility.

We are a leading provider of solid waste services in most of our markets. We have focused on exclusive and secondary markets because we believe that those areas offer:

- opportunities to enter into exclusive arrangements;
- more competitive barriers to entry;
- less competition from larger solid waste services companies;
- projected economic and population growth rates that will contribute to the growth of our business; and
- a number of independent solid waste services companies suitable for acquisition.

Our senior management team has extensive experience in operating, acquiring and integrating solid waste services businesses, and we intend to continue to focus our efforts on balancing internal and acquisition-based growth. We anticipate that a part of our future growth will come from acquiring additional solid waste collection, transfer and disposal businesses and, therefore, we expect that additional acquisitions could continue to affect period-to-period comparisons of our operating results.

Recent developments

On August 23, 2011, the Company announced that it had entered into agreements to acquire the operations of Alaska Pacific Environmental Services Anchorage, LLC and Alaska Green Waste Solutions, LLC (together, Alaska Waste). Alaska Waste provides solid waste collection, recycling and composting services in Anchorage, the Mat-Su Valley, Fairbanks, the Kenai Peninsula and Kodiak Island. The transaction remains subject to closing conditions, including receipt of certain consents. Closing is expected to occur on March 1, 2012. We may use borrowings under our senior revolving credit facility to pay the purchase price of the Alaska Waste acquisition.

Table of Contents

On February 13, 2012, the Compensation Committee of our Board of Directors approved and adopted a Separation Benefits Plan and Employment Agreement with our chief executive officer, providing him with certain severance and change in control benefits, and a Separation Benefits Plan and related participation letter agreements under which eligible executives may receive certain separation benefits and change in control payments. At the time these plans and letter agreements were entered into, our Compensation Committee made one-time equity grants to certain of our executive officers, including our chief executive officer. As disclosed in our Current Report on Form 8-K dated February 8, 2012, and as communicated in our earnings conference call on that date, we expect to incur a one-time non-cash equity based compensation expense of approximately $3.6 million in the quarter ending March 31, 2012 in connection with these equity grants.

Corporate Information

Waste Connections, Inc. is a Delaware corporation organized in 1997. Our executive offices are located at Waterway Plaza Two, 10001 Woodloch Forest Drive, Suite 400, The Woodlands, TX 77380. Our telephone number is (832) 442-2200.

Table of Contents

THE OFFERING

Issuer	Waste Connections, Inc., a Delaware corporation.
Common Stock Offered by Us	12,000,000 shares
Common Stock to be Outstanding after this Offering	123,237,169 shares[(1)]
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately $369.5 million, after deducting underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds to repay the unhedged portion of the outstanding borrowings under our senior revolving credit facility and to use any remaining net proceeds for general corporate purposes, which may include acquisitions of additional assets or businesses, the repayment of other indebtedness, capital expenditures and increasing our working capital. Pending the application of the net proceeds, we may invest the proceeds in short-term, interest-bearing instruments or other investment-grade securities. We have used borrowings under our senior revolving credit facility for general corporate purposes, including the acquisition of additional assets or businesses. We may use borrowings under our revolving credit facility to pay the purchase price of the Alaska Waste acquisition. Pursuant to interest rate swap agreements outstanding as of the date of this prospectus supplement, we intend to maintain a minimum balance of $325 million on our revolving credit facility.
Listing	Our common stock is listed on the NYSE under the symbol WCN .
Risk Factors	An investment in our common stock involves various risks, and prospective investors should carefully consider the matters referenced under the caption entitled Risk Factors beginning on page S-5 of this prospectus supplement and page 1 of the accompanying prospectus.

(1) Based on the number of shares outstanding as of February 23, 2012. Excludes 2,292,319 shares of common stock underlying awards outstanding as of February 23, 2012 granted under our stock option, incentive, warrant and compensation plans and 3,352,060 shares of common stock reserved and available for future issuance as of February 23, 2012 under our stock option, incentive, warrant and compensation plans.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth our summary consolidated financial and operating data. You should read the following summary consolidated financial data in conjunction with the consolidated financial statements and notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations, included in our most recent Annual Report on Form 10-K which is incorporated by reference in this prospectus supplement.

The summary consolidated balance sheet information as of December 31, 2009, 2010 and 2011 and the summary consolidated statement of income information for the years ended December 31, 2009, 2010 and 2011 have been derived from our historical consolidated financial statements audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm.

	Year ended December 31,		
	2009	2010	2011
	(Dollars in thousands, except share and per share amounts)		
STATEMENTS OF INCOME DATA:			
Revenues	$ 1,191,393	$ 1,319,757	$ 1,505,366
Operating expenses:			
Cost of operations	692,415	749,487	857,580
Selling, general and administrative	138,026	149,860	161,967
Depreciation and amortization	130,758	147,456	167,100
Loss (gain) on disposal of assets	(481)	571	1,657
Operating income	230,675	272,383	317,062
Interest expense, net	(47,748)	(39,544)	(43,990)
Loss on extinguishment of debt		(10,193)	
Other income (expense), net	(7,551)	2,830	57
Income before income tax provision and noncontrolling interest in subsidiaries	175,376	225,476	273,129
Income tax provision	(64,565)	(89,334)	(106,958)
Net income	110,811	136,142	166,171
Less: Noncontrolling interest in subsidiaries	(986)	(1,038)	(932)
Net income attributable to Waste Connections, Inc.	$ 109,825	$ 135,104	$ 165,239
SHARE DATA:			
Basic earnings per common share:			
Net income per common share	$ 0.92	$ 1.17	$ 1.47
Diluted earnings per common share:			
Net income per common share	$ 0.91	$ 1.16	$ 1.45
Weighted Average Common Shares Outstanding			
Basic[(1)]	119,119,601	115,646,173	112,720,444
Diluted[(1)]	120,506,162	116,894,204	113,583,486
Cash dividends per common share		$ 0.075	$ 0.315

	As of December 31,		
	2009	2010	2011
BALANCE SHEET DATA:			
Cash and equivalents	$ 9,639	$ 9,873	$ 12,643
Property and equipment, net	1,308,392	1,337,476	1,450,469
Total assets	2,820,448	2,915,984	3,328,005
Long-term debt	867,554	909,978	1,172,758

Total stockholders equity	1,357,036	1,370,418	1,399,687

(1) Shares have been adjusted to reflect our three-for-two split of our common stock, in the form of a 50% stock dividend, effective as of November 12, 2010.

Table of Contents

RISK FACTORS

An investment in our common stock involves various material risks. You should carefully consider the risk factors incorporated by reference in this prospectus supplement to our most recent Annual Report on Form 10-K, as well as all of the other information contained in this prospectus supplement and the accompanying prospectus, before deciding to invest in our common stock. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain statements included and incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking in nature, including, without limitation, statements regarding our financial position, business strategy, acquisition plans and growth objectives. These statements can be identified by the use of forward-looking terminology such as believes, expects, may, will, should, or anticipates, negative thereof or comparable terminology, or by discussions of strategy.

Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, the following:

- our acquisitions may not be successful, resulting in changes in strategy, operating losses or a loss on sale of the business acquired;
- a portion of our growth and future financial performance depends on our ability to integrate acquired businesses into our organization and operations;
- competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit our ability to grow through acquisitions;
- we may be unable to compete effectively with larger and better capitalized companies, companies with lower return expectations, and governmental service providers;
- we may lose contracts through competitive bidding, early termination or governmental action;
- price increases may not be adequate to offset the impact of increased costs or may cause us to lose volume;
- economic downturns adversely affect operating results;
- our results are vulnerable to economic conditions and seasonal factors affecting the regions in which we operate;
- we may be subject in the normal course of business to judicial, administrative or other third party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity;
- increases in the price of fuel may adversely affect our business and reduce our operating margins;
- increases in labor and disposal and related transportation costs could impact our financial results;
- efforts by labor unions could divert management attention and adversely affect operating results;

we could face significant withdrawal liability if we withdraw from participation in one or more underfunded multiemployer pension plans in which we participate;

increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings;

our indebtedness could adversely affect our financial condition; we may incur substantially more debt in the future;

each business that we acquire or have acquired may have liabilities or risks that we fail or are unable to discover, including environmental liabilities;

liabilities for environmental damage may adversely affect our financial condition, business and earnings;

our accruals for our landfill site closure and post-closure costs may be inadequate;

the financial soundness of our customers could affect our business and operating results;

Table of Contents

- we depend significantly on the services of the members of our senior, regional and district management team, and the departure of any of those persons could cause our operating results to suffer;
- our decentralized decision-making structure could allow local managers to make decisions that adversely affect our operating results;
- we may incur charges related to capitalized expenditures of landfill development projects, which would decrease our earnings;
- because we depend on railroads for our intermodal operations, our operating results and financial condition are likely to be adversely affected by any reduction or deterioration in rail service;
- our financial results are based upon estimates and assumptions that may differ from actual results;
- the adoption of new accounting standards or interpretations could adversely affect our financial results;
- pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements;
- if we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer;
- fluctuations in prices for recycled commodities that we sell and rebates we offer to customers may cause our revenues and operating results to decline;
- our financial and operating performance may be affected by the inability to renew landfill operating permits, obtain new landfills and expand existing ones;
- future changes in laws or renewed enforcement of laws regulating the flow of solid waste in interstate commerce could adversely affect our operating results;
- extensive and evolving environmental, health, safety and employment laws and regulations may restrict our operations and growth and increase our costs;
- climate change regulations may adversely affect operating results;
- extensive regulations that govern the design, operation and closure of landfills may restrict our landfill operations or increase our costs of operating landfills;
- alternatives to landfill disposal may cause our revenues and operating results to decline; and

unusually adverse weather conditions may interfere with our operations, harming our operating results.

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $369.5 million after deducting underwriting discounts and commissions and estimated transaction expenses payable by us of approximately $500,000. We intend to use the net proceeds to repay the unhedged portion of the outstanding borrowings under our revolving credit facility, which outstanding borrowings were approximately $519.0 million as of December 31, 2011, and to use any remaining net proceeds for general corporate purposes, which may include acquisitions of additional assets or businesses, the repayment of other indebtedness, capital expenditures and increasing our working capital. Pending the application of the net proceeds, we may invest the proceeds in short-term, interest-bearing instruments or other investment-grade securities. We have used borrowings under our senior revolving credit facility for general corporate purposes, including the acquisition of additional assets or businesses. We may use borrowings under our revolving credit facility to pay the purchase price of the Alaska Waste acquisition. Pursuant to interest rate swap agreements outstanding as of the date of this prospectus supplement, we intend to maintain a minimum balance of $325 million on our revolving credit facility. Our revolving credit facility matures in July 2016. Borrowings under the credit facility bear interest, at our option, at either the base rate plus the applicable base rate margin on base rate loans, or the LIBOR rate plus the applicable LIBOR margin on LIBOR loans. As of December 31, 2011, the average interest rate under the revolving credit facility was 1.68%.

We are generally engaged in various stages of negotiations for a number of acquisitions, dispositions and other transactions, some of which may be significant, that may include, but are not limited to, potentially large acquisitions in connection with the divestiture of assets or businesses by other solid waste services companies. We cannot assure you that we will be successful in completing or integrating any acquisitions. See Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of risks related to acquisitions.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and equivalents and capitalization as of December 31, 2011:

- on an actual basis; and
- on an as adjusted basis to reflect the sale of the common stock in this offering and the use of the net proceeds therefrom, as described under Use of Proceeds .

	As of December 31, 2011	
	Actual	Actual as adjusted
	(Dollars in thousands)	
Cash and equivalents	$ 12,643	$ 188,103[(1)]
Debt:		
Senior revolving credit facility	$ 519,000	$ 325,000[(1)]
2015 Notes, bearing interest at 6.22%	175,000	175,000
2016 Notes, bearing interest at 3.30%	100,000	100,000
2018 Notes, bearing interest at 4.00%	50,000	50,000