

ModernGraham Valuation

Expeditors
International of
Washington



Company Name:

Company Ticker EXPD

Date of Analysis

10/1/2015

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	\$8,792,271,587	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.35	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	60.99%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	24.38	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.79	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	2.35	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.93
MG Growth Estimate	4.22%
MG Value	\$32.71
MG Value based on 3% Growth	\$27.99
MG Value based on 0% Growth	\$16.41
Market Implied Growth Rate	7.94%

MG Opinion

Current Price	\$47.06
% of Intrinsic Value	143.89%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.72
Graham Number	\$22.53
PEmg	24.38
Current Ratio	2.35
PB Ratio	4.79
Dividend Yield	1.44%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.26	Next Fiscal Year Estimate	\$1.93
Dec14	\$1.92	Dec14	\$1.75
Dec13	\$1.68	Dec13	\$1.62
Dec12	\$1.57	Dec12	\$1.56
Dec11	\$1.79	Dec11	\$1.51
Dec10	\$1.59	Dec10	\$1.33
Dec09	\$1.11	Dec09	\$1.18
Dec08	\$1.37	Dec08	\$1.17
Dec07	\$1.21	Dec07	\$1.01
Dec06	\$1.06	Dec06	\$0.86
Dec05	\$0.98	Dec05	\$0.72
Dec04	\$0.71	Dec04	\$0.57
Dec03	\$0.56	Dec03	\$0.48
Dec02	\$0.52	Dec02	\$0.42
Dec01	\$0.44	Dec01	\$0.35
Dec00	\$0.38	Dec00	\$0.28
Dec99	\$0.28	Dec99	\$0.21
Dec98	\$0.22	Balance Sheet Information Jun15	
Dec97	\$0.18	Total Current Assets	\$2,334,755,000
Dec96	\$0.12	Total Current Liabilities	\$993,681,000
Dec95	\$0.09	Long-Term Debt	\$0
		Total Assets	\$2,932,375,000
		Intangible Assets	\$7,927,000
		Total Liabilities	\$1,045,754,000
		Shares Outstanding (Diluted Average)	191,918,000





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

[Expeditors International of Washington Analysis – June 2015 Update \\$EXPD](#)
[18 Companies in the Spotlight This Week – 3/21/15](#)
[Expeditors International of Washington Quarterly Valuation – March 2015 \\$EXPD](#)
[26 Companies in the Spotlight This Week – 12/13/14](#)
[Expeditors International of Washington Quarterly Valuation – December 2014 \\$EXPD](#)

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[C.H. Robinson Worldwide Inc. Analysis – 2015 Update \\$CHRW](#)
[Expeditors International of Washington Analysis – June 2015 Update \\$EXPD](#)
[FedEx Corporation Quarterly Valuation – March 2015 \\$FDX](#)
[Expeditors International of Washington Quarterly Valuation – March 2015 \\$EXPD](#)
[Ryder System Inc. Annual Valuation – 2015 \\$R](#)
[FedEx Corporation Quarterly Valuation – December 2014 \\$FDX](#)
[Expeditors International of Washington Quarterly Valuation – December 2014 \\$EXPD](#)
[United Parcel Service Inc. Annual Valuation – 2014 \\$UPS](#)
[Fedex Corporation Quarterly Stock Valuation – September 2014 \\$FDX](#)