

ModernGraham Valuation



Company Name:

Expeditors
International of
Washington

Company Ticker EXPD

Date of Analysis

1/4/2016

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	\$8,375,928,153	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.34	Pass
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	63.19%	Pass
6. Moderate PEmg Ratio	PEmg < 20	22.55	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.55	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	2.34	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	\$1.96
MG Growth Estimate	4.49%
MG Value	\$34.20
MG Value based on 3% Growth	\$28.37
MG Value based on 0% Growth	\$16.63
Market Implied Growth Rate	7.03%

MG Opinion

Current Price	\$44.13
% of Intrinsic Value	129.04%
Opinion	Overvalued

Stage 3: Information for Further Research

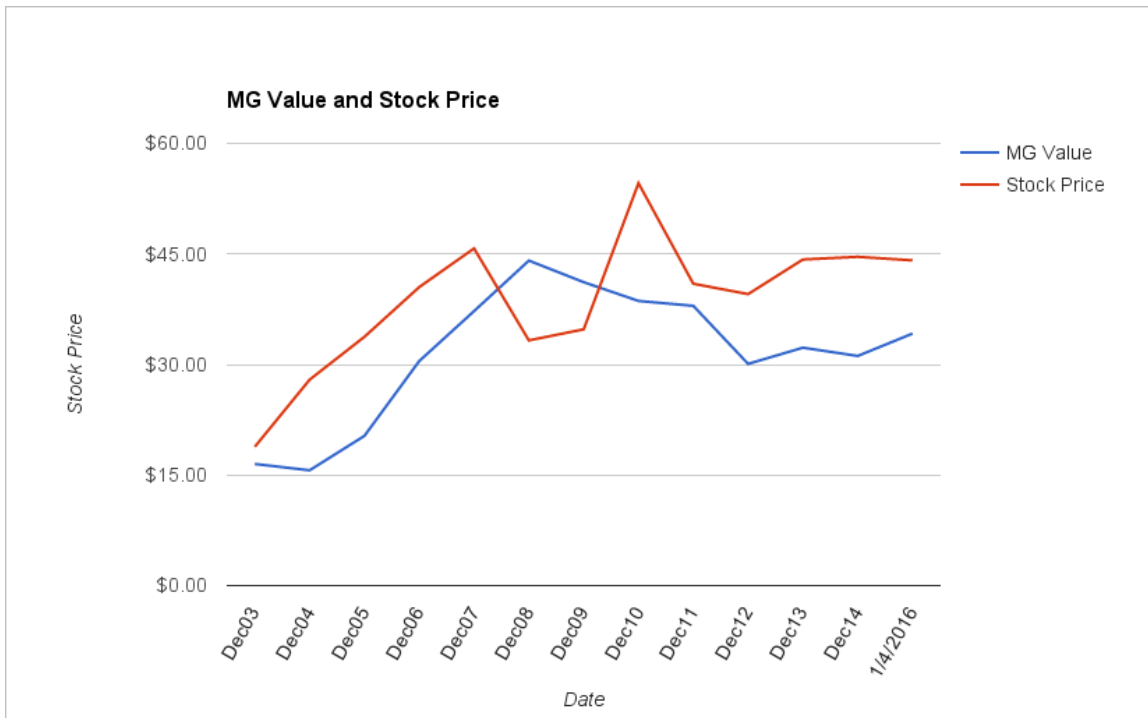
Net Current Asset Value (NCAV)	\$6.58
Graham Number	\$22.81
PEmg	22.55
Current Ratio	2.34
PB Ratio	4.55
Dividend Yield	1.54%
Number of Consecutive Years of Dividend Growth	20

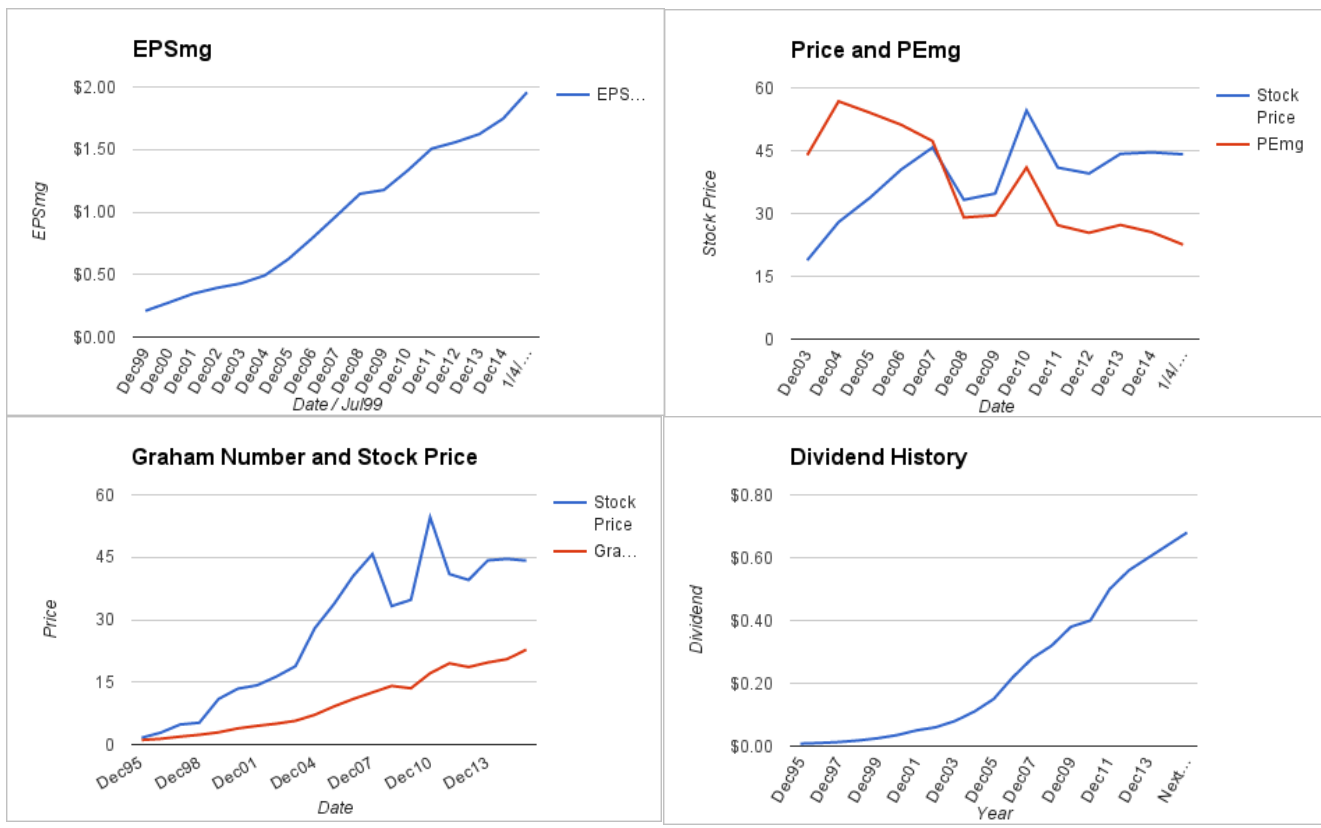
Useful Links:

[ModernGraham tagged articles](#)
[Google Finance](#)

[Morningstar](#)
[MSN Money](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.34	Next Fiscal Year Estimate	\$1.96
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	\$1.15
Dec07	\$1.21	Dec07	\$0.97
Dec06	\$1.06	Dec06	\$0.79
Dec05	\$0.86	Dec05	\$0.62
Dec04	\$0.59	Dec04	\$0.49
Dec03	\$0.46	Dec03	\$0.43
Dec02	\$0.44	Dec02	\$0.39
Dec01	\$0.45	Dec01	\$0.35
Dec00	\$0.38	Dec00	\$0.28
Dec99	\$0.28	Dec99	\$0.21
Dec98	\$0.22	Balance Sheet Information	Sep15
Dec97	\$0.18	Total Current Assets	\$2,235,460,000
Dec96	\$0.12	Total Current Liabilities	\$955,202,000
Dec95	\$0.09	Long-Term Debt	\$0
		Total Assets	\$2,827,018,000
		Intangible Assets	\$7,927,000
		Total Liabilities	\$987,973,000
		Shares Outstanding (Diluted Average)	189,642,000





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 – October 2015 Update \\$EXPD](#)
- [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](#)

Other ModernGraham posts about related companies

- [FedEx Corp Valuation – November 2015 Update \\$FDX](#)
- [United Parcel Service Inc. Valuation – October 2015 Update \\$UPS](#)
- [Expeditors International of Washington Analysis – October 2015 Update \\$EXPD](#)
- [FedEx Corporation Analysis – August 2015 Update \\$FDX](#)
- [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](#)