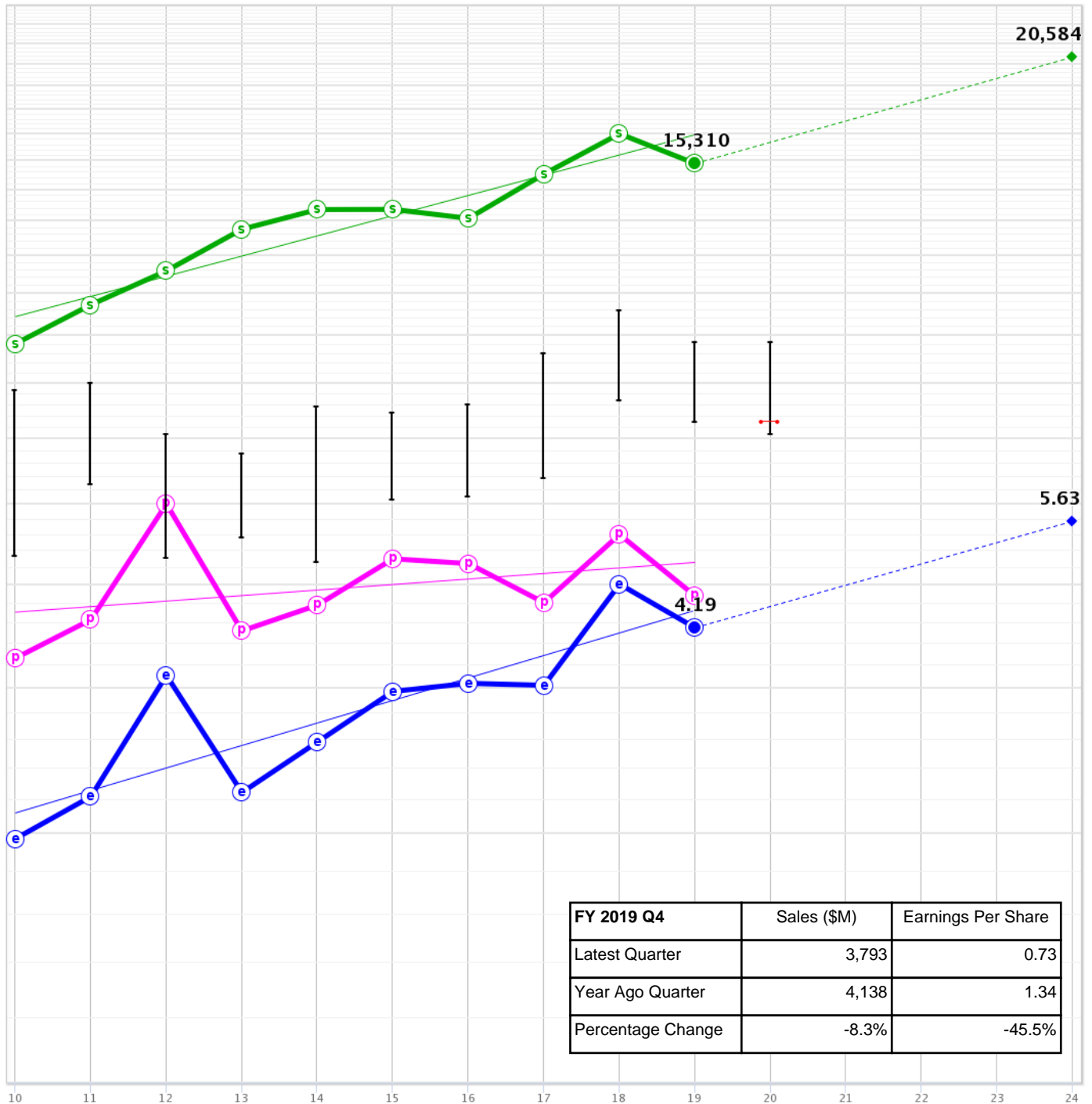


Company	C.H. Robinson Worldw		Date	02/07/20	
Prepared by	HENRIKSON		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Integrated Freight & Logistics	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	136.6	7.3	99.2		
Debt (\$M)	1,556.1	% to Tot Cap	48.2	% Pot Dil	0.5

# Stock Selection Guide

Symbol: **CHRW**

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |      |  |      |
|-----------------------------------|------|--|------|
| (1) Historical Sales Growth       | 5.8% | (3) Historical Earnings Per Share Growth       | 6.5% |
| (2) Estimated Future Sales Growth | 6.1% | (4) Estimated Future Earnings Per Share Growth | 6.1% |

## 2 EVALUATING Management

C.H. Robinson Worldw

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	6.7%	6.7%	8.4%	5.3%	5.4%	6.1%	6.2%	4.9%	5.3%	4.8%	5.5%
% Earned on Equity	32.1%	33.8%	39.4%	40.3%	43.9%	44.5%	39.9%	36.8%	41.5%	33.9%	39.3%
% Debt To Capital	0.0%	0.0%	14.4%	48.2%	51.3%	45.2%	49.6%	50.7%	45.8%	48.2%	47.9%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CLOSING PRICE** 74.38 (02/07/20)

**HIGH THIS YEAR** 92.72

**LOW THIS YEAR** 71.73

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	76.2	59.7	3.51	21.7	17.0	1.57	44.7	2.6
2016	77.9	60.3	3.59	21.7	16.8	1.74	48.5	2.9
2017	89.9	63.4	3.57	25.2	17.8	1.81	50.7	2.9
2018	101.2	78.8	4.73	21.4	16.7	1.88	39.7	2.4
2019	92.7	74.2	4.19	22.1	17.7	2.01	48.0	2.7
AVERAGE		67.3		22.4	17.2		46.3	
CURRENT/TTM			4.18			2.04	48.8	
AVERAGE PRICE EARNINGS RATIO: 19.8					CURRENT PRICE EARNINGS RATIO: 17.8			

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 22.0 X Estimate High Earnings/Share 5.63 = Forecasted High Price \$ 123.9

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 17.2 X Estimate Low Earnings/Share 4.18 = Forecasted Low Price \$ 71.9

(b) Avg. Low Price of Last 5 Years 67.3

(c) Recent Market Low Price 71.7

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{2.04}{2.89\%} = 70.7$

Selected Forecasted Low Price \$ 71.9

### C ZONING using 25%-50%-25%

Forecasted High Price 123.9 Minus Forecasted Low Price 71.9 = 52.0 Range. 25% of Range 13.0

Buy Zone 71.9 to 84.9

Hold Zone 84.9 to 110.9

Sell Zone 110.9 to 123.9

Present Market Price of 74.38 is in the **BUY** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{123.9 - 74.38}{74.38 - 71.9} = \frac{49.48}{2.48} = 20.0$  To 1

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{123.9 - 74.38}{74.38} = 1.6652$  X 100 = 166.52 - 100 = 66.5 % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A**  $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{2.01}{74.38} = 0.0274 = 2.7\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{46.1\%}{22.00} = 2.1\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{46.1\%}{19.60} = 2.4\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 10.7 %  
Average Yield 2.1 %  
Annualized Rate of Return 12.8 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

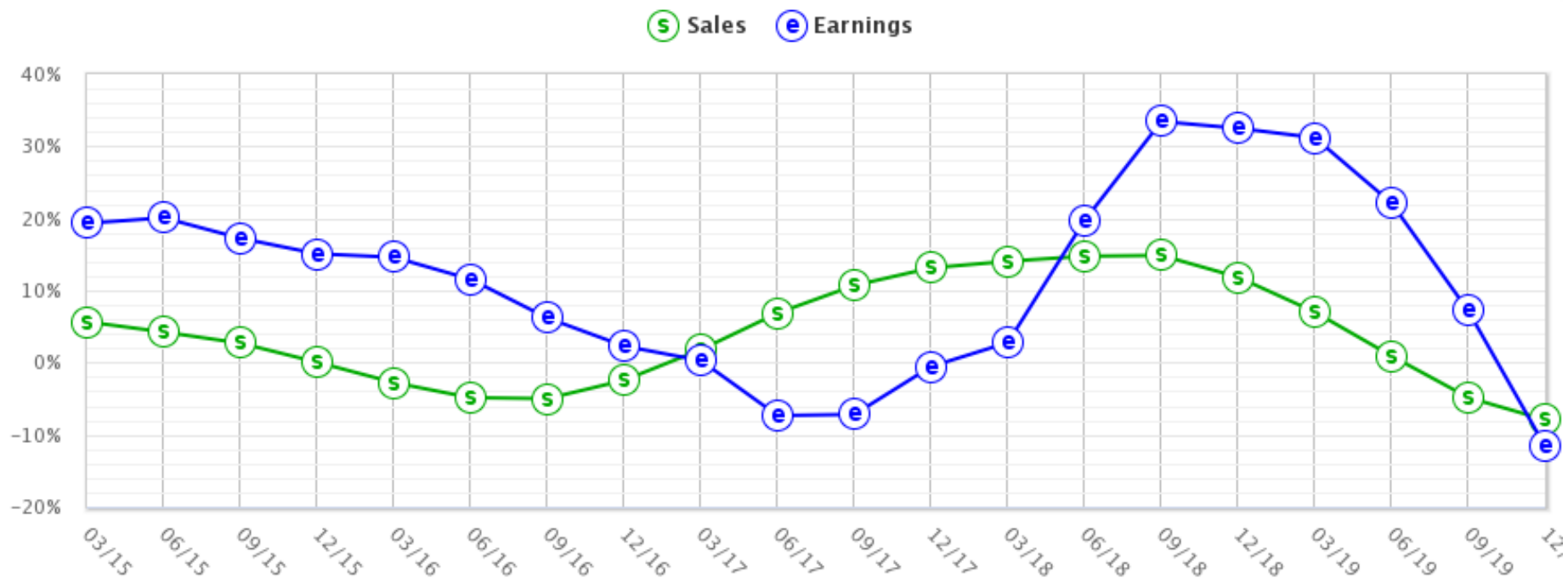
Annualized Appreciation 8.2 %  
Average Yield 2.4 %  
Annualized Rate of Return 10.6 %

**Notes: CHRW 2/8/2020**

Date	Subject	Description	Type
02/10/20	2/10/20 Judgements for CH Robinson	Sales growth: EPS growth: High PE: Low PE.	Study
02/10/20	Judgements for CHRW 3rd Qtr 2019 (Dec 2019)	Sales Growth - followed Value Line target of Nov 2019 (slightly lower) - 5% EPs growth - followed Value line target, similar to sales = 5.1% High PE : used average PE of 20 High stock price is slightly lower than Value Line's lowest price growth for next 5 years (VL=\$125) Low stock price - used average low price of last 5 years . While SSG says "Buy" stock is barely in the buy range, stronger in hold range.	Study

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/19	0.73	-45.5	126.0	3.3	-48.8	3,793.3	-8.3	21.4	4.18	742.3	4.8	15,309.5	164.4	22.2	-11.6	-15.7	-7.9
09/19	1.07	-14.4	187.9	4.9	-21.5	3,856.1	-10.2	21.8	4.79	862.3	5.5	15,654.1	196.6	22.8	7.2	4.2	-4.9
06/19	1.22	8.0	220.9	5.7	3.3	3,908.8	-8.6	23.4	4.97	913.8	5.7	16,089.9	219.1	24.0	22.1	18.4	0.9
03/19	1.16	14.9	207.4	5.5	14.7	3,751.2	-4.4	22.0	4.88	906.8	5.5	16,457.1	222.3	24.5	31.2	24.1	7.0
12/18	1.34	24.1	246.1	5.9	27.2	4,137.9	4.5	23.9	4.73	880.3	5.3	16,631.2	214.3	24.3	32.5	20.8	11.8
09/18	1.25	47.1	239.4	5.6	30.1	4,291.9	13.4	26.5	4.47	827.6	5.0	16,453.1	195.6	23.6	33.4	14.1	14.9
06/18	1.13	44.9	213.9	5.0	24.0	4,276.0	15.3	25.6	4.07	772.1	4.8	15,945.6	199.3	25.8	19.7	3.6	14.8
03/18	1.01	17.4	180.9	4.6	1.2	3,925.3	14.9	21.3	3.72	730.7	4.8	15,379.6	206.9	28.3	2.8	-8.7	14.0
12/17	1.08	25.6	193.4	4.9	1.5	3,959.8	16.0	21.1	3.57	728.5	4.9	14,869.4	225.1	30.9	-0.6	-10.3	13.1
09/17	0.85	-5.6	184.0	4.9	-9.7	3,784.5	12.8	35.2	3.35	725.5	5.1	14,324.6	250.8	34.6	-7.2	-11.8	10.7

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
06/17	0.78	-22.0	172.5	4.6	-24.2	3,710.0	12.4	35.6	3.40	745.4	5.4	13,895.9	260.4	34.9	-7.4	-11.8	6.9
03/17	0.86	3.6	178.7	5.2	-6.1	3,415.1	11.1	31.7	3.62	800.4	5.9	13,485.6	282.7	35.3	0.3	-4.8	1.8
12/16	0.86	-2.3	190.4	5.6	-5.3	3,415.0	6.4	35.8	3.59	812.0	6.2	13,144.4	298.5	36.8	2.3	-1.3	-2.5
09/16	0.90	-6.3	203.8	6.1	-9.9	3,355.8	-1.9	36.7	3.61	822.6	6.4	12,940.3	305.0	37.1	6.2	2.4	-5.0
06/16	1.00	6.4	227.5	6.9	1.9	3,299.7	-6.9	37.1	3.67	844.9	6.5	13,003.8	316.8	37.5	11.6	9.2	-4.9
03/16	0.83	13.7	190.2	6.2	10.4	3,073.9	-6.9	37.5	3.61	840.6	6.3	13,249.1	318.2	37.8	14.6	12.9	-2.8
12/15	0.88	14.3	201.1	6.3	10.9	3,210.9	-4.4	37.1	3.51	822.8	6.1	13,476.1	313.0	38.0	15.1	13.7	0.0
09/15	0.96	12.9	226.2	6.6	14.7	3,419.3	-1.4	38.4	3.40	803.0	5.9	13,622.4	306.7	38.2	17.2	16.2	2.7
06/15	0.94	17.5	223.2	6.3	15.0	3,545.1	1.2	38.5	3.29	774.0	5.7	13,670.5	292.3	37.8	20.1	15.9	4.2
03/15	0.73	15.9	172.3	5.2	14.2	3,300.9	5.0	38.2	3.15	744.9	5.5	13,628.4	282.0	37.9	19.3	13.6	5.6
12/14	0.77	24.2	181.3	5.4	21.6	3,357.2	6.5	37.7	3.05	723.4	5.4	13,470.1	273.9	37.9	15.1	7.4	5.6
09/14	0.85	23.2	197.1	5.7	13.5	3,467.4	4.5	36.6	2.90	691.2	5.2	13,265.7	261.6	37.8	-19.7	-26.5	5.5
06/14	0.80	14.3	194.1	5.5	6.7	3,502.9	6.5	38.9	2.74	667.8	5.1	13,115.1	255.0	38.2	-24.7	-30.0	8.1
03/14	0.63	-1.6	150.8	4.8	-10.6	3,142.6	5.0	38.2	2.64	655.6	5.1	12,900.4	249.7	38.1	-27.7	-31.5	9.3
12/13	0.62	-60.8	149.1	4.7	-64.1	3,152.9	6.1	37.7	2.65	673.4	5.3	12,752.1	257.3	38.2	-27.6	-29.7	12.3
09/13	0.69	-4.2	173.7	5.2	-7.3	3,316.7	15.1	38.0	3.61	940.0	7.5	12,570.1	360.8	38.4	31.3	31.3	14.7
06/13	0.70	-1.4	181.9	5.5	-2.0	3,288.3	11.3	38.5	3.64	953.6	7.9	12,133.8	365.8	38.4	33.3	33.8	12.7
03/13	0.64	-1.5	168.6	5.6	-0.7	2,994.3	17.3	38.7	3.65	957.3	8.1	11,801.3	366.7	38.3	35.7	35.3	12.1
12/12	1.58	135.8	415.8	14.0	139.9	2,970.9	15.7	38.3	3.66	958.5	8.4	11,359.1	363.6	37.9	39.2	38.0	9.9
09/12	0.72	2.9	187.3	6.5	1.8	2,880.4	6.9	37.9	2.75	716.0	6.5	10,956.5	269.2	37.6	6.6	4.4	8.6
06/12	0.71	6.0	185.6	6.3	2.9	2,955.7	9.2	38.3	2.73	712.7	6.6	10,771.0	267.9	37.6	9.2	6.7	9.7
03/12	0.65	10.2	169.8	6.7	8.2	2,552.1	7.9	37.3	2.69	707.5	6.7	10,523.0	266.3	37.6	11.2	9.8	10.0
12/11	0.67	8.1	173.3	6.7	5.5	2,568.3	10.4	37.0	2.63	694.7	6.7	10,336.3	263.1	37.9	12.9	11.3	11.5
09/11	0.70	12.9	184.0	6.8	10.5	2,694.9	11.3	37.9	2.58	685.7	6.8	10,093.4	260.1	37.9			
06/11	0.67	13.6	180.4	6.7	15.1	2,707.7	10.3	38.5	2.50	668.2	6.8	9,818.8	254.3	38.1			
03/11	0.59	18.0	156.9	6.6	15.0	2,365.5	14.0	38.2	2.42	644.6	6.7	9,565.2	244.5	37.9			
12/10	0.62		164.3	7.1		2,325.3		37.2									
09/10	0.62		166.5	6.9		2,420.4		38.4									
06/10	0.59		156.8	6.4		2,454.0		38.0									
03/10	0.50		136.5	6.6		2,074.6		38.4									