

# C.H. Robinson Worldwide Inc

**S&P Recommendation** BUY ★★★★★

**Price**  
\$54.61 (as of Aug 13, 2012)

**12-Mo. Target Price**  
\$76.00

**Investment Style**  
Large-Cap Growth

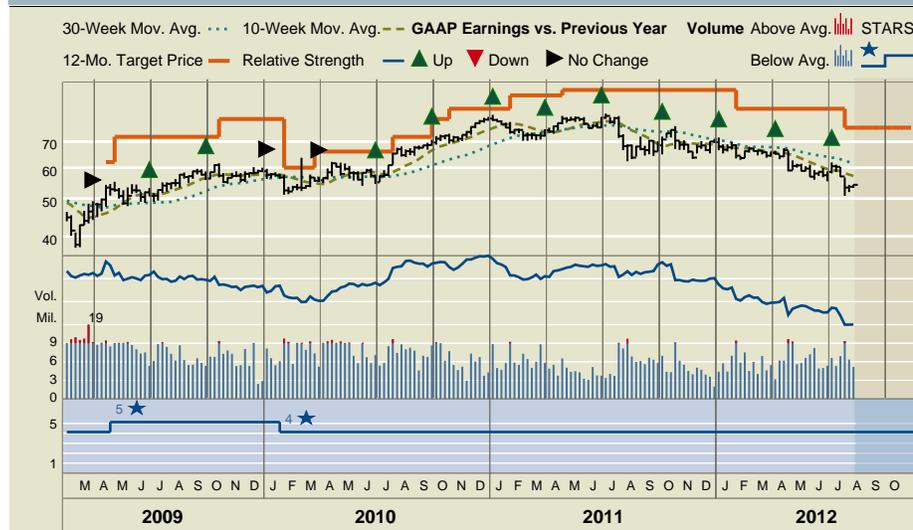
**GICS Sector** Industrials  
**Sub-Industry** Air Freight & Logistics

**Summary** This global provider of multimodal transportation and logistics solutions has a network of over 230 offices in North America, South America, Europe, and Asia.

**Key Stock Statistics** (Source S&P, Vickers, company reports)

52-Wk Range	<b>\$76.76–50.81</b>	S&P Oper. EPS 2012E	<b>2.73</b>	Market Capitalization(B)	<b>\$8.920</b>	Beta	<b>0.68</b>
Trailing 12-Month EPS	<b>\$2.72</b>	S&P Oper. EPS 2013E	<b>3.19</b>	Yield (%)	<b>2.42</b>	S&P 3-Yr. Proj. EPS CAGR(%)	<b>14</b>
Trailing 12-Month P/E	<b>20.1</b>	P/E on S&P Oper. EPS 2012E	<b>20.0</b>	Dividend Rate/Share	<b>\$1.32</b>	S&P Credit Rating	<b>NA</b>
\$10K Invested 5 Yrs Ago	<b>\$11,904</b>	Common Shares Outstg. (M)	<b>163.3</b>	Institutional Ownership (%)	<b>77</b>		

**Price Performance**



Options: ASE, CBOE, P, Ph

Analysis prepared by Equity Analyst **Jim Corridore** on Aug 13, 2012, when the stock traded at **\$54.44**.

**Highlights**

- We see gross revenues rising about 9% in 2012, after an 11% increase in 2011. While comparisons to prior periods are more difficult, we see improving demand related to a slowly strengthening U.S. economy. We believe CHRW will continue to gain market share as it increases penetration into existing accounts and adds new ones. We see total volumes rising about 9% in 2012 with flat yields.
- We expect operating margins in 2012 to be impacted by rising purchased transportation costs, driven by tight capacity among the trucking companies CHRW hires to transport goods. Partly offsetting this, we see lower SG&A and personnel costs as a percentage of revenues as the company keeps a lid on incentive compensation.
- Our 2012 EPS estimate is \$2.73, representing 4% growth from 2011 EPS of \$2.62, which was up 12% from 2010 EPS of \$2.33. We believe the quality of CHRW's earnings is high relative to most transportation companies we cover. For 2013 we see EPS growth of 17%, to \$3.19.

**Investment Rationale/Risk**

- We are positive on CHRW's history of strong returns on assets and equity relative to most other transportation companies. Also, CHRW has no long-term debt and has been a generator of cash over the past few years. We think the quality of its reported earnings is high relative to peers, as the company does not have a defined benefit pension plan or high capital requirements. CHRW has shown an ability to leverage its non-asset model to generate profits during periods of declining demand, which has allowed it to financially outperform most peers during the recent difficult economic climate.
- Risks to our recommendation and target price include the possibility of investor rotation out of transportation stocks, a weakening of transport volumes, and sharply lower pricing related to excess industry transportation capacity.
- Our 12-month target price of \$76 values the stock at 24X our 2013 EPS estimate of \$3.19. Our valuation is above peer levels, but within CHRW's historical P/E range for the past five years of 17.5X to 36.1X earnings.

**Qualitative Risk Assessment**

LOW	MEDIUM	HIGH
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Our risk assessment reflects CHRW's lack of long-term debt and our favorable view of its high quality of earnings and non-asset-based structure. This is only partially offset, in our view, by exposure to cyclical economic slowdowns and volatile transportation costs.

**Quantitative Evaluations**

**S&P Quality Ranking** A+

D	C	B-	B	B+	A-	A	A+
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**Relative Strength Rank** WEAK

22	
LOWEST = 1	HIGHEST = 99

**Revenue/Earnings Data**

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2012	2,552	2,956	--	--	--
2011	2,365	2,708	2,695	2,568	10,336
2010	2,075	2,454	2,420	2,325	9,274
2009	1,688	1,926	1,955	2,008	7,577
2008	1,985	2,322	2,317	1,955	8,579
2007	1,619	1,880	1,865	1,952	7,316

Earnings Per Share (\$)	2012	2011	2010	2009	2008	2007
	0.65	0.71	0.69	0.68	0.67	2.62
	0.59	0.67	0.70	0.62	0.62	2.33
	0.50	0.59	0.62	0.62	0.62	2.33
	0.50	0.54	0.57	0.52	0.52	2.13
	0.50	0.52	0.54	0.52	0.52	2.08
	0.42	0.47	0.48	0.49	0.49	1.86

Fiscal year ended Dec. 31. Next earnings report expected: Late October. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.330	12/08	12/16	12/20	01/03/12
0.330	02/09	02/29	03/02	04/02/12
0.330	05/10	05/30	06/01	07/02/12
0.330	08/09	09/05	09/07	10/01/12

Dividends have been paid since 1997. Source: Company reports.

**C.H. Robinson Worldwide Inc****Business Summary** August 13, 2012

**CORPORATE OVERVIEW.** With 2011 gross revenues of about \$10.3 billion, C.H. Robinson Worldwide is one of the largest third-party logistics companies in North America. At January 31, 2012, the company provided multimodal transportation services and logistics solutions through a network of 235 offices in North America, South America, Europe and Asia. In 2011, gross profits were divided as follows: 88% from transportation, 8% from sourcing, and 4% from information services. Within the transportation segment, CHRW offers several modes of service, including trucks (86% of gross profits in the transportation segment in 2011), intermodal (3%), ocean (4%), air (3%), and miscellaneous (4%).

Through contracts with about 50,000 transportation companies, including motor carriers, railroads, and air freight and ocean carriers, the company maintains the largest network of motor carrier capacity in North America. One of the largest third-party providers of intermodal services in the U.S., it also provides air, ocean and customs services. In addition, CHRW operates value-added logistics services, including fresh produce sourcing, freight consolidation and cross-docking. In 2010, the company handled about 9.2 million shipments for more than 36,000 customers.

**CORPORATE STRATEGY.** CHRW has historically grown through internal growth, by expanding current offices, opening new branch offices and hiring additional sales people. Growth has also been augmented through selective acquisitions, though in recent years CHRW has slowed the pace of acquisitions. In 2009, the company acquired Walker, an international freight forwarding company, for \$9.0 million; ITC, a customs brokerage, for \$7.0 million; and Rosemont Farms, a produce marketing company, for \$29.0 million. In 2008, the company acquired Transera International, a forwarding company, for \$52.7 million.

CHRW has developed global multimodal transportation and distribution networks designed to provide complete logistics services worldwide. As a result, the company can manage all parts of the supply chain on behalf of its customers. As a non-asset-based transportation provider, the company believes it can focus on optimizing transportation solutions for its customers rather than on its own asset utilization, using established relationships with motor carriers, railroads (primarily intermodal service providers), air freight carriers and ocean carriers.

Each of CHRW's branches is responsible for its own growth and profitability. Branch salespeople are responsible for developing new business, negotiating and pricing services, receiving and processing service requests from customers and contracting with carriers to provide the transportation requested. Shipments to be transported by truck are priced at the branch level, and branches cooperate with each other to hire carriers to provide transportation. Multiple branches may also work together to service larger, national accounts where the expertise and resources of more than one are required to meet the customer's needs.

For its produce sourcing business, the company has developed a network of produce sources, and it maintains access to specialized equipment and transportation modes designed to ensure timely delivery of uniform quality produce. In response to demand from large grocery retailers and food service distributors, CHRW developed its own brand of produce, The Fresh 1, which is sourced through various relationships, and is packed to order through contract packing agreements. Customers for the sourcing business include regional and national grocery retailers and restaurants, produce wholesalers and foodservice distributors.

Information services, operating through wholly owned T-Check Systems, provides a variety of management and information services, primarily to motor carriers, including fuel management, funds transfer, permit procurement, fuel and use tax reporting, and driver funds transfer.

**FINANCIAL TRENDS.** In the 10 years through 2011, CHRW exhibited a gross revenue compound annual growth rate (CAGR) of 12.1%, an operating income CAGR of 15%, and a net income CAGR of 16.2%. Total assets increased at a 10-year CAGR of 10.6%, while long-term debt remained nil. Over the past 10 years, return on assets showed a steady improvement, while return on equity remained above 24% in each year, but fluctuated from a high of 34.5% in 2011 to a low of 24.1% in 2004. Over the next three years, we forecast that CHRW's revenue CAGR will slow to about 11%, while its EBIT and net income CAGRs should slow to about 14%.

**Corporate Information****Investor Contact**

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**Website**<http://www.chrobinson.com>**Officers****Chrmn, Pres & CEO**

J.P. Wiehoff

**Secy & General  
Counsel**

B.G. Campbell

**SVP, CFO & Chief****Acctg Officer**

C.M. Lindbloom

**Treas**

T.A. Renner

**Board Members**

S. P. Anderson

R. Ezrilov

W. M. Fortun

D. W. MacLennan

R. K. Roloff

B. P. Short

J. B. Stake

M. W. Wickham

J. P. Wiehoff

**Domicile**

Delaware

**Founded**

1905

**Employees**

8,353

**Stockholders**

71,900

# C.H. Robinson Worldwide Inc

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	4+	1	2	3	4	5
		LOWEST				HIGHEST
Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).						

<b>Fair Value Calculation</b>	<b>\$62.20</b>	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that CHRW is slightly undervalued by \$7.59 or 13.9%.
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<b>Investability Quotient Percentile</b>	<b>99</b>
	LOWEST = 1 HIGHEST = 100
CHRW scored higher than 99% of all companies for which an S&P Report is available.	

<b>Volatility</b>	LOW	AVERAGE	HIGH
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<b>Technical Evaluation</b>	<b>BEARISH</b>	Since July, 2012, the technical indicators for CHRW have been BEARISH.
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<b>Insider Activity</b>	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
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## Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	1.11	1.44	1.31	1.11
Price/EBITDA	15.85	20.41	16.15	15.88
Price/Pretax Income	16.55	21.33	16.93	16.43
P/E Ratio	26.63	34.39	27.54	26.46
Avg. Diluted Shares Outstg (M)	164.7	166.0	169.2	172.7

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	11.45	7.91	8.53	13.58
Net Income	11.52	6.41	8.76	19.06

## Ratio Analysis (Annual Avg.)

	2011	2010	2009	2008
Net Margin (%)	4.18	4.37	4.35	3.97
Return on Equity (%)	35.20	34.03	33.63	30.72

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	5.22	4.92	4.14	4.46	4.47	3.86	3.11	2.60	2.09	1.59
Cash Flow	2.82	2.51	2.31	2.24	2.00	1.66	1.27	0.86	0.73	0.64
Earnings	2.62	2.33	2.13	2.08	1.86	1.53	1.16	0.80	0.67	0.56
S&P Core Earnings	2.64	2.33	2.13	2.08	1.86	1.53	1.16	0.79	0.63	0.56
Dividends	0.71	0.64	0.25	0.90	0.75	0.57	0.36	0.26	0.18	0.13
Payout Ratio	27%	28%	12%	43%	0%	37%	31%	32%	27%	23%
Prices:High	82.61	81.02	61.69	67.36	58.19	55.18	41.70	28.20	21.50	17.70
Prices:Low	62.30	51.16	37.36	36.50	42.11	35.55	23.60	18.30	13.50	12.92
P/E Ratio:High	32	35	29	32	31	36	36	35	32	32
P/E Ratio:Low	24	22	18	18	23	23	20	23	20	23

## Income Statement Analysis (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenue	10,336	9,274	7,577	8,579	7,316	6,556	5,689	4,342	3,614	3,294
Operating Income	725	652	615	598	534	439	345	235	195	171
Depreciation	32.5	29.4	30.5	26.9	24.1	23.9	18.5	11.8	11.0	14.0
Interest Expense	NA	NA	NA	Nil						
Pretax Income	695	624	587	578	524	430	333	226	186	158
Effective Tax Rate	37.9%	38.0%	38.5%	37.9%	38.1%	37.9%	38.9%	39.3%	38.7%	39.0%
Net Income	432	387	361	359	324	267	203	137	114	96.3
S&P Core Earnings	435	387	361	359	324	267	203	136	107	94.9

## Balance Sheet & Other Financial Data (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cash	374	408	386	497	455	349	231	166	199	133
Current Assets	1,612	1,482	1,307	1,348	1,389	1,256	1,085	846	717	589
Total Assets	2,138	1,996	1,834	1,816	1,811	1,632	1,395	1,081	908	778
Current Liabilities	877	772	732	698	758	687	612	453	381	343
Long Term Debt	NA	NA	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Common Equity	1,248	1,204	1,080	1,107	1,042	944	780	621	517	426
Total Capital	1,248	1,204	1,080	1,107	1,042	944	782	621	524	432
Capital Expenditures	35.9	17.7	34.5	23.8	43.7	43.2	21.8	34.7	8.57	17.3
Cash Flow	464	416	391	386	348	291	222	149	125	110
Current Ratio	1.8	1.9	1.8	1.9	1.8	1.8	1.8	1.9	1.9	1.7
% Long Term Debt of Capitalization	Nil	Nil	Nil							
% Net Income of Revenue	4.2	4.2	4.8	4.2	4.4	4.1	3.6	3.2	3.2	2.9
% Return on Assets	20.9	20.2	19.8	19.8	18.8	17.6	16.4	13.8	13.5	13.2
% Return on Equity	35.2	33.9	33.0	33.4	32.7	31.0	29.0	24.1	24.2	24.6

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

**Sub-Industry Outlook**

We have a positive fundamental outlook for the air freight and logistics industry for the next 12 months. We believe fundamentals in domestic shipping are likely to strengthen over the next 12 months and think the valuations of many logistics companies are likely to expand on improved investor sentiment should signs emerge that the U.S. and global economy is improving. Although customers are currently using lower-priced delivery methods, we see improving volume and yield trends on expanding shipping demand and improved pricing over the next year. We expect demand for international shipping over the next several years to be driven by export activity out of Asia and developing economies throughout the world.

We believe the volume of activity coming out of Asia, and particularly China, should act as a natural support to air freight volumes over the next couple of years. Air Freight companies United Parcel Service (UPS 76, Buy) and FedEx Corp. (FDX 88, Strong Buy) are both increasing their presence in these markets by adding facilities and flights to and from Asia. We think the current expansion in these markets could continue for longer than many investors think. In addition, most carriers have been successful in pushing through price increases and recouping rising fuel costs through fuel surcharges.

According to data from the U.S. Board of Transport Statistics, total cargo (measured in revenue ton-miles) fell 5.3% in the first four months of 2012, with international down 7.7% and domestic up 1.9%. In 2011, cargo fell 0.6%, to 64.7 billion, with international down 0.74% and domestic down 3.2%. Total cargo rose 18.8% in 2010, to 58.6 billion, with international up 24.4% and domestic up 5.7%.

We believe the strongest performers in the industry will be those companies offering total logistics and

information services to their customers. We think they are best positioned to capitalize on the strengthening demand we foresee, and we believe these companies would be able to offset higher fuel costs with rate increases and/or fuel surcharges.

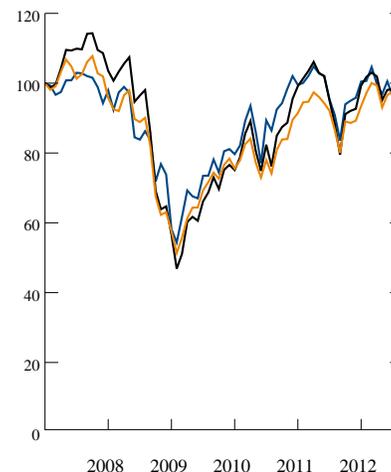
Year to date through August 3, the S&P Air Freight and Logistics Index rose 0.7%, versus a 10.2% increase for the S&P 1500. In 2011, the S&P Air Freight and Logistics Index fell 6.1%, versus a 0.3% decrease in the 1500. In 2010, the sub-industry index gained 25.8%, versus a 14.2% advance for the 1500.

--Jim Corridore

**Stock Performance**

**GICS Sector: Industrials  
Sub-Industry: Air Freight & Logistics**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 07/31/12



Sub-Industry      Sector      S&P 1500

**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

**Sub-Industry : Air Freight & Logistics Peer Group\*: Air Freight & Couriers**

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>C.H. Robinson Worldwide</b>	<b>CHRW</b>	<b>8,920</b>	<b>54.61</b>	<b>76.76/50.81</b>	<b>0.68</b>	<b>2.4</b>	<b>20</b>	<b>62.20</b>	<b>A+</b>	<b>99</b>	<b>4.2</b>	<b>NA</b>
Air T	AIRT	21	8.50	9.77/7.15	0.63	2.9	13	NA	B	70	1.5	NA
Air Transport Services Group	ATSG	302	4.70	6.88/3.86	NM	Nil	12	5.10	B-	8	3.3	54.1
Atlas Air Worldwide Holdings	AAWW	1,350	51.06	54.73/29.50	2.37	Nil	13	59.30	NR	8	6.9	NA
Expeditors Intl,Wash	EXPD	7,844	36.93	47.73/34.83	0.87	1.5	22	33.00	A+	99	6.3	NA
FedEx Corp	FDX	27,788	87.77	97.19/64.07	1.24	0.6	14	104.90	B+	98	4.8	7.6
Forward Air	FWRD	972	33.36	37.39/23.70	1.08	1.2	19	33.00	B+	96	8.8	0.1
Hub Group 'A'	HUBG	1,150	31.00	37.47/25.77	1.01	Nil	18	32.80	B	88	2.1	NA
Pacer International	PACR	147	4.18	7.04/3.30	2.00	Nil	17	4.60	B-	34	0.9	NA
PostNL NV ADS	PNLYY	1,511	3.65	6.20/2.53	1.85	Nil	NM	4.10	NR	15	NA	77.8
United Parcel' B'	UPS	55,310	76.15	81.79/61.12	0.85	3.0	19	76.90	B+	99	7.2	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**C.H. Robinson Worldwide Inc****S&P Analyst Research Notes and other Company News****July 25, 2012**

DOWN 4.94 to 51.31... CHRW posts \$0.71 vs. \$0.67 Q2 EPS on 9.2% higher revenue. Capital IQ consensus forecast was \$0.72. S&P Capital IQ cuts estimates, target; keeps buy. Deutsche Bank downgrades to hold from buy. ... 5.

**July 25, 2012**

12:36 pm ET ... CH ROBINSON WORLDWIDE INC. (CHRW 51.29) DOWN 4.96, C.H. ROBINSON (CHRW) Q2 RESULTS MISS STREET. DEUTSCHE BANK CUTS TO HOLD FROM BUY... Analyst Justin Yagerman tells salesforce, despite earlier optimism that CHRW was gaining market share and would have net revenue margin expanding opportunity in H2 '12, he's backing off that call as material net revenue margin improvement now seems more distant. Says co. continues to struggle in a stable trucking market where carriers are demanding high rates for capacity, customers are seeking bargains from brokers. Is moving to sidelines to await emergence of earnings growth catalyst. Cuts \$2.81 '12 EPS est. to \$2.79, \$3.35 '13 to \$3.24; \$77 target to \$58. B.Egli

**July 25, 2012**

08:45 am ET ... S&P REITERATES BUY OPINION ON SHARES OF C.H. ROBINSON WORLDWIDE (CHRW 56.25\*\*\*\*): We are cutting our '12 and '13 EPS estimates to \$2.73 and \$3.19, from \$2.78 and \$3.28, and our 12-month target price to \$76 from \$85, 24X our '13 estimate, near the low-end of CHRW's historical range. Q2 EPS of \$0.71, vs. \$0.67, beat our \$0.68 estimate and was in line with the Capital IQ consensus. CHRW is being hit with transportation costs that are rising faster than it can pass them on to customers. However, this was offset in Q2 by good cost controls. With no debt and what we see as a high quality revenue stream and an attractive valuation, we remain positive on the stock. /J. Corridore

**May 30, 2012**

CH Robinson Worldwide Inc. has promoted Christopher O'Brien to the position of senior vice president of transportation. As part of the executive team, Mr. O'Brien has played a key role in driving the company's sales and account management strategies. In addition, O'Brien has been a part of the company's leadership of its European operations for more than a decade, and the development of its transportation management and outsourcing services.

**April 25, 2012**

DOWN 4.50 to 61.33... CHRW posts \$0.65 vs. \$0.59 Q1 EPS on 7.9% higher total net revenues of \$2.55B. Capital IQ consensus forecast was \$0.65 EPS on \$2.60B revenue.

**April 25, 2012**

09:13 am ET ... S&P MAINTAINS BUY OPINION ON SHARES OF C.H. ROBINSON WORLDWIDE (CHRW 65.83\*\*\*\*): Q1 EPS of \$0.65, vs. \$0.59, beats our \$0.58 estimate and is in line with the Capital IQ consensus. CHRW was hit by net revenue compression on tight truck capacity. However, we think this is typical at this stage of the cycle, and expect rising volumes to set the stage for better pricing later in the year. We trim our '12 EPS estimate to \$2.78 from \$2.97 and start '13's at \$3.28. We keep our 12-month target price at \$85, 31X our '12 estimate, the high end of CHRW's historical range. We like CHRW's debt free balance sheet and track record of growing EPS in up and down cycles. /J. Corridore

**February 1, 2012**

UP 0.00 to 68.84... CHRW posts \$0.67 vs. \$0.62 Q4 EPS on 10% revenue rise. Capital IQ consensus forecast was \$0.68.

**February 1, 2012**

10:46 am ET ... CH ROBINSON WORLDWIDE INC. (CHRW 64.19) DOWN 4.65, C.H. ROBINSON (CHRW) Q4 BELOW FORECASTS. MORGAN KEEGAN CUTS ESTIMATES, TARGET... Analyst Chaz Jones tells salesforce CHRW's Q4 results disappointed; \$0.67 EPS missed consensus by \$0.01, his est. by \$0.02; also, rev. was \$401.4M, vs. his \$422M. Notes weakness was broad-based, with transportation, sourcing segments revs much weaker than expected. Notes for second Q in row mgmt lamented "balanced" supply/demand in dynamic in transportation mkt, particularly truckload. As such, it simply wasn't able to generate type of pricing power necessary to improve margins. Cuts \$3.03 '12 EPS to \$2.97, \$3.45 '13 to \$3.39; \$70 tgt to \$68. Keeps mkt perform. B.Egli

**February 1, 2012**

09:03 am ET ... S&P MAINTAINS BUY OPINION ON SHARES OF C.H. ROBINSON WORLDWIDE (CHRW 68.84\*\*\*\*): Q4 EPS of \$0.67, vs. \$0.62, is ahead of our \$0.65 estimate but short of the Capital IQ consensus forecast of \$0.68. Net revenue growth of 3.4% was disappointing. CHRW still expects to grow net revenues and EPS 15% annually, but we believe the current market environment will make it difficult to achieve this year. We cut our '12 EPS estimate to \$2.97 from \$3.09, and our target price by \$10 to \$85, 29X our '12 projection and in the middle of CHRW's historical range. With strong cash flow, no debt and growing profitably, we find the shares of this high quality company attractive. /J. Corridore

**January 23, 2012**

CH Robinson Worldwide Inc. announced that its Board of Directors has appointed a new director, Scott P. Anderson, effective January 18, 2012. Anderson, 45, currently is president and chief executive officer of Patterson Companies, Incorporated and also serves as member of the Patterson Board of Directors. Anderson was elected President and Chief Executive Officer of Patterson Companies Inc. in April, 2010. Anderson has worked with Patterson Companies since 1993.

**October 26, 2011**

CHRW posts \$0.70 vs. \$0.62 Q3 EPS on 11% revenue rise. Baird downgrades to neutral from outperform. Baird says Q3 results in line, but believes downgrade warranted given slower near-term earnings outlook against an elevated valuation multiple.

**October 26, 2011**

09:46 am ET ... CH ROBINSON WORLDWIDE INC. (CHRW 74.88) UNCHANGED, CH ROBINSON WORLDWIDE (CHRW) POSTS Q3. BAIRD CUTS TO NEUTRAL FROM OUTPERFORM... Analyst Jon Langenfeld tells salesforce CHRW has outperformed the broader market since his Aug. 8 upgrade, and he continues to view co.'s 3-5 year growth prospects as attractive given share gain potential and defined competitive advantages. Although Q3 results were in-line, believes downgrade is warranted given slower near-term earnings growth outlook against an elevated valuation multiple. Despite more challenging NT environment, co.'s LT growth prospects remain supportive of double-digit gross profit and EPS growth; would be better buyers in low \$60's. S.Trombino

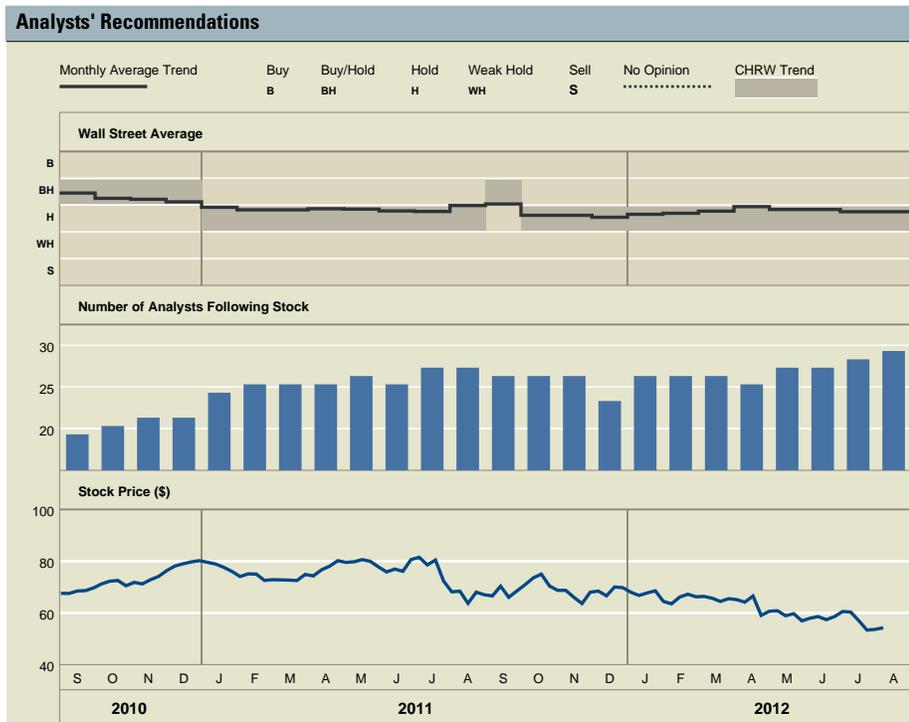
**October 26, 2011**

09:15 am ET ... S&P REITERATES BUY OPINION ON SHARES OF C.H. ROBINSON WORLDWIDE (CHRW 74.88\*\*\*\*): Q3 EPS is \$0.70, vs. \$0.62, \$0.01 ahead of our estimate, but in line with the Capital IQ consensus forecast. CHRW sees some potential margin compression in Q4. These comments from management are likely to drive softness in the stock today. However, we believe CHRW is well positioned for an economic upturn and has the leverage to flex its business model up or down for the business conditions it faces. We trim our '11 and '12 EPS estimates to \$2.61 and \$3.09 from \$2.63 and \$3.15. Our 12-month target price stays \$95, 31X our '12 estimate, the high-end of CHRW's historical range. /J. Corridore

**July 27, 2011**

DOWN 4.35 to 75.90... CHRW posts \$0.67 vs. \$0.59 Q2 EPS on 10% revenue rise. Capital IQ forecast was \$0.69. S&P reiterates buy. William Blair believes any pullback in the stock is an attractive entry point for LT investors. ... 5.

# C.H. Robinson Worldwide Inc



Of the total 31 companies following CHRW, 29 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	3	10	3	4
Buy/Hold	2	7	2	2
Hold	23	79	22	20
Weak Hold	1	3	1	1
Sell	0	0	0	0
No Opinion	0	0	0	0
<b>Total</b>	<b>29</b>	<b>100</b>	<b>28</b>	<b>27</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	3.15	3.35	2.90	29	17.3
2012	2.80	2.90	2.70	29	19.5
<b>2013 vs. 2012</b>	<b>▲ 13%</b>	<b>▲ 16%</b>	<b>▲ 7%</b>	<b>0%</b>	<b>▼ -11%</b>
Q3'13	0.83	0.89	0.80	11	65.8
Q3'12	0.73	0.77	0.69	28	74.8
<b>Q3'13 vs. Q3'12</b>	<b>▲ 14%</b>	<b>▲ 16%</b>	<b>▲ 16%</b>	<b>▼ -61%</b>	<b>▼ -12%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

### Wall Street Consensus Opinion

**HOLD**

### Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.

- Avondale Partners, LLC
- BB&T Capital Markets
- BofA Merrill Lynch
- Citigroup Inc
- Credit Suisse
- Dahlman Rose & Company, LLC
- Deutsche Bank
- FBR Capital Markets & Co.
- Goldman Sachs
- JP Morgan
- Jefferies & Company, Inc.
- Macquarie Research
- Morgan Keegan & Company
- Morgan Stanley
- Morningstar Inc.
- Oppenheimer & Co. Inc.
- Piper Jaffray Companies
- RBC Capital Markets
- Raymond James & Associates
- Robert W. Baird & Co.
- S&P Equity Research
- Sanford C. Bernstein & Co., Inc.
- Stephens, Inc.
- Sterne Agee & Leach Inc.
- Stifel, Nicolaus & Co., Inc.
- SunTrust Robinson Humphrey, Inc.
- Susquehanna Financial Group, LLLP
- UBS Investment Bank
- Wells Fargo Securities, LLC
- William Blair & Company L.L.C.

### Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that CHRW will earn \$2.80. For the 2nd quarter of fiscal year 2012, CHRW announced earnings per share of \$0.71, representing 25% of the total annual estimate. For fiscal year 2013, analysts estimate that CHRW's earnings per share will grow by 13% to \$3.15.

# C.H. Robinson Worldwide Inc

## Glossary

### S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

### S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

### Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

### S&P EPS Estimates

Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

### S&P Core Earnings

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

### Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment

is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

### Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves

as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

### S&P's IQ Rationale:

#### C.H. Robinson Worldwide

	Raw Score	Max Value
Proprietary S&P Measures	35	115
Technical Indicators	27	40
Liquidity/Volatility Measures	18	20
Quantitative Measures	73	75
<b>IQ Total</b>	<b>153</b>	<b>250</b>

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

### S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

### Exchange Type

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

### S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's

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offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

**Abbreviations Used in S&P Equity Research Reports**

**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

**Required Disclosures**

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

**S&P Global STARS Distribution**

**In North America:** As of June 29, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 37.5% of issuers with buy recommendations, 57.5% with hold recommendations and 5.0% with sell recommendations.

**In Europe:** As of June 29, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 32.5% of issuers with buy recommendations, 50.8% with hold recommendations and 16.7% with sell recommendations.

**In Asia:** As of June 29, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 34.7% of issuers with buy recommendations, 57.8% with hold recommendations and 7.5% with sell recommendations.

**Globally:** As of June 29, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 36.5% of issuers with buy recommendations, 56.4% with hold recommendations and 7.1% with sell recommendations.

**★★★★★ 5-STARs (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

**★★★★☆ 4-STARs (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

**★★★☆☆ 3-STARs (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

**★★☆☆☆ 2-STARs (Sell):** Total return is expected to

underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

**★★★★★ 1-STARs (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

**S&P Global Quantitative Recommendations Distribution**

**In Europe:** As of June 29, 2012, Standard & Poor's Quantitative Services Europe recommended 48.0% of issuers with buy recommendations, 21.0% with hold recommendations and 30.0% with sell recommendations.

**In Asia:** As of June 29, 2012, Standard & Poor's Quantitative Services Asia recommended 34.7% of issuers with buy recommendations, 21.0% with hold recommendations and 28.0% with sell recommendations.

**Globally:** As of June 29, 2012, Standard & Poor's Quantitative Services globally recommended 46.0% of issuers with buy recommendations, 20.0% with hold recommendations and 32.0% with sell recommendations.

**Additional information is available upon request.**

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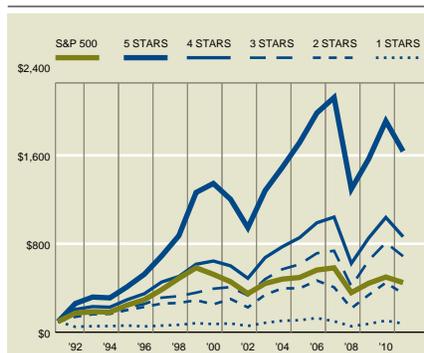
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**U.S. STARS Cumulative Model Performance**

Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 07/31/2012



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31,

1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a \$100,000 investment for a 12-month period (or \$10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or \$1,650), the net return would be 8.35 percent (or \$8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of \$5,375 and a cumulative net return of 27.2% (or \$27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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