



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
21.18	25.47	32.88	37.97	42.83	50.40	45.35	55.85	58.29	70.41	85.90	92.05	93.94	93.05	106.56	121.14	110.85	119.70	Revenues per sh	152.60
.73	.87	1.28	1.68	2.06	2.29	2.34	2.51	2.62	3.92	3.18	3.46	4.02	4.16	4.20	5.55	5.40	5.75	"Cash Flow" per sh	7.50
.67	.80	1.16	1.53	1.86	2.08	2.13	2.33	2.62	3.67	2.65	3.05	3.51	3.59	3.48	4.73	4.60	4.95	Earnings per sh ^A	6.60
.16	.26	.37	.57	.72	.88	.97	1.04	1.20	1.67	1.40	1.43	1.57	1.74	1.81	1.88	2.10	2.20	Div'ds Decl'd per sh ^B	2.80
.05	.20	.13	.25	.26	.14	.21	.17	.30	.31	.32	.20	.20	.52	.29	.33	.65	.70	Cap'l Spending per sh	.80
3.03	3.64	4.51	5.47	6.10	6.51	6.46	7.25	7.04	9.33	6.33	7.16	8.02	8.90	10.22	11.62	12.65	14.05	Book Value per sh ^C	21.50
170.61	170.48	173.03	172.66	170.82	170.21	167.10	166.05	177.31	161.33	148.46	146.33	143.46	141.26	139.54	137.28	138.00	137.00	Common Shs Outst'g ^D	135.00
27.0	28.1	26.0	29.2	27.2	25.9	24.6	27.0	28.1	16.7	22.3	20.6	19.5	19.8	21.5	19.2	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	22.5
1.54	1.48	1.38	1.58	1.44	1.56	1.64	1.72	1.76	1.06	1.25	1.08	.98	1.04	1.08	1.03			Relative P/E Ratio	1.25
.9%	1.1%	1.2%	1.3%	1.4%	1.6%	1.9%	1.7%	1.6%	2.7%	2.4%	2.3%	2.3%	2.4%	2.4%	2.1%			Avg Ann'l Div'd Yield	1.9%

CAPITAL STRUCTURE as of 9/30/19				© VALUE LINE PUB. LLC																22-24
Total Debt \$1253.1 mill. Due in 5 Yrs \$355.0 mill.				7577.2	9274.3	10336	11359	12752	13470	13476	13144	14869	16631	15300	16400	Revenues (\$mill)	20600			
LT Debt \$1253.1 mill. LT Interest \$20.0 mill. (43% of Cap'l)				8.1%	7.0%	7.0%	6.3%	5.8%	6.0%	6.9%	6.9%	5.8%	6.1%	6.5%	6.5%	Operating Margin	6.5%			
Leases, Uncapitalized: Annual rentals \$53.7 mill. No Defined Benefit Pension Plan				30.5	29.4	32.5	38.1	56.9	57.0	66.4	74.7	93.0	96.7	105	110	Depreciation (\$mill)	120			
Common Stock 135,250,422 shs. as of 10/31/19				360.8	387.0	431.6	593.8	415.9	449.7	509.7	513.4	492.8	664.5	640	680	Net Profit (\$mill)	895			
MARKET CAP: \$10.2 billion (Large Cap)				38.5%	38.0%	37.9%	38.0%	38.2%	37.8%	38.1%	36.8%	32.4%	24.5%	23.0%	24.0%	Income Tax Rate	24.0%			
CURRENT POSITION				4.8%	4.2%	4.2%	5.2%	3.3%	3.3%	3.8%	3.9%	3.3%	4.0%	4.2%	4.1%	Net Profit Margin	4.3%			
CASH ASSETS				575.5	710.2	734.9	440.1	394.5	529.6	282.1	162.4	523.4	1319.8	945	1085	Working Cap'l (\$mill)	1680			
RECEIVABLES				--	--	--	--	500.0	500.0	500.0	500.0	750.0	1341.4	1200	1200	Long-Term Debt (\$mill)	1200			
INVENTORY				1079.9	1204.1	1248.5	1504.4	939.7	1047.0	1150.5	1257.8	1425.7	1595.1	1745	1925	Shr. Equity (\$mill)	2900			
CURRENT ASSETS				33.4%	32.1%	34.6%	39.5%	29.2%	29.9%	32.0%	29.9%	23.7%	23.2%	22.5%	22.5%	Return on Total Cap'l	22.5%			
ACCTS PAYABLE				33.4%	32.1%	34.6%	39.5%	44.3%	43.0%	44.3%	40.8%	34.6%	41.7%	36.5%	35.5%	Return on Shr. Equity	31.0%			
DEBT DUE				18.3%	18.1%	19.0%	21.2%	20.8%	22.4%	23.8%	21.3%	16.5%	25.0%	20.0%	19.5%	Retained to Com Eq	18.0%			
OTHER				45%	44%	45%	46%	53%	48%	46%	48%	52%	40%	45%	44%	All Div'ds to Net Prof	42%			
CURRENT LIAB.				1987.4	1433.3	1434.1														

BUSINESS: C.H. Robinson Worldwide, Inc. is one of the largest third-party logistics companies in North America. It is a non-asset based provider of multimodal freight transportation & logistic solutions and fresh produce sourcing. Has offices in North America, South America, Europe, and Asia. Acquired FoodSource & Epic Roots (2/05); Hirdes Grp. & Bussini Trans. (9/05); Freightquote.com (1/15). Has 15,262 employees. Officers & directors own 1.7% of common stock; Vanguard, 12.2%; BlackRock, 8.5%; FMR LLC, 5.8%; State Street Corporation, 5.8% (4/19 Proxy). Chairman: John P. Wiehoff. CEO: Bob Biesterfeld. Incorporated: Delaware. Address: 14701 Charlson Road, Eden Prairie, Minnesota 55347. Telephone: 952-937-8500. Internet: www.chrobinson.com.

C.H. Robinson was impacted by a softening freight market in the third quarter. Total revenues were down 10%, year over year, to \$3.9 billion. Meanwhile, net revenues (which exclude purchased transportation services) were not much better, falling 9%, to \$655 million. Operating expenses were reduced, but at a slower pace (4%) than the sales decline. Most of the reduction was in personnel expenses from lower performance-based compensation, despite an uptick in headcount. SG&A costs were also slightly lower, thanks to a decrease in bad-debt charges. Per-share earnings of \$1.07 were off 14% from last year, and below our \$1.15 call.

Margin compression hurt the largest segment, Truckload. Spot-market rates may be bottoming out, but longer-term contract rates (the majority of Robinson's revenues) are still on the downswing. Industry pricing pressure is due to ample capacity and cyclically softening demand. Management said it is still adjusting price strategies for best results in the current stage of the business cycle.

The short-term outlook is not encouraging. Management expects the North American market to continue on a downward-price trajectory, citing a lower price backdrop (where soft oil & gas prices have made freight transportation more affordable) and reduced spot-market freight opportunities. Indeed, more customers will likely prefer trying to lock in rates in longer-term contracts while prices are low. Truckload capacity seems ample for the time being, so there appears to be little in the way of pricing power opportunities over the next couple of quarters.

We are trimming our full-year bottom-line estimate by \$0.15, to \$4.60 a share. Robinson goes after market-share opportunities when the backdrop is challenging. It tends to set prices aggressively to attract new customers, positioning itself to benefit in the upswing of the business cycle. If the company takes this stance, as we expect it will, near-term profit-margin expansion is likely to be sacrificed in favor of superior longer-term scale.

Annual total return potential is high. Capital appreciation upside is substantial, while the above-average yield enhances overall returns.

Jeffrey Hirt November 22, 2019

(A) Diluted earnings. Next earnings report due early February.	(C) Includes intangibles. In 2018: \$1367.7 mill., \$9.98/sh.	Company's Financial Strength	A
(B) Dividends historically paid in late March, June, September, and December.	(D) In millions.	Stock's Price Stability	85
		Price Growth Persistence	35
		Earnings Predictability	70