



**C.H. ROBINSON**  
**WORLDWIDE, INC.**

# Not So Risky Business

Emilie Crow

Nate Ramos

Arthur Munoz

Leon Wagner

Stephanie Thompson

C.H. ROBINSON

# Who is C.H. Robinson?

**Business:** One of largest 3<sup>rd</sup> party logistics companies

**Incorporated:** Delaware in 1997 as successor to existing business

**Exchange:** Traded on NASDAQ National Market

**Experience:** Developed global transportation & distribution networks

**Subsidiaries:** 61 (incorporated around the world)

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# Industry Leaders

click

## A&A's Top 30 U.S. Domestic 3PLs • May 2012

Rank	Third-Party Logistics Provider	2011 Gross Logistics Revenue (USD Millions)*
1	C.H. Robinson Worldwide	10,336
2	UPS Supply Chain Solutions	8,923
3	Expeditors International of Washington	6,150
4	UTI Worldwide	4,914
5	Kuehne + Nagel (The Americas)	4,547
6	Exel (DHL Supply Chain - Americas)	
7	DB Schenker Logistics (The Americas)	
8	Caterpillar Logistics Services	
9	GENCO ATC	
10	CEVA Logistics (The Americas)	
11	Hub Group	
12	Penske Logistics	
13	Ryder Supply Chain Solutions	
14	Danzon (The Americas)	

*And the winners are...*

### 1. C.H. Robinson

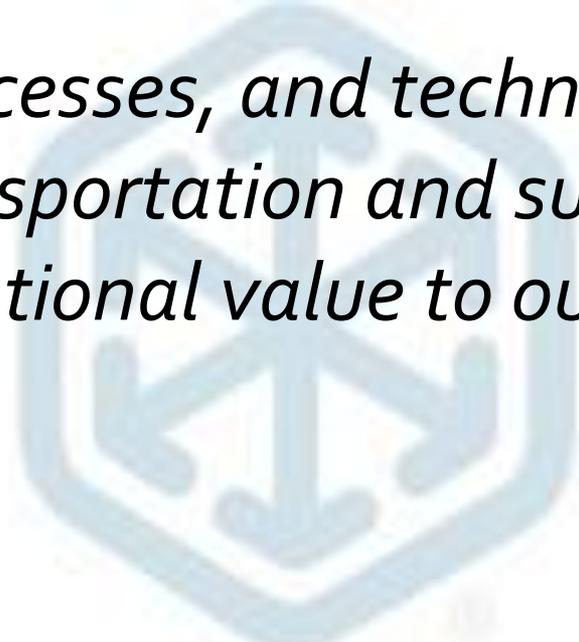
**Why They Won:** If anyone knows the value of nurturing shipper partnerships, it's this year's top-rated 3PL.

"C.H. Robinson is a long-term strategic partner that has continually provided a high level of service while improving our overall costs," says customer Scott Farmer, executive vice president of global purchasing, Berry Plastics Corporation.

The Eden Prairie, Minn.-based 3PL helps shippers take a big-picture view of their supply chain. "More opportunities exist today because of globalization," says **John Wiehoff, C.H. Robinson's CEO and chairman of the board.** "We help our customers by developing proprietary systems, strategies, and processes that allow them to accelerate their competitiveness in the global marketplace."

# Clear Mission

*"Our people, processes, and technology improve the world's transportation and supply chains, delivering exceptional value to our customers and suppliers."*

The logo of C.H. Robinson, featuring a stylized anchor inside a shield-like shape, is positioned in the background behind the mission statement.

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# Brief History

**1939:** The first non-ice-based refrigeration units for trucks are developed by U.S. Thermo Control

**1990:** C.H. Robinson begins providing air cargo services.

**2003:** CHRW expands its international freight forwarding network by opening an office in Hong Kong

**2005:** CHRW acquires FoodSource, Inc., FoodSource Procurement LLC, and Epic Roots, Inc.

**2006:** CHRW acquires Triune Freight Private Ltd. and Triune Logistics Private Ltd., a third party logistics provider based in India

# Brief History

**2009:** CHRW acquires Walker Logistics Overseas, LTD, a leading international freight forwarder headquartered in the United Kingdom.

**2009:** CHRW acquired certain assets of International Trade & Commerce, Inc., a customs brokerage company specializing in cross-border transportation, warehousing and distribution, headquartered in Texas.

**2012:** CHRW acquires Phoenix International, Inc. ("Phoenix"), an international freight forwarder headquartered in Chicago, IL.

**2012:** CHRW introduces Navisphere<sup>®</sup>, the company's proprietary single global technology platform.

**2012:** CHRW sells its payment services business, T-Chek Systems, Inc. ("T-Chek"), to Electronic Funds Source, LLC ("EFS").

# Transportation...

**Truckload**

**Less Than Truckload ("LTL")**

**Ocean**

**Air**

**Intermodal**



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# ... & Logistics

**Fee based transportation management services**

**Customs brokerage**

**Warehousing services**

**Reduce/eliminate supply chain inefficiencies**

**Help minimize storage time**

**Communication**



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# Sourcing

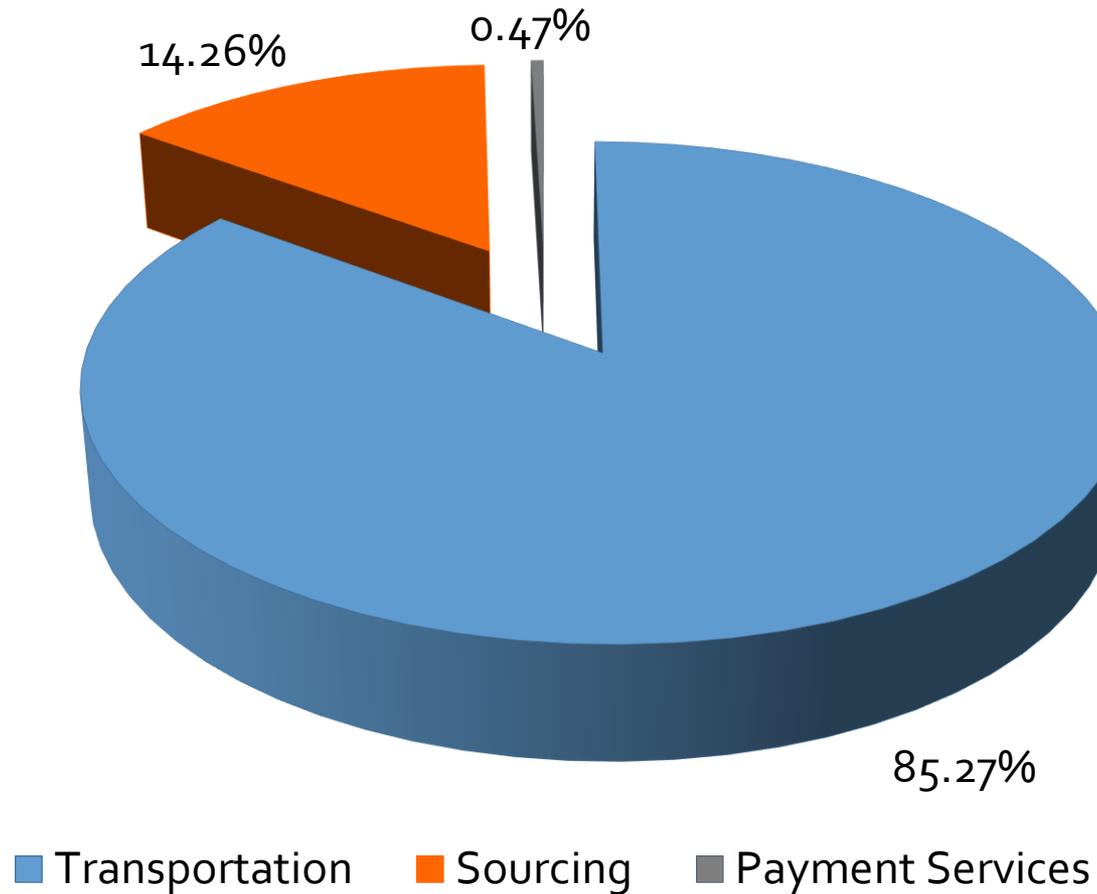
**Constant Need:** Move highly perishable produce that requires specialized shipping

**To who:** Retailers, wholesalers, foodservice companies & restaurants

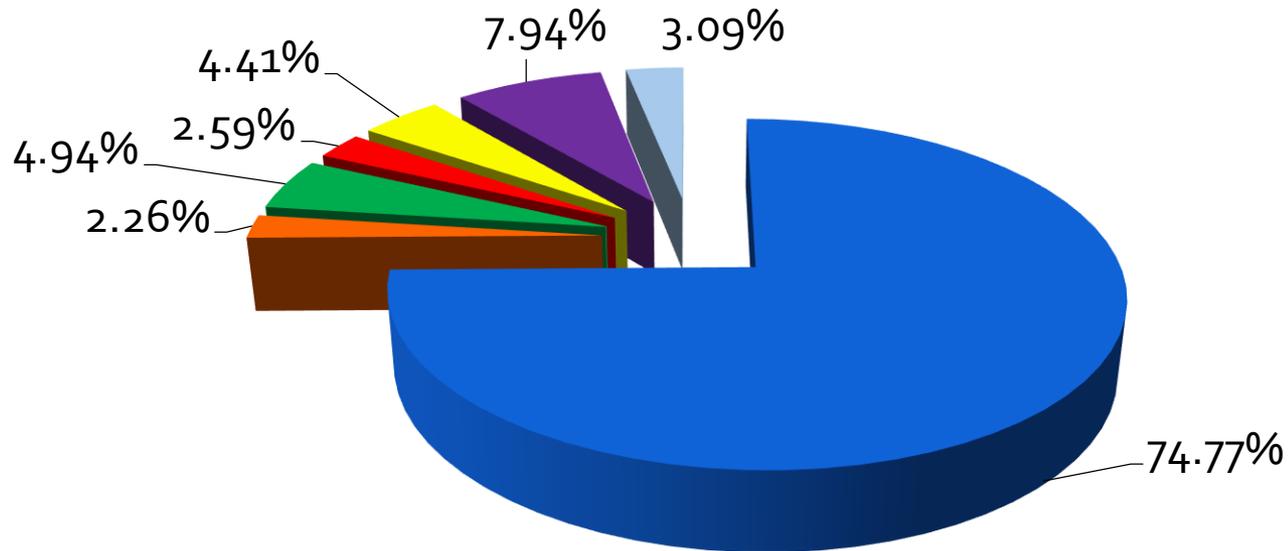
**Expansion:** Services include forecasting & replenishment, brand management, & category development services

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# Revenues – Totaling \$11.4 Billion

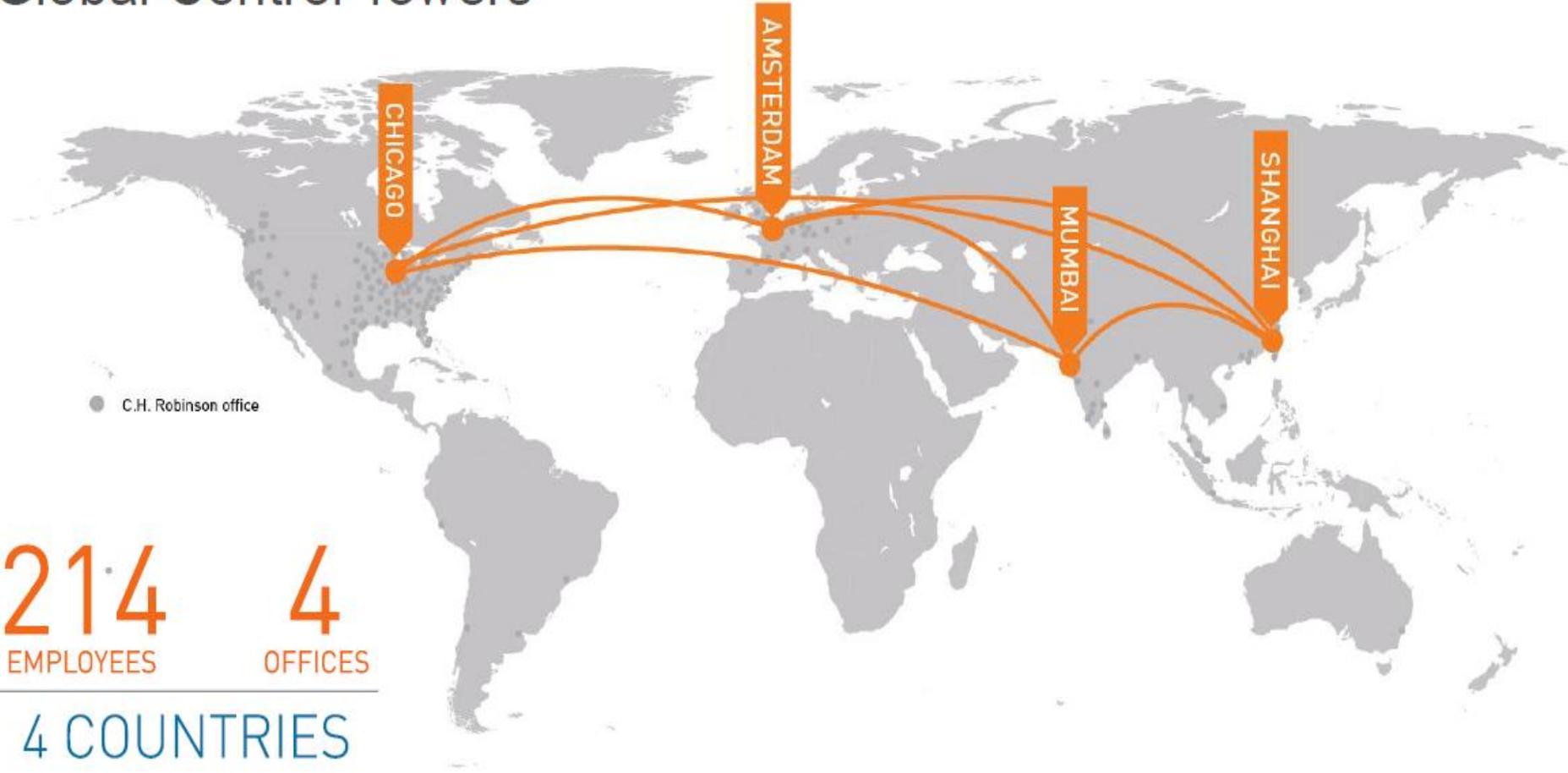


# Net Income – Totaling \$600 Million



- Truck
- Intermodal
- Ocean
- Air
- Other Logistics Services
- Sourcing:
- Payment Services:

# Global Control Towers



**214**  
EMPLOYEES

**4**  
OFFICES

**4 COUNTRIES**

# Branches

Hedges against inflation

Spreads out risk of catastrophic loss due to a natural disaster

REGION	NUMBER OF BRANCHES
North America	189
Europe	51
Asia	31
South America	4
Australia	1
<b>TOTAL</b>	<b>276</b>

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# Employees

**New Hires:** Put through centralized training

**Compensation:** Performance based bonus, 401K benefits, equity awards, “promote from within” philosophy

**Employed:** 10,929 employees in 2012 with 9,432 in branch offices, services are supported centrally

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# Customers

## TOP 500 CUSTOMERS

ACCOUNT FOR APPROXIMATELY  
**50%**  
OF NET  
REVENUE

**8** CUSTOMERS  
WITH AN ANNUAL SPEND **OVER \$100** MILLION

AVG. APPROX. **3** SERVICES  
PER TOP 500  
CUSTOMER

## HEALTH OF OUR CUSTOMER PORTFOLIO

CUSTOMER	APPROX. AVG ANNUAL TOTAL REVENUE	APPROX. AVG ANNUAL TRANSACTIONS
MEDIUM	\$1.6M	1.4K
SMALL	\$66K	65

LARGEST CUSTOMER  
REPRESENTS **LESS THAN 2%**  
OF YTD NET REVENUE

# Transportation Service Relations

Carry very few assets on books

**Carrier Base:** Approximately 56,000 transport providers

**Diversity:** 82% of truckload shipments were handled by carriers that own fewer than 100 tractors

No single carrier represents more than 2% of contracted capacity

# Technology & Intellectual Property

**Navisphere:** Enables customers to communicate worldwide with every party in their supply chain across languages, currencies and continents

**CHRW Trucks:** Access to CHRW's systems-carriers, check available freight, perform on-line check calls, keep track of receivables, and upload scanned data

**Mobile:** CHRW Trucks benefits are available in mobile applications for Android and IOS operating systems

# Risk Factors

Economic recessions

Higher carrier prices may result in decreased net revenue margin

Face substantial industry competition

Reliant on technology to operate

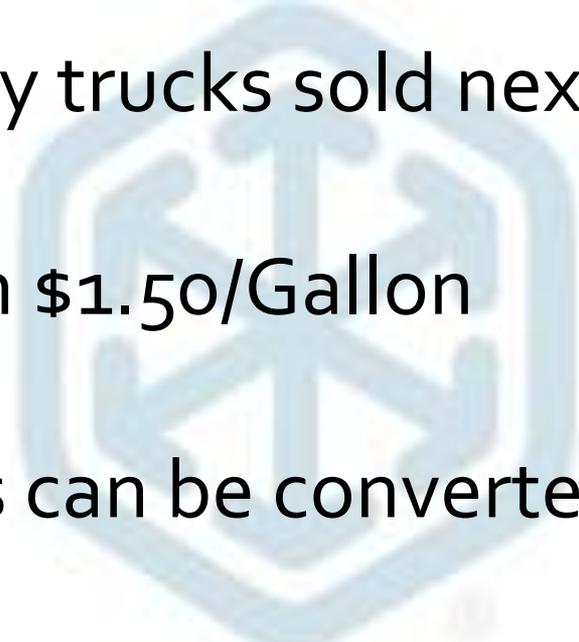
Changing fuel costs may have an impact on net revenue margins

# Natural Gas

5% of heavy duty trucks sold next year

Sells at less than \$1.50/Gallon

Existing engines can be converted

The logo for C.H. Robinson is a stylized, light blue shield-shaped emblem. It features a central vertical element that resembles a stylized 'R' or a similar symbol, with horizontal lines extending from it. The shield has a decorative border.

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# Goals & Growth

**Company goal:** long-term compounded growth of 15% for net revenues, income from operations, and earnings.

**Internal Growth:** Growing market share through addition of new customers, expanding current relations, adding new services, expanding market presence and operations globally, and hiring additional salespeople

**Augmented Growth:** Selective acquisitions over course of company history-2 acquisitions in 2012 alone

# Guru Holdings

## CHRW is held by these Gurus:

Select Gurus | **All Investors** | My Gurus | Mutual Fund Gurus | Hedge Fund Gurus

Ticker	Guru Name	Portfolio Date*	Current Shares	% of Shares Outstanding
CHRW	PRIMECAP Management	2013-09-30	8,881,204	5.57
CHRW	Donald Yacktman	2013-09-30	6,526,627	4.1
CHRW	Manning & Napier Advisors, Inc	2013-09-30	4,568,780	2.87
CHRW	Yacktman Fund	2013-12-31	2,900,000	1.82
CHRW	Yacktman Focused Fund	2013-12-31	2,600,000	1.63
CHRW	Bill Frels	2013-09-30	1,729,241	1.09
CHRW	Ron Baron	2013-09-30	1,721,425	1.08
CHRW	Jeremy Grantham	2013-09-30	267,237	0.17

# Competitive Advantages

Portfolio of Services

Scale

Relationships

People

Technology

Network Effect



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# Quantitative Look at CHRW



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# Buffettology

	<u>TTM</u>	Durable Competitive Advantage Threshold	Pass?
Gross Profit:	\$1,836.26		
Revenue:	\$12,570.07		-
<b>Gross Profit Margin:</b>	<b>14.61%</b>	<b>≥ 20%</b>	<b><u>N</u></b>
Selling, General, & Admin. Expenses:	\$1,175.12		
Gross Profit:	\$1,836.26		
<b>SGA % of GP:</b>	<b>64.00%</b>	<b>≤ 80%</b>	<b><u>Y</u></b>
Research & Development:	\$0		-
Gross Profit:	\$1,836.26		-
<b>R&amp;D % of GP:</b>	<b>0.00%</b>	<b>≤10%</b>	<b><u>Y</u></b>

# Buffettology

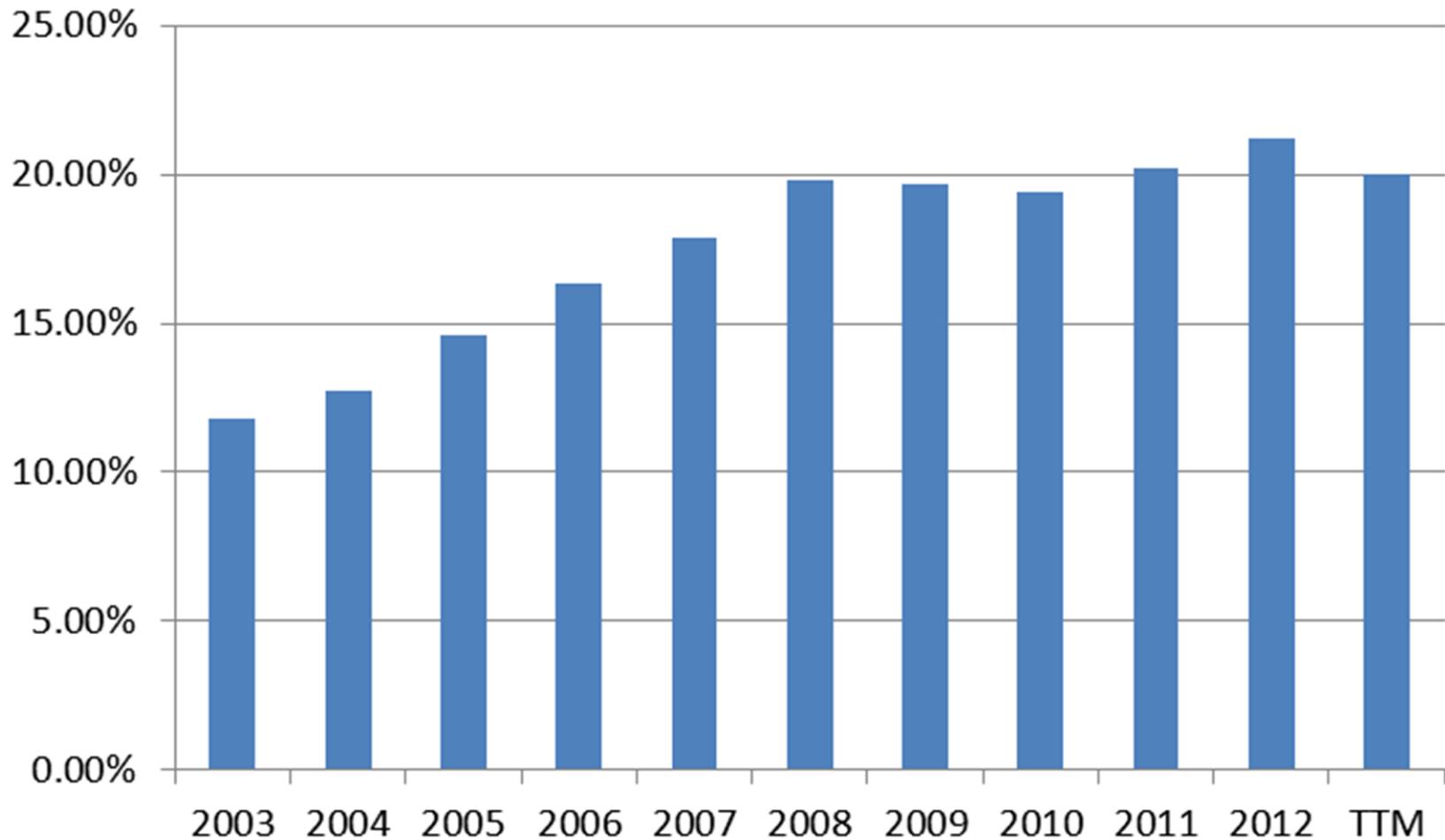
		Durable Competitive Advantage Threshold	Pass?
	<u>TTM</u>		
Interest Expense (Income):	\$0.00		-
Operating Profit:	\$661.14		-
<b>Interest % of OP:</b>	<b>0.00%</b>	<b>≤ 15%</b>	<b><u>Y</u></b>
Net Profit:	579.344		-
Revenue:	\$12,570.07		-
<b>Net Profit Margin:</b>	<b>4.61%</b>	<b>X ≥ 10%</b>	<b><u>N</u></b>

# Buffettology

Long-Term Debt:	500.00		
Pension Shortfall:	0		
Annual Lease Obligations * 7:	319.2		
Preferred Stock:	0		
Net Profit:	579.344		
<b>Obligation Ratio:</b>	1.414013	< 5 years	Y
Current Assets:	\$1,753.44		
Current Liabilities:	\$1,306.23		
<b>Current Ratio:</b>	1.34	≥ 1	Y
<b>Guru Focus Predictability Stars:</b>	3.5	> 3 stars	Y
Value Line			
<b>Financial Strength:</b>	A	> B+	Y
<b>Earnings Predictability:</b>	95	> 80	Y

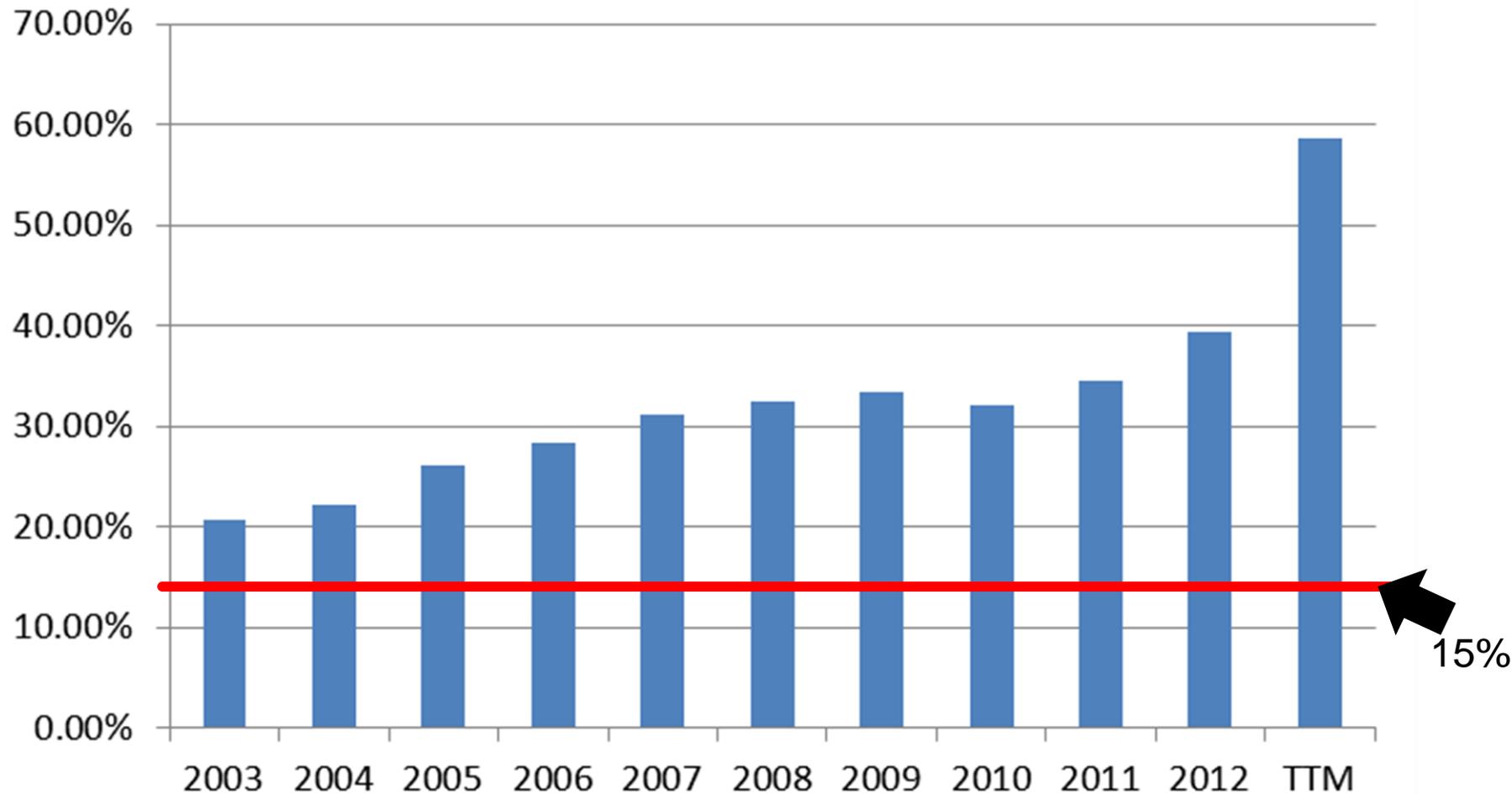
# Return on Assets

Net Income/Total Assets



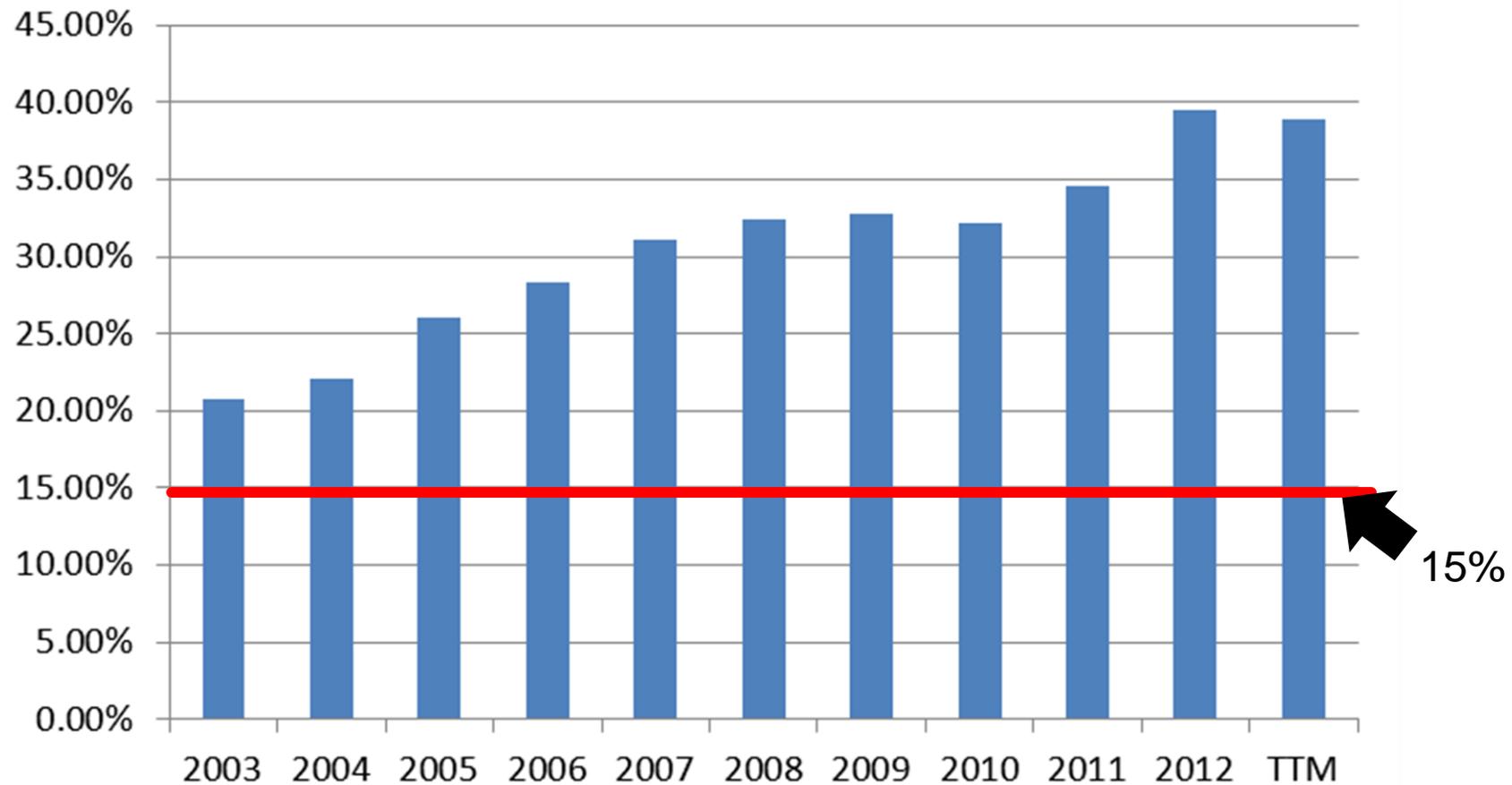
# Return on Equity

Net Income/ Equity



# Return on Capital

Net Income / (Equity + LT Debt)

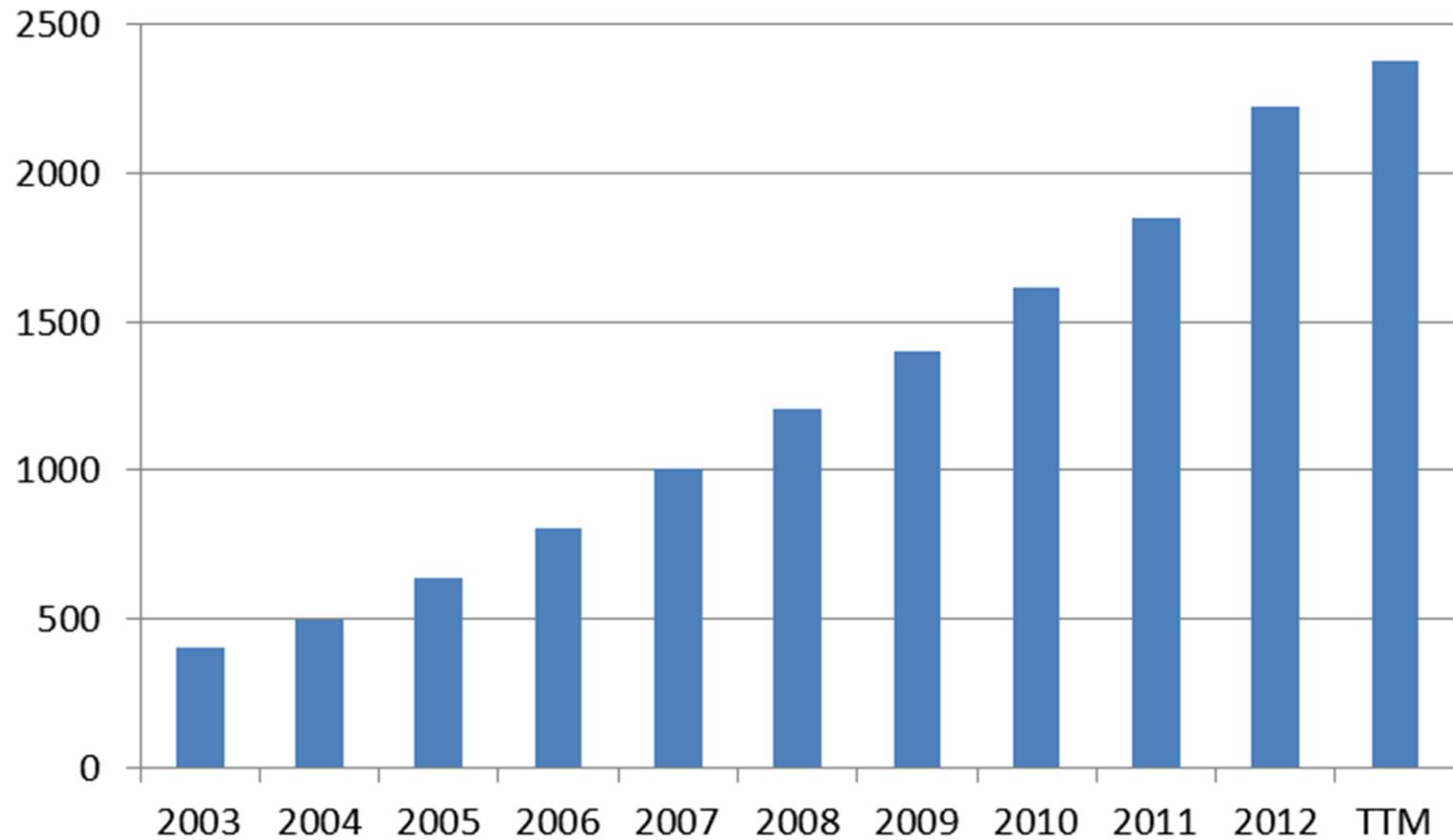


# DuPont Analysis

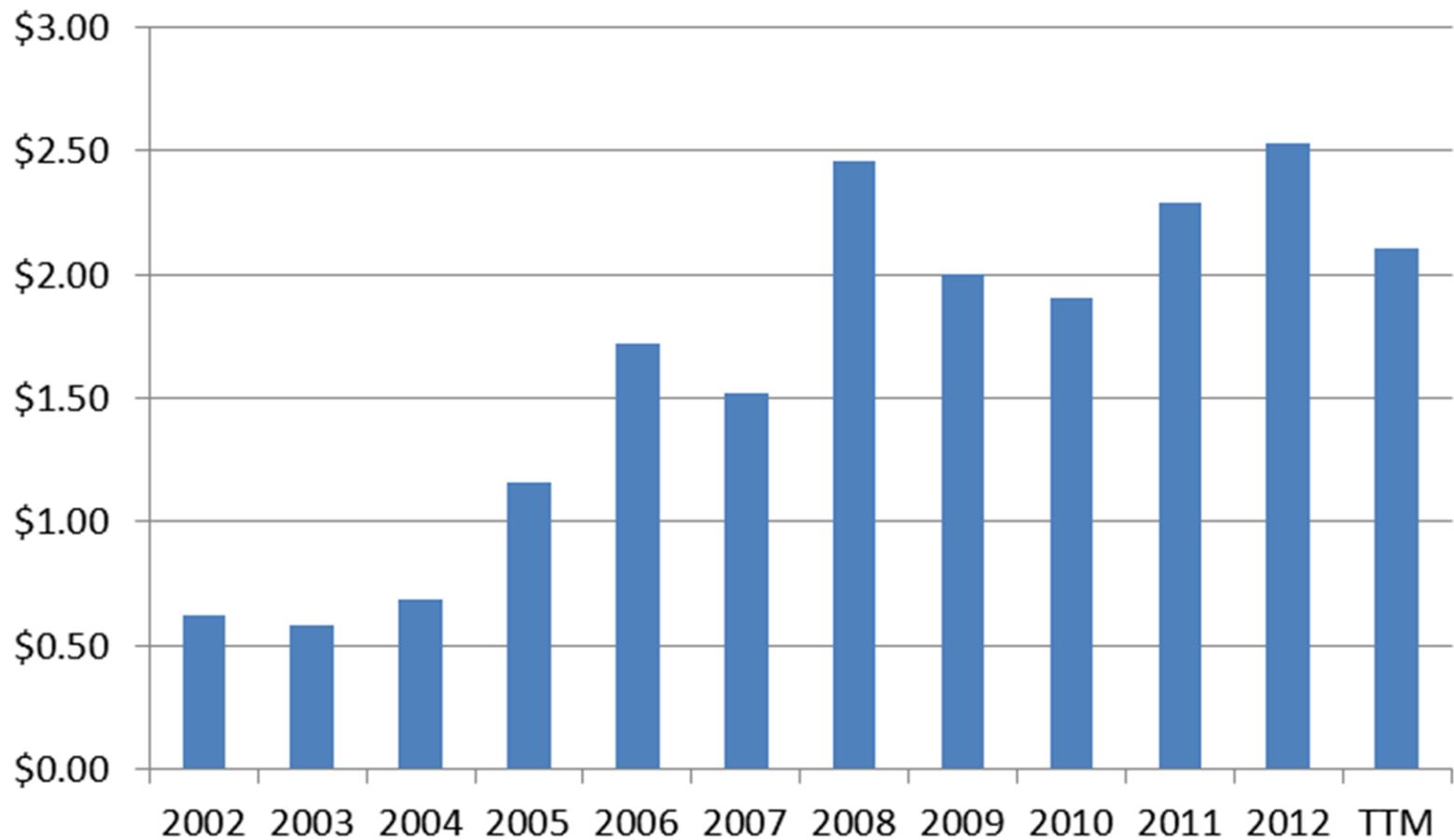
Net Profit Margin	Total Asset Turnover	Financial Leverage Multiplier	ROE
5.2	4.2	1.86	39.26

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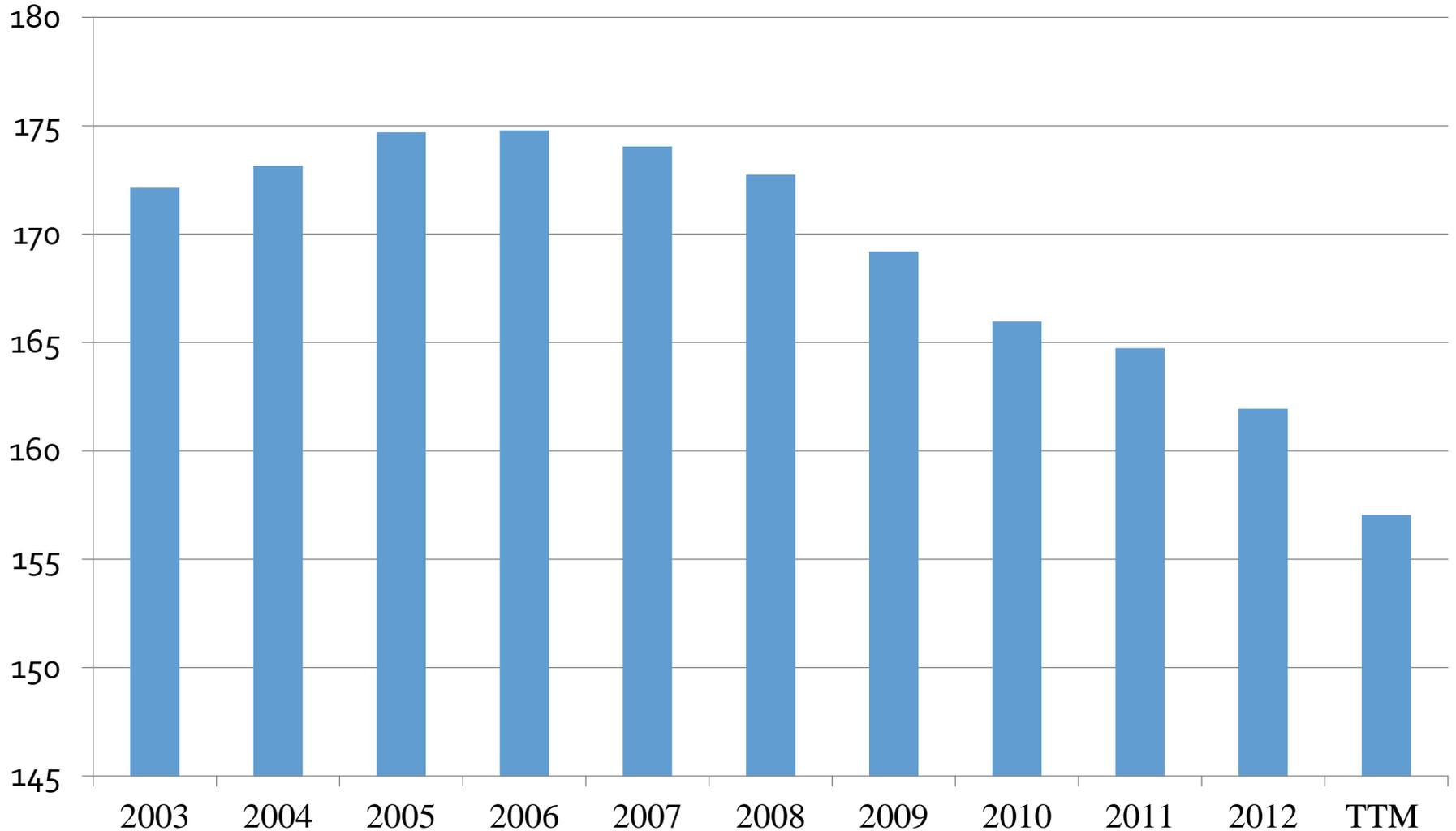
# Retained Earnings



# Free Cash Flow Per Share



# Shares Outstanding (In Millions)



# Investment Checklist

<b><u>Statistical Array Analysis</u></b>	<b><i>Increasing trends?</i></b>
Sales per Share	Yes
Cashflow per Share	Yes
Earnings per Share	Yes
Dividends Declared per Share	Yes
Capital Spending per Share	Yes
Book Value per Share	Yes
Revenues (Sales)	Yes
Gross Profit Margin	No
Operating Profit Margin	No
Number of Stores	Yes
Net Profit	Yes
Net Profit Margin	No
Working Capital	No
Shareholder's Equity	Yes
Return on Total Capital	Yes
Return on Shareholder's Equity	Yes
Common Shares Outstanding	No
Long-Term Debt	Yes
LT Debt Payable in 5 years	Yes
All Dividends to Net Profit under 60%	Yes

# Investment Checklist

<b><i>What type of business is this: commodity or sustained competitive advantage?</i></b>	<b>Competitive Advantage</b>
Can you easily explain what the business does?	Yes
Is it heavily unionized?	No
Does it require heavy capital infusion?	No
Does it require lots of research and development?	No
Can inventory become obsolete?	No* - Only Produce
Are there chronic "one time" write offs?	No
Is the company able to raise its prices to offset inflation?	Yes- if inflation is not due to oil
Will the company be able to sell more in the future?	Yes
If I gave you \$1 billion could you develop a competitor?	No

# Morning Star – Debt Timing

\$175 million due in 2023

\$150 million due in 2028

\$175 million due in 2033



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Conscious Investor



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# 6 Year Default

CHRW CH Robinson Worldwide, Inc.  Symbol      Default  Market: USA

Industry: Air Delivery\_Freight Services

Earnings Per Share (EPS)											EPSitm	Years	HGROWTH	STAEGR™	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			6	Calc	8.26%	98.35%
0.670	0.800	1.160	1.530	1.860	2.080	2.130	2.330	2.620	2.77	3.610					

Sales Per Share											Chart	Years	HGROWTH	STAEGR™
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		6	Calc	10.17%	95.17%
21.181	25.467	32.879	37.973	42.830	50.400	45.346	55.853	63.242	70.410					

Net Profit Margin (NPM)											Current NPM	Chart
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		5.23	
3.16	3.16	3.57	4.07	4.43	4.19	4.76	4.17	4.18	5.23			

Return on Equity (ROE)											Current ROE	Chart
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		39.50	
22.10	22.10	26.10	28.30	31.10	32.40	33.40	32.10	34.60	39.50			

Price Earnings Ratio (PE Ratio)											Current	High	Low	Current PE	Chart
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		18.82			16.38	
32.60	35.20	35.90	36.10	31.30	32.40	29.00	34.80	31.50	19.60	18.82					
20.50	22.90	20.30	23.20	22.00	17.50	17.50	22.00	23.80	13.80	14.89					

Price											Current	High	Low	Current Price	Chart
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		67.93			59.13	
21.50	28.20	41.70	55.18	58.19	67.36	61.69	81.02	82.61	71.76	67.93					
13.50	18.30	23.60	35.55	40.89	36.50	37.36	51.16	62.30	50.81	53.74					

Payout Ratio (PR)											Current PR	Chart
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		37%	
24	30	26	25	46	43	46	45	46	37			

**STRETD®**

current year 17 Jan 2014

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Price

EPSitm

PE Ratio

HGrowth

Payout

Investment Period  years

Tax - dividends %

Tax - capital gains %

per year

**TARGD®**

current year

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Req Return %

EPSitm

PE Ratio

HGrowth %

Payout %

Investment Period  years

Tax - dividends %

Tax - capital gains %

# 6 Year Default

Price	59.13
Earnings Per Share	2.77
Price to Earnings Ratio	26.45
Historical Growth	8.26%
Payout	44%
<b>Annualized Rate of Return</b>	
	<b>14.88%</b>

# Playing it very safe

CHRW CH Robinson Worldwide, Inc.  Symbol      Default  Market: USA

Industry: Air Delivery\_Freight Services

Earnings Per Share (EPS)											EPSttm	Years	HGROWTH	STAEGR™	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			6	Calc	8.26%	98.35%
0.670	0.800	1.160	1.530	1.860	2.080	2.130	2.330	2.620	2.77	3.610					

Sales Per Share											Chart	Years	HGROWTH	STAEGR™	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			6	Calc	10.17%	95.17%
21.181	25.467	32.879	37.973	42.830	50.400	45.346	55.853	63.242	70.410						

Net Profit Margin (NPM)											Current NPM	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
3.16	3.16	3.57	4.07	4.43	4.19	4.76	4.17	4.18	5.23		5.23	

Return on Equity (ROE)											Current ROE	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
22.10	22.10	26.10	28.30	31.10	32.40	33.40	32.10	34.60	39.50		39.50	

Price Earnings Ratio (PE Ratio)											Current	High	Low	Current PE
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		18.82			16.38
32.60	35.20	35.90	36.10	31.30	32.40	29.00	34.80	31.50	19.60	18.82				
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Payout Ratio (PR)											Current PR	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
24	30	26	25	46	43	46	45	46	37		37%	

**STRETD®**

current year 17 Jan 2014

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Price 59.13

EPSttm 2.77

PE Ratio 13.95

HGrowth 8.26

Payout 37%

Investment Period 5 years

Tax - dividends 0%

Tax - capital gains 0%

Calculate 2.07% per year

Sync with TARG

**TARGD®**

current year

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Req Return 10.0%

EPSttm 3.610

PE Ratio 13.95

HGrowth 8.26%

Payout 37%

Investment Period 5 years

Tax - dividends 0%

Tax - capital gains 0%

Calculate \$55.27

Sync with STRET

# Playing it very safe

Cut P/E by 47%

Cut Payout Ratio by 16%

Price	59.13
Earnings Per Share	2.77
Price to Earnings Ratio	13.95
Historical Growth	8.26%
Payout	37%
<b>Annualized Rate of Return</b>	
	<b>2.07%</b>

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# What does breakeven look like?

CHRW CH Robinson Worldwide, Inc.  Symbol

Industry: Air Delivery\_Freight Services Market: USA

Earnings Per Share (EPS)											EPSStm	Years	HGROWTH	STAEGR™	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			6	Calc	8.26%	98.35%
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Net Profit Margin (NPM)											Current NPM	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
3.16	3.16	3.57	4.07	4.43	4.19	4.76	4.17	4.18	5.23		5.23	

Return on Equity (ROE)											Current ROE	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
22.10	22.10	26.10	28.30	31.10	32.40	33.40	32.10	34.60	39.50		39.50	

Price Earnings Ratio (PE Ratio)											Current	High	Low	Current PE
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		18.82			16.38
32.60	35.20	35.90	36.10	31.30	32.40	29.00	34.80	31.50	19.60					
20.50	22.90	20.30	23.20	22.00	17.50	17.50	22.00	23.80	13.80		14.89			

Price											Current	High	Low	Current Price
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12		67.93			59.13
21.50	28.20	41.70	55.18	58.19	67.36	61.69	81.02	82.61	71.76					
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Payout Ratio (PR)											Current PR	
12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12			Chart
24	30	26	25	46	43	46	45	46	37		37%	

**STRETD®**

current year 17 Jan 2014

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Price 59.13

EPSStm 2.77

PE Ratio 13

HGrowth 7.37

Payout 37%

Investment Period 5 years

Tax - dividends 0%

Tax - capital gains 0%

Calculate 0% per year

Sync with TARG

**TARGD®**

current year

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE and PR Ratios are ave of 4 yrs

Req Return 10.0%

EPSStm 3.610

PE Ratio 13.95

HGrowth 8.26%

Payout 37%

Investment Period 5 years

Tax - dividends 0%

Tax - capital gains 0%

Calculate \$55.27

Sync with STRET

# What does breakeven look like?

Cut P/E by over 50%

Cut Growth by 11%

Cut Payout by 16%

Price	59.13
Earnings Per Share	2.77
Price to Earnings Ratio	13
Historical Growth	7.37%
Payout	37%
<b>Annualized Rate of Return</b>	
	<b>0.0%</b>

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# But is now the time to invest?

Fiscal Period	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Current
Price to Earnings	28.46	35.05	31.76	26.87	29.1	26.47	27.52	34.39	26.56	17.24	21.1
Price to Free Cash Flow	32.68	40.82	31.92	23.77	35.37	22.28	29.37	41.98	30.34	24.99	29.1
Price to Sales	0.9	1.11	1.14	1.09	1.29	1.11	1.31	1.44	1.11	0.9	0.8
Enterprise Value / Revenue	0.82	1.02	1.05	1.01	1.19	1.03	1.24	1.39	1.07	0.9	0.81
Enterprise Value / Revenue	15.51	18.45	16.78	14.37	15.85	14.46	15.27	19.75	15.17	10.28	9.74
Enterprise Value / Revenue	16.8	19.97	18.32	15.91	17.13	15.42	16.12	20.72	15.92	15.17	14.9
Forward to Rate of Return	20.83	16.36	20.21	28.63	33.4	30.78	21.83	14.45	11.08	12.58	16.53
Shiller Price to Earnings	40	48.59	51.21	44.68	46.45	39.48	35.39	41.57	31.72	24.63	22.4

# But is *now* the time to invest??

Fiscal Period	Current	Minimum:	Average:	Maximum:
Price to Earnings	16.4	17.24	28.342	35.05
Price to Free Cash Flow	29.1	22.28	31.352	41.98
Price to Sales	0.8	0.9	1.14	1.44
Enterprise Value / Revenue	0.81	0.82	1.072	1.39
Enterprise Value / EBITDA	9.74	10.28	15.589	19.75
Enterprise Value / EBIT	14.9	15.17	17.148	20.72
Forward to Rate of Return	16.53	11.08	21.015	33.4
Shiller Price to Earnings	22.4	24.63	40.372	51.21

# How We Compare in Industry

	CH Robinson Worldwide, Inc.	United Parcel Service Inc	FedEx Corporation	XPO Logistics Inc
Number of Guru Holders	7	9	8	1
Market Value (\$mil)	8,837	88,506	41,767	782.62
Revenue (\$mil)	11,359	54,127	44,287	278.59
P/E(ttm)	21.10	62.30	26	0
P/S	0.70	1.66	0.95	0.90
ROA (%)	21.20	2.10	4.70	-4.9
ROE (%)	39.50	17.30	9	-8.30
Operating Margin (%)	5.90	2.50	5.80	-10
Net Margin (%)	4.61	1.50	3.50	-7.30
10-Year Earning Growth (%)	18.70	-4.70	1.20	0
5-Year Earning Growth (%)	14.40	-17.70	83.30	0
1-Year Earning Growth (%)	31.60	-55.60	-16.80	0

# Price/Sales

*All else equal - the lower the price to sales, the better value the stock currently is.*

Ticker	▲ Price / Sales
AIG-WT	-
BBY	0.2
WMT	0.5
CHRW 🌈	0.8
WAG	0.8
AIG	1.2
BBBY	1.2
AAP	1.4
BRK.B	1.5
WRLD	1.9
PEP	1.9
NSRGY	2.4
BDX	2.7
LO	2.8
MDT	3.6
MSFT	3.8
KO	3.8
ORCL	4.8

# Return on Equity

*This is Buffett's favorite ratio!*

*This shows how well a company turns an investor's equity into profit.*

Ticker	Return on Equity
CHRW	58.6%
PEP	29.7%
WRLD	29.3%
AAP	27.8%
MSFT	27.7%
KO	27.2%
BBBY	25.7%
BDX	25.6%
ORCL	25.4%
WMT	23.4%
MDT	20.3%
NSRGY	16.9%
WAG	13.6%
BRK.B	9.1%
BBY	8.5%
AIG	3.2%
AIG-WT	-
LO	-59.2%

# Quick Ratio

*The greater the Quick Ratio, the greater the company's ability to pay back short-term debt.*

Ticker	Quick Ratio
ORCL	3.4
MDT	3.2
MSFT	2.8
BDX	2.1
LO	1.5
CHRW	1.3
PEP	1.0
KO	0.8
NSRGY	0.7
BBBY	0.6
BBY	0.5
WAG	0.4
AAP	0.3
WMT	0.2
AIG-WT	-
AIG	-
BRK.B	-
WRLD	-

# Return on Assets

*By requiring a service, CHRW does not need huge amounts of assets to generate income.*

Ticker	Return on Assets
LO	34.0%
CHRW	20.0%
BBBY	16.2%
MSFT	15.9%
ORCL	13.0%
WRLD	11.9%
BDX	10.6%
MDT	10.4%
KO	9.8%
PEP	8.7%
NSRGY	8.4%
AAP	8.2%
WMT	8.2%
WAG	7.5%
BRK.B	4.2%
BBY	2.1%
AIG	0.6%
AIG-WT	-

C.H. ROBI

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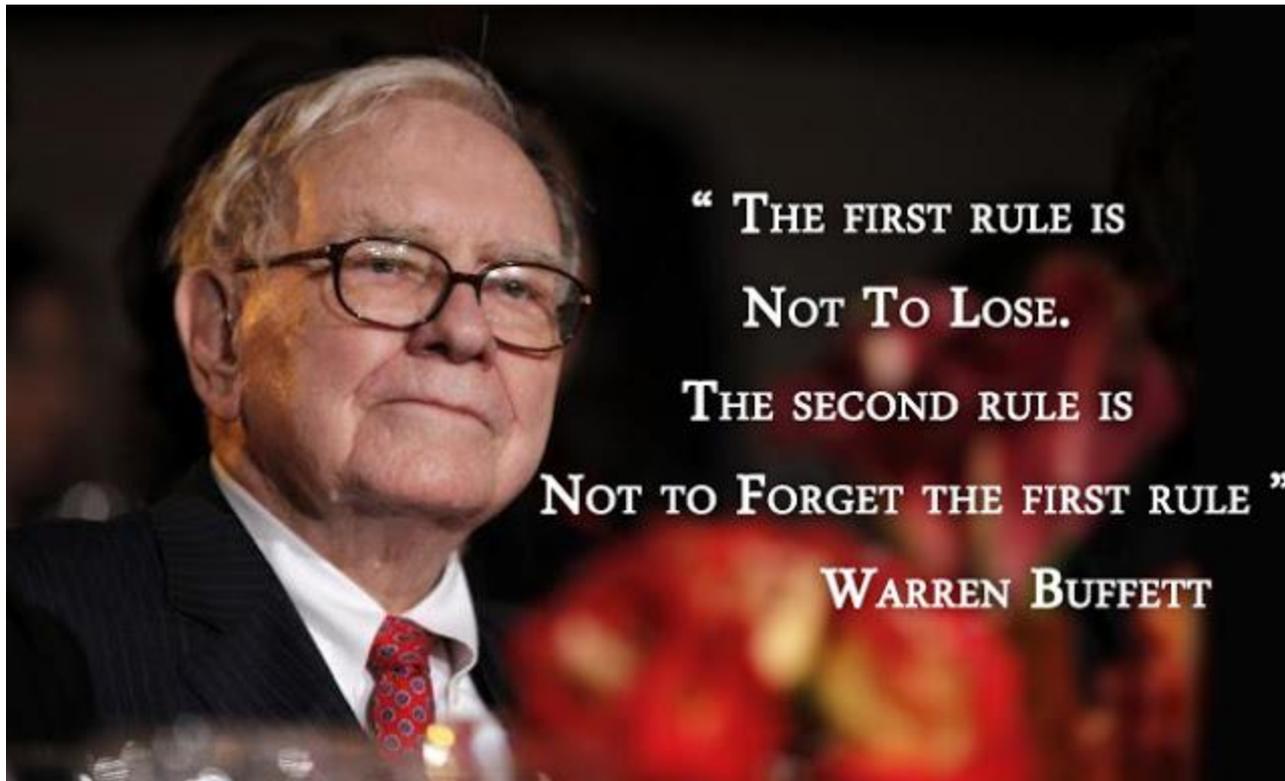
# Warren Buffett's 7-Point Checklist:

1. Simple Business: It must be easy to understand.



# Warren Buffett's 7-Point Checklist:

## 2. Favorable Long-Term Prospects



# Warren Buffett's 7-Point Checklist:

## 3. Able and Honest Management



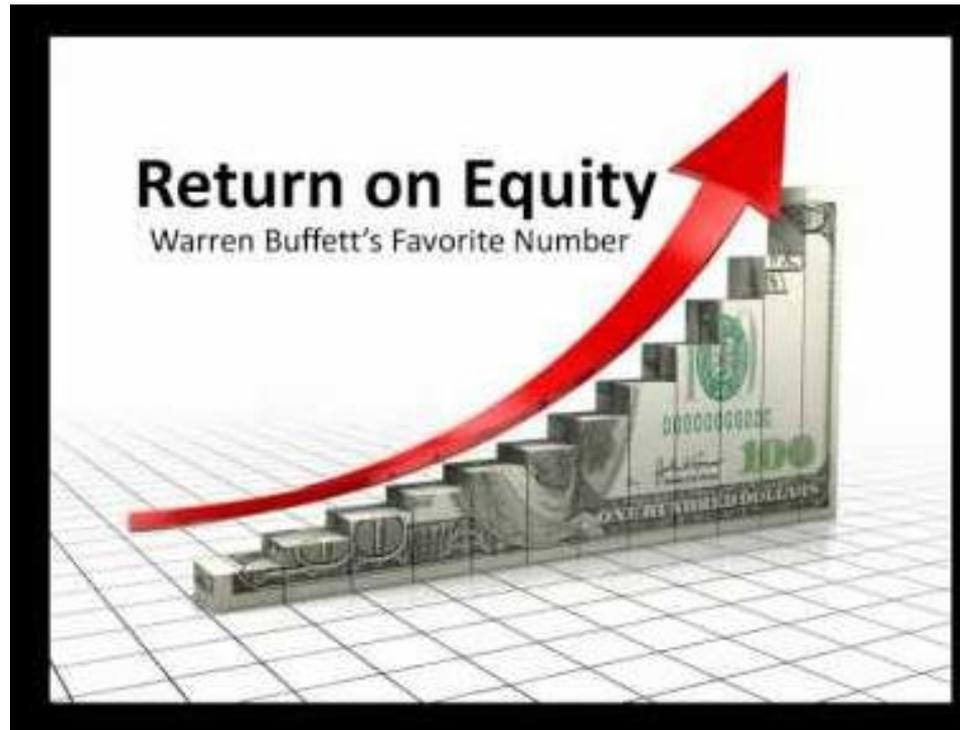
# Warren Buffett's 7-Point Checklist:

## 4. Consistent Earnings



# Warren Buffett's 7-Point Checklist:

## 5. Solid Return on Equity (Above 15%)



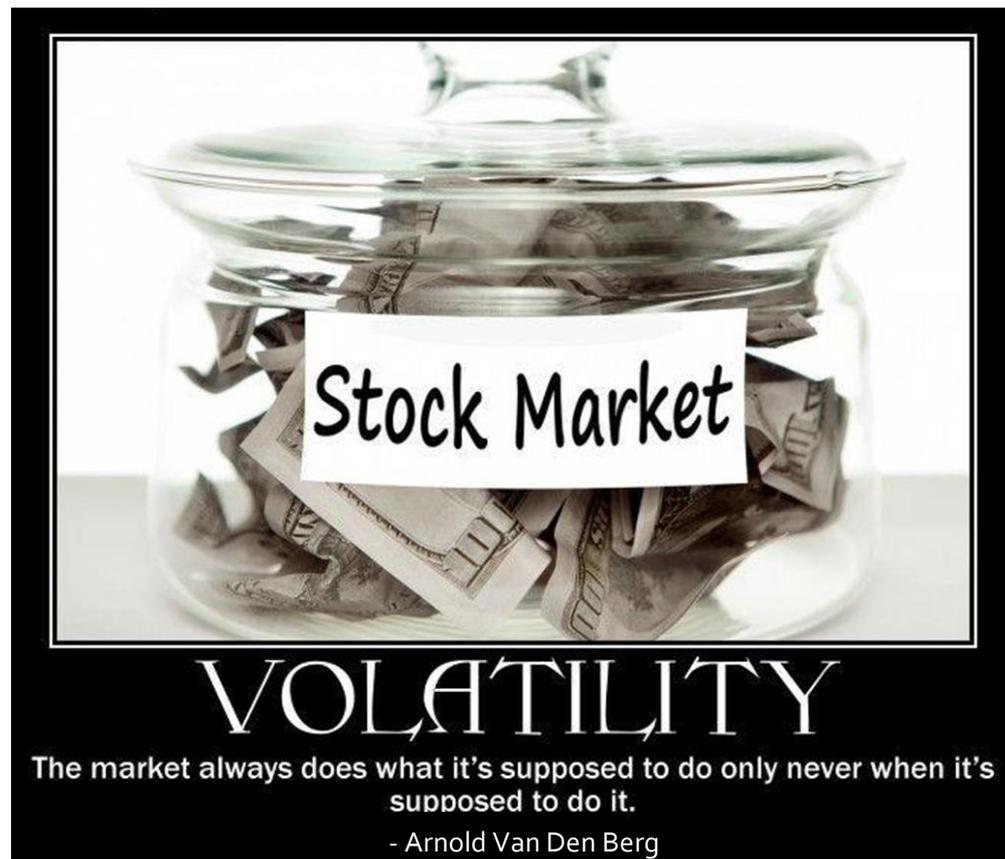
# Warren Buffett's 7-Point Checklist:

## 6. Little Debt: How do We Measure?



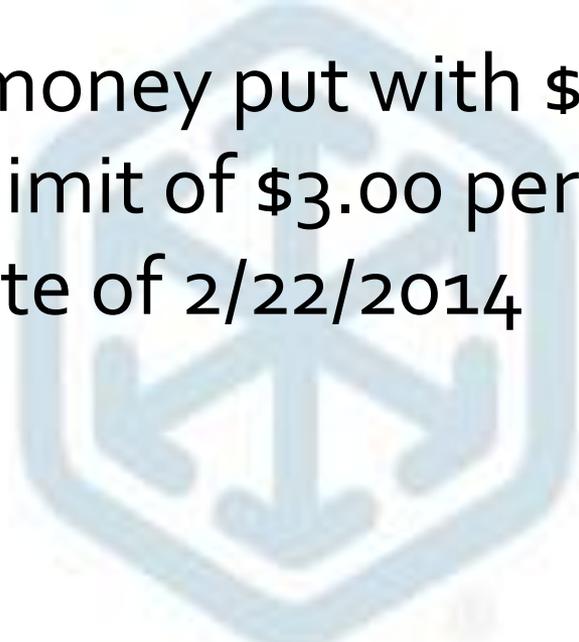
# Warren Buffett's 7-Point Checklist:

## 7. Very Attractive Price



# Recommendation

Write an in the money put with \$60.00 per share strike price at a limit of \$3.00 per contract with an expiration date of 2/22/2014

The logo for C.H. Robinson is a stylized anchor inside a shield-like shape, rendered in a light blue color.

C.H. ROBINSON