Expeditors International of Washingtion Inc. (EXPD)

Updated March 8th, 2026 by Felix Martinez

Key Metrics

Current Price:	$147	**5 Year Annual Expected Total Return:**	-1.8%	**Market Cap:**	$19.6 B
Fair Value Price:	$108	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	06/02/26
% Fair Value:	136%	**5 Year Valuation Multiple Estimate:**	-6.0%	**Dividend Payment Date:**	06/16/26
Dividend Yield:	1.1%	**5 Year Price Target**	$125	**Years Of Dividend Growth:**	31
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Expeditors is a global logistics company headquartered in Seattle, Washington. The company was founded in 1979 as a single-office ocean forwarder in Seattle. The company was publicly traded by 1984. Expeditors' services include the consolidation or forwarding of air and ocean freight, customs brokerage, vendor consolidation, cargo insurance, time-definite transportation services, order management, warehousing and distribution, and customized logistics solutions. Currently, the company has over 250 locations and ~17,500 employees worldwide. In 2024, the company reported $10.6 billion in revenue. The company has a market capitalization of $19.6 Billion, and the company has been growing its dividend for 31 consecutive years. The company is also part of the exclusive Dividend Aristocrats list, which has increased its dividends for 25 years or more.

On February 24th, 2026, EXPD reported fourth-quarter results for Fiscal Year 2025. The company reported Q4 2025 EPS of $1.49, down 11% year-over-year, while net earnings declined 15% to $201 million. Revenue totaled $2.86 billion, a 3% decline from Q4 2024, as lower global freight rates weighed on results. Operating income fell 17% to $251 million, although airfreight tonnage increased 6%, partially offset by a 6% decline in ocean container volumes.

Segment performance reflected mixed market conditions. Airfreight revenue rose to $1.11 billion, supported by stronger export demand from Asia and growth tied to technology and e-commerce shipments, though margins declined due to higher buy rates. In contrast, ocean freight revenue fell to $611 million, with average revenue per container dropping 41% year-over-year as global shipping capacity increased and freight rates weakened. Meanwhile, customs brokerage and other services generated $1.14 billion in revenue, up from $983 million, driven by strong demand and growth in warehousing, distribution, and road freight.

For full-year 2025, revenue increased 4% to $11.07 billion, while operating income rose slightly to $1.05 billion and EPS grew to $5.95 from $5.72. The company returned $875 million to shareholders through dividends and share repurchases and authorized a new $3 billion share buyback program. Management indicated that growth in customs brokerage, logistics services, and technology investments—including AI—should support diversification and long-term expansion despite continued softness in global ocean freight rates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.36	$2.69	$3.48	$3.39	$4.07	$8.27	$8.26	$5.01	$5.72	$5.95	***$6.00***	***$6.96***
DPS	$0.80	$0.84	$0.90	$1.00	$1.04	$1.16	$1.34	$1.38	$1.46	$1.54	***$1.57***	***$1.91***
Shares[1]	182.0	182.0	178.0	174.0	171.0	169.0	169.0	150.0	141.7	136.3	***133.0***	***125.0***

Over the past ten years, the company has seen earnings grow at a compound annual growth rate (CAGR) of 10.8%. It has a negative growth rate of -6.2% CAGR for the past five years. However, we see the company slowing down; therefore, we expect the growth rate to slow down to about 3% for the foreseeable future. Net margin has compressed slightly from 7.9% in FY2022 to 7.3% in FY2025. This will drag profit growth. EXPD has grown its dividend for 31 consecutive years, with a 10-year dividend growth rate of 7.5% and a five-year growth rate of 6.2%. We estimate future dividend

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

growth to be 4% because of the earnings slow down. The company pays out dividends semi-annually. Most recent dividend increase was announced on May 6th, 2025, with a dividend increase of 5.5%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	20.9	23	20	23	23.4	16.2	16.2	25.3	19.5	25.5	***24.5***	***18.00***
Avg. Yld.	1.6%	1.5%	1.3%	1.3%	1.1%	0.9%	0.9%	1.1%	1.3%	1.0%	***1.1%***	***1.5%***

EPXD shares have always demanded a high P/E multiple, averaging 21.3x for the past ten years. However, we will use a PE of 18.0x for our fair value estimate due to the slower growth expected. The company has a current PE of 24.5x, which is based on our FY 2026 EPS estimate of $6.00. This is above its 5-year average PE of 20.5x. Thus, EXPD looks to be overvalued at the current price. The current dividend yield of 1.1% is roughly in line with its past 10-year dividend yield average of 1.2%. While the dividend yield is not spectacular, it is very well covered with a payout ratio of 26% and the tendency to grow over time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	34%	31%	26%	29%	26%	14%	16%	28%	26%	26%	***26%***	***27%***

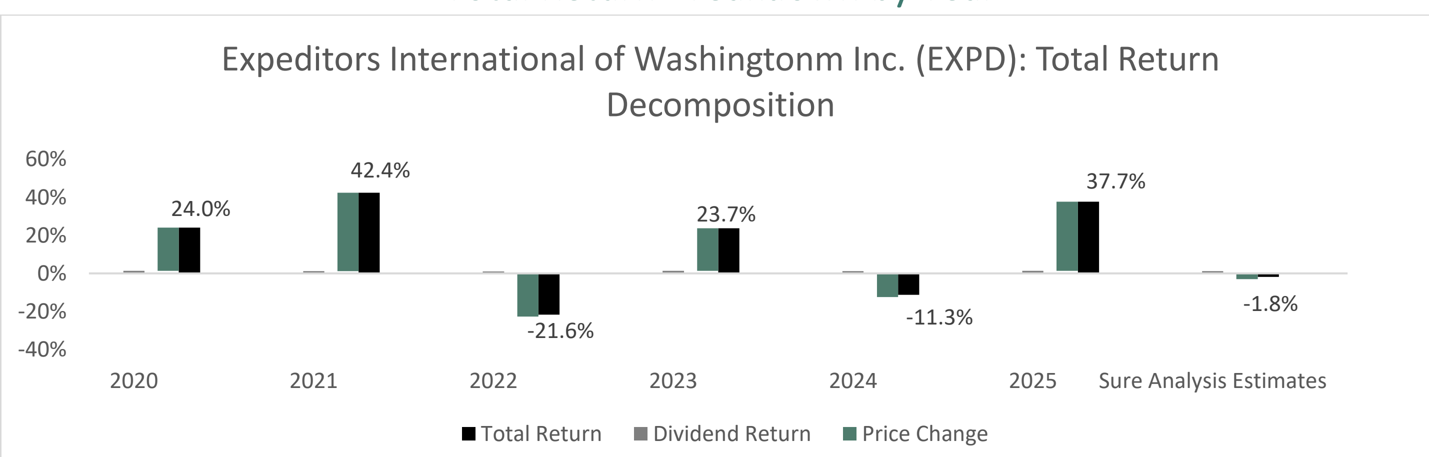
Expeditor's competitive advantage is the global footprint and an extensive network of shippers and carriers, which produce a substantial value that would be challenging to replicate for new entrants.

During the Great Recession, EXPD decreased by 19% in earnings from $1.37 in 2008 to $1.11 in 2009. However, EPS bounced right back up to $1.59 in 2010. The company also grew its dividend during that period. There have been times when EPS came in lower than the previous year, like in 2012, 2016, and 2019. However, Expeditors adjusted and continued to grow earnings. EXPD has a strong balance sheet with a debt-to-equity ratio of only 0.2. The dividend is very safe; the dividend payout ratio has not passed 36% for the past ten years.

Final Thoughts & Recommendation

Expeditor has a long history of growing earnings and dividends. The company is expected to continue to grow its earnings for the foreseeable future and its dividend. We expect an annualized negative total return of -1.8% at the current valuation. As a result, we rate EXPD as a Hold at the current price.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	$6,617	$6,098	$6,921	$8,138	$8,175	$10,116	$16,524	17071	9300	10600
Gross Profit	$896	$851	$883	$1,020	$997	$1,163	$2,165	2171	1245	1349
Gross Margin	13.5%	14.0%	12.8%	12.5%	12.2%	11.5%	13.1%	12.7%	13.4%	12.7%
SG&A Exp.	$42	$42	$44	$45	$44	$18	$16	24	28	33
D&A Exp.	$46	$47	$49	$54	$51	$57	$51	57	68	61
Operating Profit	$721	$670	$700	$797	$767	$940	$1,909	1824	940	1041
Operating Margin	10.9%	11.0%	10.1%	9.8%	9.4%	9.3%	11.6%	10.7%	10.1%	9.8%
Net Profit	$457	$431	$489	$618	$590	$696	$1,415	1357	753	810
Net Margin	6.9%	7.1%	7.1%	7.6%	7.2%	6.9%	8.6%	8.0%	8.1%	7.6%
Free Cash Flow	$522	$470	$394	$525	$725	$607	$832	2043	1014	683
Income Tax	$277	$254	$228	$199	$204	$258	$506	475	263	283

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	$2,566	$2,791	$3,117	$3,315	$3,692	$4,928	$7,610	5590	4524	4754
Cash & Equivalents	$808	$974	$1,051	$924	$1,230	$1,528	$1,729	2034	1513	1148
Accounts Receivable	$1,112	$1,190	$1,415	$1,582	$1,315	$1,998	$3,810	2108	1533	1998
Inventories	$8	$8	$8	$8	$8	$8	$8	8	8	
Goodwill & Int.										7927
Total Liabilities	$871	$944	$1,123	$1,327	$1,495	$2,264	$4,112	2477	2132	2529
Accounts Payable	$645	$727	$866	$902	$736	$1,137	$2,012	1109	861	1037
Long-Term Debt	$0	$0	$0	$0	$0	$0	$0	0	0	0
Shareholder's Equity	$1,692	$1,845	$1,992	$1,987	$2,195	$26,60	$3,494	3110	2390	2223
D/E Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	16.8%	16.1%	16.6%	19.2%	16.9%	16.2%	22.6%	20.6%	14.9%	17.5%
Return on Equity	25.7%	24.4%	25.5%	31.1%	28.2%	28.7%	46.0%	41.1%	27.4%	35.1%
ROIC	25.6%	24.3%	25.5%	31.0%	28.2%	28.6%	45.9%	41.1%	27.4%	35.1%
Shares Out.	190.2	182.7	181.7	177.8	174.0	171.0	169.0	164.4	150.2	141.7
Revenue/Share	$34.78	$33.38	$38.10	$45.76	$46.93	$59.20	96.49	103.8	61.9	74.8
FCF/Share	$2.75	$2.57	$2.17	$2.95	$4.16	$3.55	4.86	12.4	6.8	4.8

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.