Expeditors International of Washingtion Inc. (EXPD)

Updated August 27th, 2026 by Felix Martinez

Key Metrics

Current Price:	$190	**5 Year Annual Expected Total Return:**	-2.3%	**Market Cap:**	$24.7 B
Fair Value Price:	$138	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	12/01/26
% Fair Value:	137%	**5 Year Valuation Multiple Estimate:**	-6.2%	**Dividend Payment Date:**	12/15/26
Dividend Yield:	0.9%	**5 Year Price Target**	$160	**Years Of Dividend Growth:**	32
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Expeditors International of Washington, Inc. (Expeditors) is a global logistics company headquartered in Bellevue, Washington. Founded in 1979 as a single-office ocean forwarder in Seattle, it went public in 1984. Its services include air and ocean freight consolidation and forwarding, customs brokerage, vendor consolidation, cargo insurance, time-definite transportation, order management, warehousing and distribution, and customized logistics solutions. The company operates more than 335 locations in about 100 countries and employs approximately 20,000 people worldwide. In 2025, it reported roughly $11.07 billion in revenue. Its market capitalization is about $24.7 billion. Expeditors has increased its dividend for 32 consecutive years and is a member of the S&P 500 Dividend Aristocrats.

On August 4th, 2026, EXPD reported second-quarter results for Fiscal Year 2026. The company reported second-quarter 2026 revenue of $3.50 billion, a 32% increase from the prior-year period. Operating income rose 41% to $350 million, and diluted earnings per share increased 51% to $2.03. Net earnings attributable to shareholders grew 45% to $266 million. Airfreight tonnage rose 14%, while ocean container volume was essentially flat. Customs brokerage and other services, along with Transcon, Distribution, and Order Management, each delivered double-digit revenue growth for the second consecutive quarter.

Strong demand from AI hyperscalers, elevated airfreight rates due to capacity constraints, and improved ocean pricing late in the quarter supported the results. Management noted a temporary surge in customs filings related to tariff complexity, which contributed to higher pricing and profitability. The company recorded a $25 million pretax restructuring charge for its Global Technology team, expected to reduce annual corporate overhead by approximately $50 million, partially offset by a $16 million gain on a property sale.

Expeditors returned $461 million to shareholders through share repurchases and dividends during the quarter and $748 million year-to-date. Leadership highlighted continued market-share gains, investments in critical logistics and temperature-controlled capacity, and a strong new-business pipeline as foundations for sustained growth.

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	***$7.69***	***$8.91***
DPS	$0.80	$0.84	$0.90	$1.00	$1.04	$1.16	$1.34	$1.38	$1.46	$1.54	***$1.62***	***$1.97***
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 -1.4% 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 32 consecutive years, with a 10-year dividend growth rate of 7.5% and a five-year growth rate of 6.9%. We estimate future dividend growth to be 4% because of the earnings slow down. The company pays out dividends semi-annually. The most recent dividend increase was announced on May 5th, 2026, with a 5.2% raise.

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[1] Share count is in millions.

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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	***24.7***	***18.0***
Avg. Yld.	1.6%	1.5%	1.3%	1.3%	1.1%	0.9%	0.9%	1.1%	1.3%	1.0%	***0.9%***	***1.2%***

EPXD shares have usually demanded a high P/E multiple, averaging 21.3x for the past ten years. However, we will use a P/E of 18.0x for our fair value estimate due to the slower expected growth rate. The company has a current P/E of 24.7x, which is based on our FY 2026 EPS estimate of $7.69. This is above its 5-year average P/E of 20.5x. Thus, EXPD looks to be overvalued at the current price. The current dividend yield of 0.9% 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 21% 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%	***21%***	***22%***

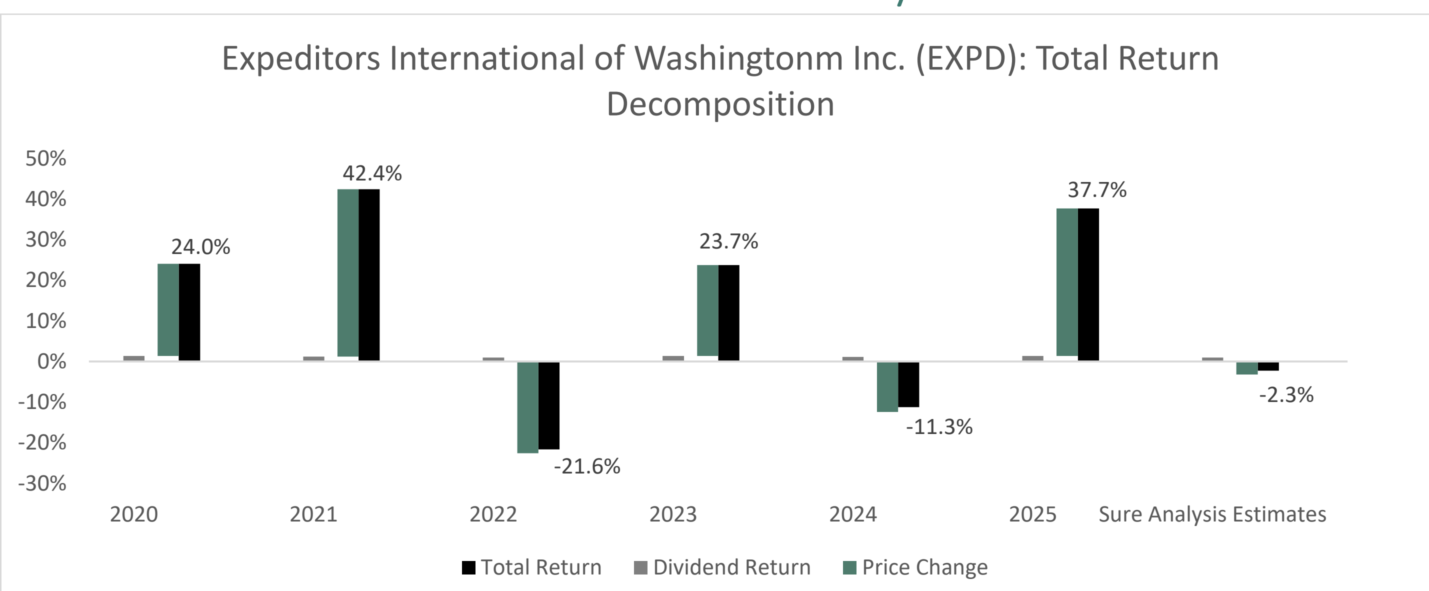
Expeditor's competitive advantage is the global footprint and an extensive network of shippers and carriers, which produce a substantial value that would be challenging to replicate for new entrants.

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 0.2x. The dividend is very safe; the dividend payout ratio has not passed 34% 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 -2.3% at the current valuation. As a result, we rate EXPD as a Hold at the current price.

Total Return Breakdown by Year



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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6,098	6,921	8,138	8,175	10,116	16,524	17071	9300	10600	11069
Gross Profit	851	883	1,020	997	1,163	2,165	2171	1245	1349	1430
Gross Margin	14.0%	12.8%	12.5%	12.2%	11.5%	13.1%	12.7%	13.4%	12.7%	12.9%
SG&A Exp.	42	44	45	44	18	16	24	28	33	40
D&A Exp.	47	49	54	51	57	51	57	68	61	57
Operating Profit	670	700	797	767	940	1,909	1824	940	1041	1053
Operating Margin	11.0%	10.1%	9.8%	9.4%	9.3%	11.6%	10.7%	10.1%	9.8%	9.5%
Net Profit	431	489	618	590	696	1,415	1357	753	810	810
Net Margin	7.1%	7.1%	7.6%	7.2%	6.9%	8.6%	8.0%	8.1%	7.6%	7.3%
Free Cash Flow	470	394	525	725	607	832	2043	1014	683	953
Income Tax	254	228	199	204	258	506	475	263	283	282

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,791	3,117	3,315	3,692	4,928	7,610	5590	4524	4754	4894
Cash & Equivalents	974	1,051	924	1,230	1,528	1,729	2034	1513	1148	1314
Accounts Receivable	1,190	1,415	1,582	1,315	1,998	3,810	2108	1533	1998	2022
Inventories										
Goodwill & Int.	8	8	8	8	8	8	8	8	8	8
Total Liabilities	944	1,123	1,327	1,495	2,264	4,112	2477	2132	2529	2536
Accounts Payable	727	866	902	736	1,137	2,012	1109	861	1037	1123
Long-Term Debt	0	0	0	0	0	0	0	0	0	0
Shareholder's Equity	1,845	1,992	1,987	2,195	2,660	3,494	3110	2390	2223	2287
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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	16.1%	16.6%	19.2%	16.9%	16.2%	22.6%	20.6%	14.9%	17.5%	16.8%
Return on Equity	24.4%	25.5%	31.1%	28.2%	28.7%	46.0%	41.1%	27.4%	35.1%	35.4%
ROIC	24.3%	25.5%	31.0%	28.2%	28.6%	45.9%	41.1%	27.4%	35.1%	38.5%
Shares Out.	182.7	181.7	177.8	174.0	171.0	169.0	164.4	150.2	141.7	136.2
Revenue/Share	33.38	38.10	45.76	46.93	59.20	96.49	103.8	61.9	74.8	81.2
FCF/Share	2.57	2.17	2.95	4.16	3.55	4.86	12.40	6.75	4.82	7.00

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