

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: July 28, 2020  
(Date of earliest event reported)



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

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23189

Delaware  
(State or other jurisdiction of  
incorporation or organization)

41-1883630  
(I.R.S. Employer  
Identification No.)

14701 Charlson Road  
Eden Prairie, Minnesota 55347  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 952-937-8500

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.10 par value	CHRW	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

The following information is being "furnished" in accordance with the General Instruction B.2 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Furnished herewith as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the text of C.H. Robinson Worldwide, Inc.'s announcement regarding its financial results for the quarter ended June 30, 2020 and its earnings conference call slides.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Number</u>	<u>Description</u>
99.1	<a href="#">Press Release dated July 28, 2020 of C.H. Robinson Worldwide, Inc.</a>
99.2	<a href="#">Earnings conference call slides dated July 29, 2020</a>
104	The cover page from the Current Report on Form 8-K formatted in Inline XBRL.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Ben G. Campbell  
Ben G. Campbell  
Chief Legal Officer and Secretary

Date: July 28, 2020



**C.H. ROBINSON**

C.H. Robinson  
14701 Charlson Rd.  
Eden Prairie, MN 55347  
www.chrobinson.com

**FOR INQUIRIES, CONTACT:**  
Chuck Ives, Director of Investor Relations  
**Email:** [chuck.ives@chrobinson.com](mailto:chuck.ives@chrobinson.com)

FOR IMMEDIATE RELEASE

### **C.H. Robinson Reports 2020 Second Quarter Results**

MINNEAPOLIS, MN, July 28, 2020 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (Nasdaq: CHRW) today reported financial results for the quarter ended June 30, 2020.

**Second Quarter Key Metrics:**

- **Total revenues decreased 7.2 percent to \$3.6 billion**
- **Net revenues decreased 11.6 percent to \$614.5 million**
- **Income from operations decreased 17.0 percent to \$188.8 million**
- **Operating margin decreased 200 basis points to 30.7 percent**
- **Diluted earnings per share (EPS) decreased 13.1 percent to \$1.06**
- **Cash flow from operations increased 124.0 percent to \$447.1 million**

"Despite a volatile environment, we were able to deliver solid performance across all of our business units due to the tireless efforts of the C.H. Robinson team members around the world and our diversified portfolio of logistics services," said Bob Biesterfeld, Chief Executive Officer of C.H. Robinson. "We also continued to make progress on our strategic, long-term initiatives around market share gains and productivity improvements."

Biesterfeld continued, "Our business model is resilient and responsive. We have a strong balance sheet, and we exited the second quarter with \$1.6 billion of liquidity. We are well positioned to weather the economic uncertainty in the months ahead and emerge stronger from this difficult time."

### Second Quarter Results Summary

- **Total revenues** decreased 7.2 percent to \$3.6 billion, driven primarily by lower pricing in truckload and less than truckload (“LTL”) services.
- **Net revenues** decreased 11.6 percent to \$614.5 million, primarily driven by lower margin in truckload services.
- **Operating expenses** decreased 9.0 percent to \$425.7 million, primarily due to \$40 million of short-term cost reductions. **Personnel expenses** decreased 11.3 percent to \$300.5 million, driven primarily by short-term cost reductions and declines in variable compensation. Average headcount decreased 2.7 percent, with acquisitions contributing approximately 1.0 percentage point of growth. Average full-time equivalents decreased 4.7 percent due to furloughs and reduced work hours that were implemented in the second quarter. **Selling, general and administrative (“SG&A”) expenses** decreased 2.8 percent to \$125.2 million. The largest contributor to the decrease was the elimination of non-essential travel, partially offset by an \$11.5 million loss on the sale-leaseback of a company-owned data center.
- **Income from operations** totaled \$188.8 million, down 17.0 percent from last year due to declining net revenues. **Operating margin** of 30.7 percent declined 200 basis points.
- **Interest and other expenses** totaled \$10.2 million, consisting primarily of \$12.4 million of interest expense, which decreased modestly versus last year due to lower average interest rates. The second quarter also included a \$1.8 million favorable impact from foreign currency revaluation and realized foreign currency gains and losses.
- The **effective tax rate** in the quarter was 19.4 percent compared to 23.4 percent last year. The lower effective tax rate was due primarily to the tax benefit from delivery of a one-time deferred stock award that was granted to the company’s prior Chief Executive Officer in 2000.
- **Net income** totaled \$143.9 million, down 14.9 percent from a year ago. **Diluted EPS** of \$1.06 decreased 13.1 percent.

### Year-to-Date Results Summary

- **Total revenues** decreased 3.0 percent to \$7.4 billion, driven by declines across most transportation service lines.
- **Net revenues** decreased 13.9 percent to \$1.2 billion, primarily driven by lower margin in truckload services.
- **Operating expenses** decreased 4.1 percent to \$884.2 million. **Personnel expenses** decreased 7.1 percent to \$630.7 million, driven primarily by short-term cost reductions, including a 1.4 percent decrease in average headcount, a 2.8 percent decrease in average full-time equivalents and a decline in variable compensation. **SG&A expenses** increased 4.3 percent to \$253.5 million, due primarily to an \$11.5 million loss on the sale-leaseback of a company-owned data center.
- **Income from operations** totaled \$298.2 million, down 34.0 percent from last year due to declining net revenues. **Operating margin** of 25.2 percent decreased 770 basis points.

- **Interest and other expenses** totaled \$25.4 million, which primarily consists of \$25.0 million of interest expense. The six-month period also included a \$1.1 million unfavorable impact from foreign currency revaluation and realized foreign currency gains and losses.
- The **effective tax rate** for the six months was 18.6 percent compared to 22.7 percent in the year-ago period. The lower effective tax rate was due primarily to the tax benefit related to stock-based compensation.
- **Net income** totaled \$222.1 million, down 32.9 percent from a year ago. **Diluted EPS** of \$1.64 decreased 31.4 percent.

#### **North American Surface Transportation Results**

Summarized financial results of our NAST segment are as follows (dollars in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% change	2020	2019	% change
Total revenues	\$ 2,475,292	\$ 2,872,053	(13.8)%	\$ 5,299,037	\$ 5,668,837	(6.5)%
Net revenues	379,556	486,418	(22.0)%	752,334	972,968	(22.7)%
Income from operations	136,846	204,732	(33.2)%	235,372	416,015	(43.4)%

Second quarter total revenues for C.H. Robinson's NAST segment totaled \$2.5 billion, a decrease of 13.8 percent over the prior year, primarily driven by lower pricing. NAST net revenues decreased 22.0 percent in the quarter to \$379.6 million, with the March 2020 acquisition of Prime Distribution Services ("Prime") contributing 3.0 percentage points of net revenue growth in the quarter. Net revenues in truckload decreased 28.5 percent, less than truckload net revenues decreased 13.2 percent, and intermodal net revenues increased 26.0 percent versus the year-ago period. Excluding the impact of the change in fuel prices, average North America truckload rate per mile charged to customers decreased approximately 5.5 percent in the quarter, while truckload transportation cost per mile decreased approximately 2 percent. Truckload volume declined 4.5 percent in the quarter, and LTL volumes declined 2.0 percent, both representing market share gains in the quarter when compared to a 21 percent decline in industry volumes, as measured by the Cass Freight Index. Intermodal volumes were flat versus the prior year. Operating expenses decreased 13.8 percent primarily due to short-term cost reductions. Income from operations decreased 33.2 percent to \$136.8 million, and operating margin declined 600 basis points to 36.1 percent. NAST average headcount was down 7.6 percent in the quarter, with Prime contributing 4.5 percentage points of growth. NAST average full-time equivalents, which excludes furloughed employees and accounts for employees with reduced work hours, was down 10.9 percent.

## Global Forwarding Results

Summarized financial results of our Global Forwarding segment are as follows (dollars in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% change	2020	2019	% change
Total revenues	\$ 707,820	\$ 592,483	19.5 %	\$ 1,238,204	\$ 1,130,050	9.6 %
Net revenues	162,960	141,936	14.8 %	291,274	269,172	8.2 %
Income from operations	58,775	26,618	120.8 %	70,734	40,821	73.3 %

Second quarter total revenues for the Global Forwarding segment increased 19.5 percent to \$707.8 million, primarily driven by higher pricing in air due to reduced air cargo capacity, increased charter flights and larger shipment sizes. Net revenues increased 14.8 percent in the quarter to \$163.0 million. Ocean net revenues decreased 7.8 percent, driven primarily by an 8.5 percent decline in volumes. Net revenues in air increased 104.4 percent driven by higher pricing, partially offset by a 35.5 percent decline in shipments. Customs net revenues decreased 16.5 percent, primarily driven by a 17.0 percent reduction in transaction volume. Operating expenses decreased 9.7 percent, primarily driven by decreased personnel expenses. Second quarter average headcount decreased 0.9 percent, and average full-time equivalents decreased 1.7 percent. Income from operations increased 120.8 percent to \$58.8 million, and operating margin expanded 1,730 basis points to 36.1 percent in the quarter.

## All Other and Corporate Results

Total revenues and net revenues for Robinson Fresh, Managed Services and Other Surface Transportation are summarized as follows (dollars in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% change	2020	2019	% change
Total revenues	\$ 444,734	\$ 444,304	0.1 %	\$ 895,613	\$ 861,163	4.0 %
Net revenues:						
Robinson Fresh	\$ 30,202	\$ 31,236	(3.3)%	\$ 57,660	\$ 59,894	(3.7)%
Managed Services	23,503	20,099	16.9 %	46,030	40,411	13.9 %
Other Surface Transportation	18,232	15,527	17.4 %	35,108	31,571	11.2 %

Second quarter Robinson Fresh net revenues decreased 3.3 percent to \$30.2 million, primarily due to a 13.0 percent decrease in case volume, which was driven by a decline in restaurant demand. Managed Services net revenues increased 16.9 percent in the quarter. Other Surface Transportation net revenues increased 17.4 percent to \$18.2 million, with the 2019 acquisition of Dema Service contributing 4.7 percentage points of net revenue growth. Europe truckload net revenue was up 19 percent in the quarter.

## Other Income Statement Items

The second quarter effective tax rate was 19.4 percent, down from 23.4 percent last year. The lower effective tax rate was due primarily to the tax benefit from delivery of a one-time stock award that was granted in 2000. We now expect our 2020 full-year effective tax rate to be 20 to 22 percent.

Interest and other expenses totaled \$10.2 million, consisting primarily of \$12.4 million of interest expense, which decreased modestly versus last year due to lower average interest rates. The second quarter also included a \$1.8 million favorable impact from foreign currency revaluation and realized foreign currency gains and losses.

Diluted weighted average shares outstanding in the quarter were down 1.9 percent due primarily to share repurchases over the past twelve months.



**Cash Flow Generation and Capital Distribution**

Cash from operations totaled \$447.1 million in the second quarter, up 124.0 percent versus the prior year, due primarily to favorable changes in working capital.

In the second quarter, \$68.4 million was returned to shareholders, with \$67.2 million in cash dividends and \$1.2 million in share repurchases related to employee benefit plans.

Capital expenditures totaled \$10.3 million in the quarter. Full-year 2020 capital expenditures are now expected to be on the low end of the \$60 million to \$70 million range, with the majority dedicated to technology.

**Outlook**

“While there is still uncertainty in the freight market and the broader economy, we remain committed to our vital role in the global supply chain by delivering critical and essential goods and services. We'll continue to act in the best long-term interest of our shareholders by balancing short- and long-term cost reduction efforts with continued investments in technology to maximize long-term value creation. As the freight market and economy continue to recover, we're committed to providing best-in-class service to our customers, continuing to grow market share, driving the transformation of C.H. Robinson and emerging from this time of uncertainty as an even stronger company,” Biesterfeld stated.

#### **About C.H. Robinson**

C.H. Robinson solves logistics problems for companies across the globe and across industries, from the simple to the most complex. With nearly \$20 billion in freight under management and 18 million shipments annually, we are one of the world's largest logistics platforms. Our global suite of services accelerates trade to seamlessly deliver the products and goods that drive the world's economy. With the combination of our multimodal transportation management system and expertise, we use our information advantage to deliver smarter solutions for our more than 119,000 customers and 78,000 contract carriers. Our technology is built by and for supply chain experts to bring faster, more meaningful improvements to our customers' businesses. As a responsible global citizen, we are also proud to contribute millions of dollars to support causes that matter to our company, our Foundation and our employees. For more information, visit us at [www.chrobinson.com](http://www.chrobinson.com) (Nasdaq: CHRW).

*Except for the historical information contained herein, the matters set forth in this release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to, such factors such as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; competition and growth rates within the third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to successfully integrate the operations of acquired companies with our historic operations; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with operations outside of the United States; risks associated with the potential impact of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel price increases or decreases, or fuel shortages; cyber-security related risks; the impact of war on the economy; changes to our capital structure; risks related to the elimination of LIBOR; changes due to catastrophic events including pandemics such as COVID-19; and other risks and uncertainties detailed in our Annual and Quarterly Reports. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update such statement to reflect events or circumstances arising after such date. All remarks made during our financial results conference call will be current at the time of the call, and we undertake no obligation to update the replay.*

#### **Conference Call Information**

*C.H. Robinson Worldwide Second Quarter 2020 Earnings Conference Call*

*Wednesday, July 29, 2020; 8:30 a.m. Eastern Time*

*Presentation slides and a simultaneous live audio webcast of the conference call may be accessed through the Investor Relations link on C.H. Robinson's website at [www.chrobinson.com](http://www.chrobinson.com).*

*To participate in the conference call by telephone, please call ten minutes early by dialing: 877-269-7756*

*International callers dial +1-201-689-7817*

*We invite call participants to submit questions in advance of the conference call, and we will respond to as many of the questions as we can in the time allowed. To submit your question(s) in advance of the call, please email [chuck.ives@chrobinson.com](mailto:chuck.ives@chrobinson.com).*

**Summarized Financial Results**  
(*\$ in thousands, except per share data*)

This table of summary results presents our service line net revenues consistent with our historical presentation and is on an enterprise basis. The service line net revenues in the table differ from the service line net revenues discussed within the segments as our segments have revenues from multiple service lines.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% change	2020	2019	% change
Total revenues	\$ 3,627,846	\$ 3,908,840	(7.2)%	\$ 7,432,854	\$ 7,660,050	(3.0)%
Net revenues:						
Transportation						
Truckload	\$ 278,366	\$ 371,351	(25.0)%	\$ 543,292	\$ 749,344	(27.5)%
LTL	106,956	122,991	(13.0)%	220,865	239,220	(7.7)%
Intermodal	7,767	6,298	23.3 %	15,320	12,374	23.8 %
Ocean	78,853	85,472	(7.7)%	148,755	157,005	(5.3)%
Air	52,405	26,134	100.5 %	80,743	53,716	50.3 %
Customs	19,461	23,306	(16.5)%	40,654	45,184	(10.0)%
Other logistics services	42,213	30,062	40.4 %	78,397	60,447	29.7 %
Total transportation	586,021	665,614	(12.0)%	1,128,026	1,317,290	(14.4)%
Sourcing	28,432	29,602	(4.0)%	54,380	56,726	(4.1)%
Total net revenues	614,453	695,216	(11.6)%	1,182,406	1,374,016	(13.9)%
Operating expenses	425,666	467,681	(9.0)%	884,179	921,931	(4.1)%
Income from operations	188,787	227,535	(17.0)%	298,227	452,085	(34.0)%
Net income	\$ 143,939	\$ 169,180	(14.9)%	\$ 222,085	\$ 330,968	(32.9)%
Diluted EPS	\$ 1.06	\$ 1.22	(13.1)%	\$ 1.64	\$ 2.39	(31.4)%

Our total revenues represent the total dollar value of services and goods we sell to our customers. Net revenues are a non-GAAP financial measure calculated as total revenues less the cost of purchased transportation and related services and the cost of purchased products sourced for resale. We believe net revenues are a useful measure of our ability to source, add value, and sell services and products that are provided by third parties, and we consider net revenues to be our primary performance measurement. Accordingly, the discussion of our results of operations often focuses on the changes in our net revenues. The reconciliation of total revenues to net revenues is presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues:				
Transportation	\$ 3,348,611	\$ 3,638,612	\$ 6,890,729	\$ 7,143,544
Sourcing	279,235	270,228	542,125	516,506
Total revenues	3,627,846	3,908,840	7,432,854	7,660,050
Costs and expenses:				
Purchased transportation and related services	2,762,590	2,972,998	5,762,703	5,826,254
Purchased products sourced for resale	250,803	240,626	487,745	459,780
Total costs and expenses	3,013,393	3,213,624	6,250,448	6,286,034
Net revenues	\$ 614,453	\$ 695,216	\$ 1,182,406	\$ 1,374,016

**Condensed Consolidated Statements of Income**  
(unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Revenues:</b>				
Transportation	\$ 3,348,611	\$ 3,638,612	\$ 6,890,729	\$ 7,143,544
Sourcing	279,235	270,228	542,125	516,506
Total revenues	<u>3,627,846</u>	<u>3,908,840</u>	<u>7,432,854</u>	<u>7,660,050</u>
<b>Costs and expenses:</b>				
Purchased transportation and related services	2,762,590	2,972,998	5,762,703	5,826,254
Purchased products sourced for resale	250,803	240,626	487,745	459,780
Personnel expenses	300,483	338,886	630,703	678,984
Other selling, general, and administrative expenses	125,183	128,795	253,476	242,947
Total costs and expenses	<u>3,439,059</u>	<u>3,681,305</u>	<u>7,134,627</u>	<u>7,207,965</u>
Income from operations	188,787	227,535	298,227	452,085
Interest and other expense	(10,211)	(6,615)	(25,439)	(23,755)
Income before provision for income taxes	178,576	220,920	272,788	428,330
Provision for income taxes	34,637	51,740	50,703	97,362
Net income	<u>\$ 143,939</u>	<u>\$ 169,180</u>	<u>\$ 222,085</u>	<u>\$ 330,968</u>
Net income per share (basic)	\$ 1.07	\$ 1.23	\$ 1.64	\$ 2.41
Net income per share (diluted)	\$ 1.06	\$ 1.22	\$ 1.64	\$ 2.39
Weighted average shares outstanding (basic)	135,010	137,185	135,241	137,518
Weighted average shares outstanding (diluted)	135,610	138,256	135,776	138,667

**Business Segment Information**  
(unaudited, dollars in thousands)

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended June 30, 2020				
Total revenues	\$ 2,475,292	\$ 707,820	\$ 444,734	\$ 3,627,846
Net revenues	379,556	162,960	71,937	614,453
Income (loss) from operations	136,846	58,775	(6,834)	188,787
Depreciation and amortization	7,201	9,206	9,351	25,758
Total assets <sup>(1)</sup>	2,793,290	1,029,203	1,003,196	4,825,689
Average headcount	6,960	4,726	3,608	15,294
Average full-time equivalents <sup>(2)</sup>	6,610	4,546	3,464	14,620

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended June 30, 2019				
Total revenues	\$ 2,872,053	\$ 592,483	\$ 444,304	\$ 3,908,840
Net revenues	486,418	141,936	66,862	695,216
Income (loss) from operations	204,732	26,618	(3,815)	227,535
Depreciation and amortization	6,131	9,315	9,636	25,082
Total assets <sup>(1)</sup>	2,685,477	1,014,235	984,397	4,684,109
Average headcount	7,533	4,770	3,409	15,712
Average full-time equivalents <sup>(2)</sup>	7,416	4,624	3,300	15,340

<sup>(1)</sup> All cash and cash equivalents are included in All Other and Corporate.

<sup>(2)</sup> Average full-time equivalents excludes furloughed employees and accounts for employees with reduced work hours.

**Business Segment Information**  
(unaudited, dollars in thousands)

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Six Months Ended June 30, 2020				
Total revenues	\$ 5,299,037	\$ 1,238,204	\$ 895,613	\$ 7,432,854
Net revenues	752,334	291,274	138,798	1,182,406
Income (loss) from operations	235,372	70,734	(7,879)	298,227
Depreciation and amortization	12,455	18,355	19,341	50,151
Total assets <sup>(1)</sup>	2,793,290	1,029,203	1,003,196	4,825,689
Average headcount	6,981	4,763	3,594	15,338
Average full-time equivalents <sup>(2)</sup>	6,710	4,599	3,463	14,772

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Six Months Ended June 30, 2019				
Total revenues	\$ 5,668,837	\$ 1,130,050	\$ 861,163	\$ 7,660,050
Net revenues	972,968	269,172	131,876	1,374,016
Income (loss) from operations	416,015	40,821	(4,751)	452,085
Depreciation and amortization	12,390	18,241	19,011	49,642
Total assets <sup>(2)</sup>	2,685,477	1,014,235	984,397	4,684,109
Average headcount	7,486	4,728	3,343	15,557
Average full-time equivalents <sup>(2)</sup>	7,376	4,582	3,241	15,199

<sup>(1)</sup> All cash and cash equivalents are included in All Other and Corporate.

<sup>(2)</sup> Average full-time equivalents excludes furloughed employees and accounts for employees with reduced work hours.

**Condensed Consolidated Balance Sheets**  
(unaudited, in thousands)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 362,236	\$ 447,858
Receivables, net of allowance for credit loss	2,018,190	1,974,381
Contract assets, net of allowance for credit loss	154,416	132,874
Prepaid expenses and other	69,084	85,005
<b>Total current assets</b>	<b>2,603,926</b>	<b>2,640,118</b>
Property and equipment, net	188,252	208,423
Right-of-use lease assets	339,495	310,860
Intangible and other assets	1,694,016	1,481,659
<b>Total assets</b>	<b>\$ 4,825,689</b>	<b>\$ 4,641,060</b>
<b>Liabilities and stockholders' investment</b>		
Current liabilities:		
Accounts payable and outstanding checks	\$ 1,288,136	\$ 1,062,835
Accrued expenses:		
Compensation	125,381	112,784
Transportation expense	121,478	101,194
Income taxes	14,825	12,354
Other accrued liabilities	58,965	62,706
Current lease liabilities	64,595	61,280
Current portion of debt	—	142,885
<b>Total current liabilities</b>	<b>1,673,380</b>	<b>1,556,038</b>
Long-term debt	1,092,873	1,092,448
Noncurrent lease liabilities	280,448	259,444
Noncurrent income taxes payable	22,481	22,354
Deferred tax liabilities	51,921	39,776
Other long-term liabilities	258	270
<b>Total liabilities</b>	<b>3,121,361</b>	<b>2,970,330</b>
<b>Total stockholders' investment</b>	<b>1,704,328</b>	<b>1,670,730</b>
<b>Total liabilities and stockholders' investment</b>	<b>\$ 4,825,689</b>	<b>\$ 4,641,060</b>

**Condensed Consolidated Statements of Cash Flow**  
(unaudited, in thousands, except operational data)

	Six Months Ended June 30,	
	2020	2019
Operating activities:		
Net income	\$ 222,085	\$ 330,968
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50,151	49,642
Provision for credit losses	9,374	3,224
Stock-based compensation	22,351	31,807
Deferred income taxes	(729)	(5,322)
Excess tax benefit on stock-based compensation	(11,999)	(5,353)
Other operating activities	12,341	961
Changes in operating elements, net of acquisitions:		
Receivables	(48,937)	89,175
Contract assets	(22,451)	(19,380)
Prepaid expenses and other	8,744	(16,404)
Accounts payable and outstanding checks	220,276	37,378
Accrued compensation	12,312	(60,976)
Accrued transportation expenses	20,284	19,149
Accrued income taxes	14,423	(3,051)
Other accrued liabilities	(6,345)	4,166
Other assets and liabilities	3,763	542
Net cash provided by operating activities	505,643	456,526
Investing activities:		
Purchases of property and equipment	(11,621)	(16,774)
Purchases and development of software	(13,418)	(14,790)
Acquisitions, net of cash acquired	(223,230)	(58,379)
Other investing activities	5,525	8
Net cash used for investing activities	(242,744)	(89,935)
Financing activities:		
Proceeds from stock issued for employee benefit plans	20,295	27,952
Net repurchases of common stock	(83,529)	(186,302)
Cash dividends	(137,104)	(139,010)
Proceeds from long-term borrowings	—	473,000
Payments on long-term borrowings	—	(561,000)
Proceeds from short-term borrowings	979,600	14,000
Payments on short-term borrowings	(1,122,600)	(19,000)
Net cash used for financing activities	(343,338)	(390,360)
Effect of exchange rates on cash	(5,183)	461
Net change in cash and cash equivalents	(85,622)	(23,308)
Cash and cash equivalents, beginning of period	447,858	378,615
Cash and cash equivalents, end of period	\$ 362,236	\$ 355,307
	As of June 30,	
Operational Data:	2020	2019
Employees	15,113	15,910
Full-time equivalents <sup>(1)</sup>	14,103	15,517

<sup>(1)</sup> Full-time equivalents excludes furloughed employees and accounts for employees with reduced work hours.

Source: C.H. Robinson  
CHRW-IR





Earnings Conference Call – Second Quarter 2020  
July 29, 2020

Bob Biesterfeld, CEO  
Mike Zechmeister, CFO  
Chuck Ives, Director of Investor Relations



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# Safe Harbor Statement

Except for the historical information contained herein, the matters set forth in this presentation and the accompanying earnings release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to such factors as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; competition and growth rates within the third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to successfully integrate the operations of acquired companies with our historic operations; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with operations outside of the United States; risks associated with the potential impact of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel price increases or decreases, or fuel shortages; cyber-security related risks; the impact of war on the economy; changes to our capital structure; risks related to the elimination of LIBOR; changes due to catastrophic events including pandemics such as COVID-19; and other risks and uncertainties detailed in our Annual and Quarterly Reports.



## Q2 2020 Opening Remarks

- Solid performance from all business segments despite unprecedented volatility
- Continued market share gains in NAST
- Results benefited from diverse portfolio of logistics services
- Productivity improvements driven by technology investments and cost control
- Improved liquidity to \$1.6 billion from strong Q2 cash flow



# Results Q2 2020

in thousands, except per share amounts and headcount

Three Months Ended June 30

Six Months Ended June 30

	2020	2019	% Change	2020	2019	% Change
Total Revenues	\$3,627,846	\$3,908,840	(7.2%)	\$7,432,854	\$7,660,050	(3.0%)
Total Net Revenues	\$614,453	\$695,216	(11.6%)	\$1,182,406	\$1,374,016	(13.9%)
Net Revenue Margin %	16.9%	17.8%	(90 bps)	15.9%	17.9%	(200 bps)
Personnel Expenses	\$300,483	\$338,886	(11.3%)	\$630,703	\$678,984	(7.1%)
Selling, General, and Admin	\$125,183	\$128,795	(2.8%)	\$253,476	\$242,947	4.3%
Income from Operations	\$188,787	\$227,535	(17.0%)	\$298,227	\$452,085	(34.0%)
Operating Margin %	30.7%	32.7%	(200 bps)	25.2%	32.9%	(770 bps)
Depreciation and Amortization	\$25,758	\$25,082	2.7%	\$50,151	\$49,642	1.0%
Net Income	\$143,939	\$169,180	(14.9%)	\$222,085	\$330,968	(32.9%)
Earnings Per Share (Diluted)	\$1.06	\$1.22	(13.1%)	\$1.64	\$2.39	(31.4%)
Average Headcount	15,294	15,712	(2.7%)	15,338	15,557	(1.4%)
Average Full-Time Equivalents <sup>(1)</sup>	14,620	15,340	(4.7%)	14,772	15,199	(2.8%)

- Decline in net revenues driven primarily by margin compression in truckload and less-than-truckload (LTL), partially offset by margin expansion in airfreight
- Decrease in operating expenses driven by approximately \$40 million of short-term cost reductions and a decline in variable compensation expense, partially offset by an \$11.5 million loss on the sale-leaseback of a company-owned data center



## Q2 2020 Other Income Statement Items

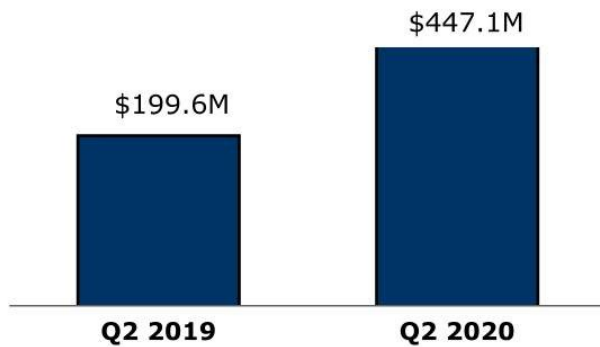
- Q2 effective tax rate of 19.4% vs. 23.4% in Q2 2019
  - Lower tax rate due to tax benefit from delivery of a one-time deferred stock award granted to prior CEO in 2000
  - Expect full-year 2020 effective tax rate to be 20.0%-22.0%
- \$1.8 million favorable impact from currency revaluation, versus a \$2.8 million favorable impact in Q2 2019
- Interest expense declined modestly versus Q2 2019 due to lower average interest rates



# Q2 2020 Cash Flow and Capital Distribution

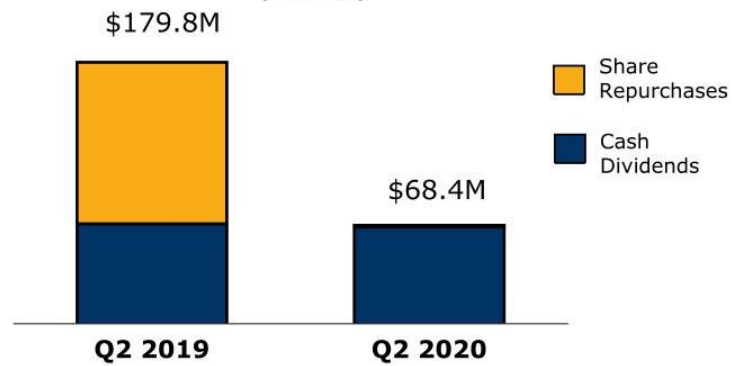
## Cash Flow from Operations

124.0%



## Capital Distribution

(61.9%)



- \$247.5 million increase in cash flow driven by changes in working capital
- \$10.3 million in capital expenditures
- Expect 2020 full-year capital expenditures to be on the low end of the \$60-70 million range

- \$68.4 million returned to shareholders
- Opportunistic share repurchase program suspended in March; expected to resume in Q4
- Committed to maintaining dividend



# Q2 2020 Balance Sheet

in thousands

	June 30, 2020	June 30, 2019	% Change
Accounts Receivable, Net <sup>(1)</sup>	\$2,172,606	\$2,279,261	(4.7%)
Accounts Payable <sup>(2)</sup>	\$1,409,614	\$1,261,615	11.7%
<b>Net Operating Working Capital<sup>(3)</sup></b>	<b>\$762,992</b>	<b>\$1,017,646</b>	<b>(25.0%)</b>

- Total debt balance \$1.09 billion
  - \$600 million senior unsecured notes maturing April 2028, 4.20% coupon
  - \$500 million private placement debt, 4.28% average coupon
    - \$175 million maturing in August 2023, \$150 million maturing in August 2028 and \$175 million maturing in August 2033
  - 3.9% weighted average interest rate in the quarter, including
    - 1.18% average interest rate (LIBOR + 65 bps) on \$125 million average balance for \$250 million accounts receivable securitization debt facility maturing December 2020
    - 1.68% average interest rate (LIBOR + 112.5 bps) on \$12 million average balance for \$1 billion credit facility maturing October 2023

(1) Accounts receivable amount includes contract assets.

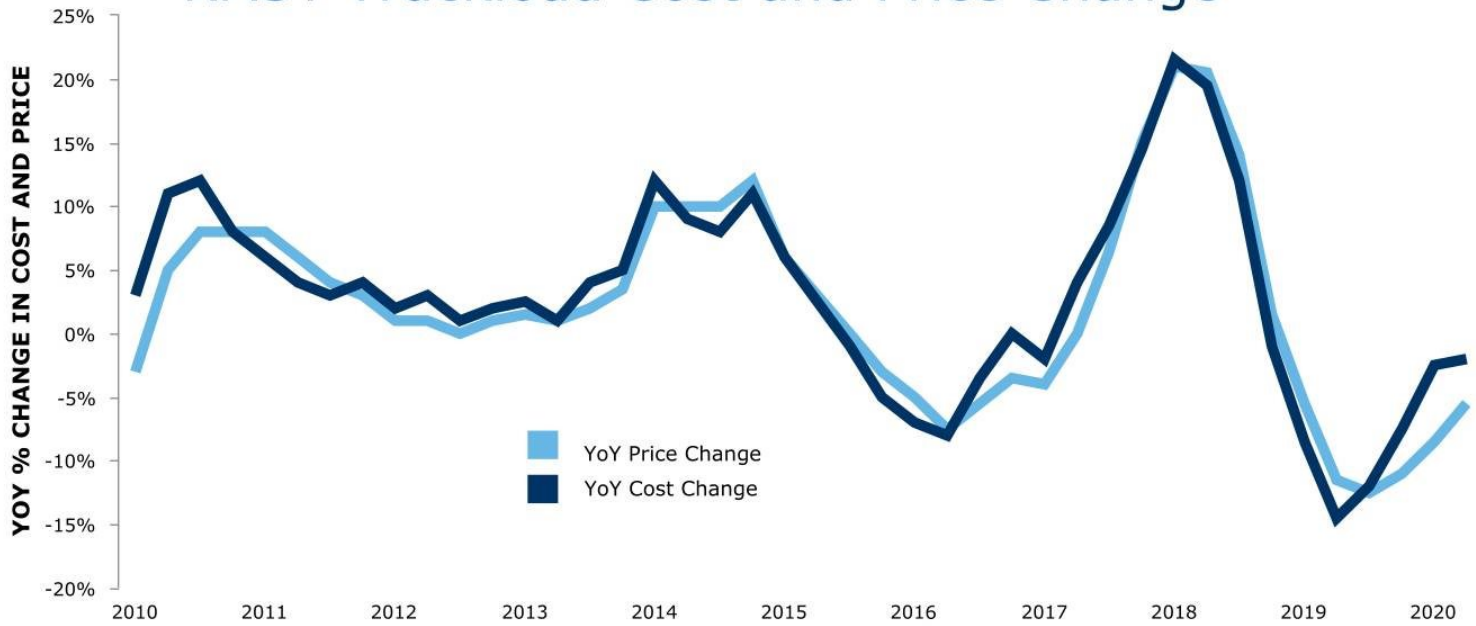
(2) Accounts payable amount includes outstanding checks and accrued transportation expense.

(3) Net operating working capital is defined as net accounts receivable less accounts payable.



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# NAST Truckload Cost and Price Change<sup>(1)(2)</sup>



- 65% / 35% truckload contractual to transactional volume mix
- Average routing guide depth from Managed Services business of 1.2 for the sixth consecutive quarter

NAST Truckload		Q2
Volume <sup>(2)</sup>		(4.5%)
Pricing <sup>(2)(3)(4)</sup>		(5.5%)
Cost <sup>(2)(3)(4)</sup>		(2.0%)
Net Revenue Margin		↓

(1) North American Surface Transportation ("NAST") truckload cost and price change chart represents truckload shipments in North America.

(2) Growth rates are rounded to the nearest 0.5 percent.

(3) Pricing and cost measures exclude the estimated impact of the change in fuel prices.

(4) Represents price and cost YoY change for North America shipments across all segments.



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# Q2 2020 NAST Results by Service Line

## Truckload, Less Than Truckload and Intermodal

in thousands

Three Months Ended June 30

Net Revenues	2020	2019	% Change
Truckload	\$252,165	\$352,912	(28.5%)
LTL	\$105,428	\$121,526	(13.2%)
Intermodal	\$7,588	\$6,021	26.0%
Other	\$14,375	\$5,959	141.2%
Total Net Revenues	\$379,556	\$486,418	(22.0%)
Net Revenue Margin %	15.3 %	16.9 %	(160 bps)

	Truckload	LTL	Intermodal
Pricing <sup>(1)(2)</sup>	↓	↓	↓
Cost <sup>(1)(2)</sup>	↓	↓	↓
Volume	↓	↓	↔
Net Revenue Margin	↓	↓	↑

- Net revenue margin compression in truckload and LTL
- Added 3,700 new carriers in the quarter
- Prime Distribution integration is going well
- Prime Distribution net revenue impact to NAST<sup>(3)</sup>:
  - LTL +4 pts
  - Total NAST +3 ppt

(1) Represents price and cost YoY change for North America shipments across all segments.

(2) Pricing and cost measures exclude the estimated impact of the change in fuel prices.

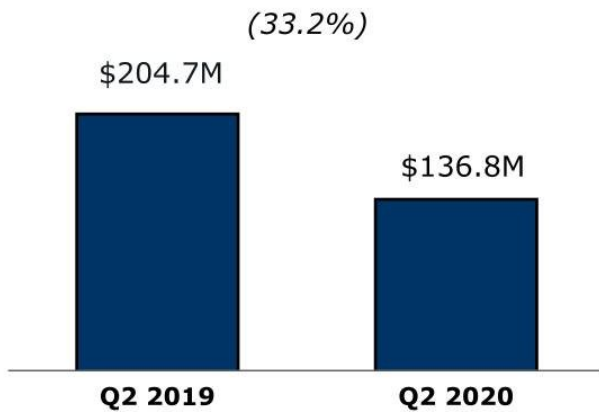
(3) Growth rates are rounded to the nearest percent.



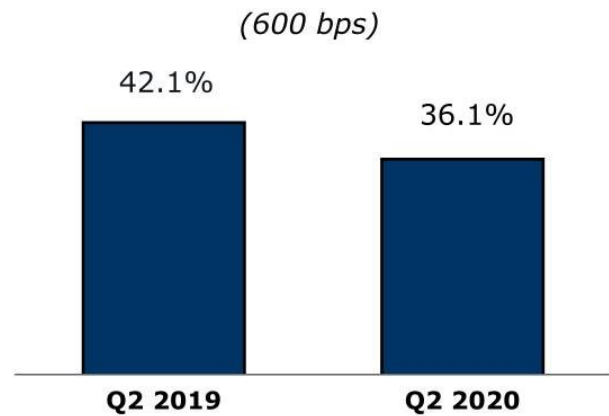
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# Q2 2020 NAST Operating Income

## Operating Income



## Operating Margin %



- Decrease in net revenues vs. historically high net revenue in Q2 2019
- Lower personnel expenses and reduced SG&A expenses
- Average headcount including furloughed employees decreased 7.6%
  - Prime Distribution acquisition contributed 4.5 percentage points to NAST headcount growth<sup>(1)</sup>
  - Average full-time equivalents decreased 10.9%<sup>(2)</sup>



# Q2 2020 Global Forwarding Results by Service Line

## Ocean, Air and Customs

in thousands

Three Months Ended June 30

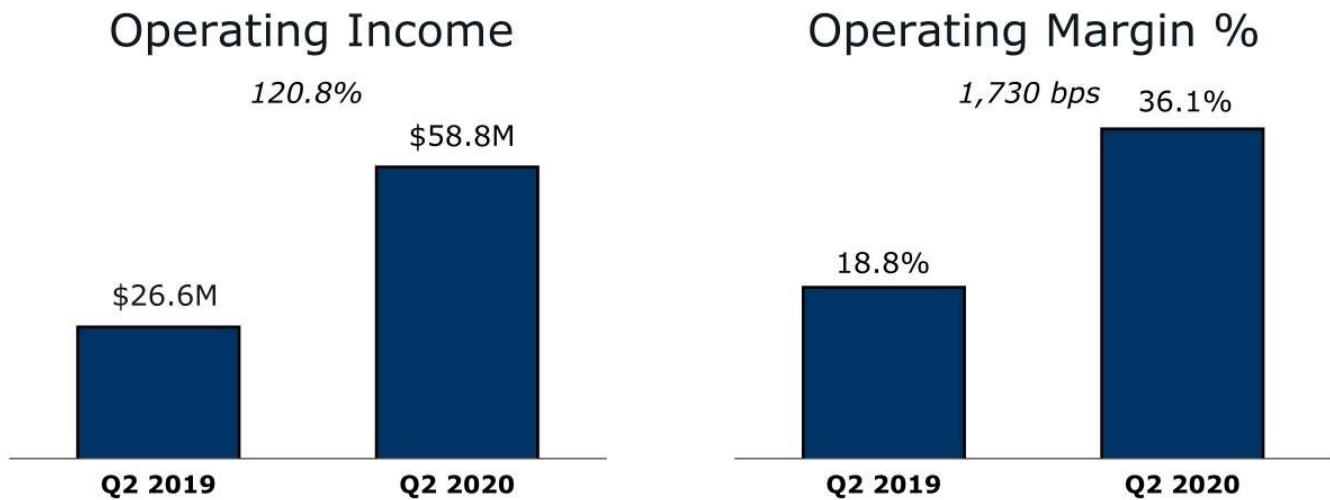
Net Revenues	2020	2019	% Change
Ocean	\$78,734	\$85,389	(7.8%)
Air	\$51,541	\$25,212	104.4%
Customs	\$19,459	\$23,296	(16.5%)
Other	\$13,226	\$8,039	64.5%
<b>Total Net Revenues</b>	<b>\$162,960</b>	<b>\$141,936</b>	<b>14.8%</b>
Net Revenue Margin %	23.0%	24.0%	(100 bps)

	Ocean	Air
Pricing	↑	↑
Volume	↓	↓
Net Revenue Margin	↓	↑

- Air net revenue increase due to unusually high rates and market share gains
- Air market impacted by reduced air cargo capacity, increased charter flights and larger shipment sizes
- Ocean and customs net revenue declines due to lower volume



# Q2 2020 Global Forwarding Operating Income



- 14.8% increase in net revenues
- Lower personnel expenses and reduced SG&A expenses
- 0.9% decrease in average headcount including furloughed employees
  - 1.7% decrease in average full-time equivalents<sup>(1)</sup>



# Q2 2020 All Other and Corporate Results

## Robinson Fresh, Managed Services and Other Surface Transportation

in thousands

Three Months Ended June 30

Net Revenues	2020	2019	% Change
Robinson Fresh	\$30,202	\$31,236	(3.3%)
Managed Services	\$23,503	\$20,099	16.9%
Other Surface Transportation	\$18,232	\$15,527	17.4%
<b>Total</b>	<b>\$71,937</b>	<b>\$66,862</b>	<b>7.6%</b>

### Robinson Fresh

- Case volume decline of 13% driven by a decrease in restaurant demand<sup>(1)</sup>
- Cost controls led to improved operating income

### Managed Services

- Strong growth from new and existing customers

### Other Surface Transportation

- 19% increase in Europe truckload net revenue
- Dema Service acquisition added 4.7 percentage points of net revenue growth<sup>(1)</sup>



## Final Comments

- Balancing continued investment in technology to drive growth with cost reductions
- Committed to emerging stronger from this time of uncertainty





# Appendix



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# Q2 2020 Transportation Results<sup>(1)</sup>

in thousands

Transportation	Three Months Ended June 30			Six Months Ended June 30		
	2020	2019	% Change	2020	2019	% Change
Total Revenues	\$3,348,611	\$3,638,612	(8.0%)	\$6,890,729	\$7,143,544	(3.5%)
Total Net Revenues	\$586,021	\$665,614	(12.0%)	\$1,128,026	\$1,317,290	(14.4%)
Net Revenue Margin %	17.5%	18.3%	(80 bps)	16.4%	18.4%	(200 bps)

Transportation Net Revenue Margin %	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%	15.3%
Q2	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%	17.5%
Q3	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%	
Q4	16.3%	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	15.6%	
Total	16.5%	15.8%	15.4%	15.9%	17.9%	18.4%	16.6%	16.7%	17.3%	





# Q2 2020 NAST Results

*in thousands, except headcount*

Three Months Ended June 30

Six Months Ended June 30

	2020	2019	% Change	2020	2019	% Change
Total Revenues	\$2,475,292	\$2,872,053	(13.8%)	\$5,299,037	\$5,668,837	(6.5%)
Total Net Revenues	\$379,556	\$486,418	(22.0%)	\$752,334	\$972,968	(22.7%)
Net Revenue Margin %	15.3%	16.9%	(160 bps)	14.2%	17.2%	(300 bps)
Income from Operations	\$136,846	\$204,732	(33.2%)	\$235,372	\$416,015	(43.4%)
Operating Margin %	36.1%	42.1%	(600 bps)	31.3%	42.8%	(1,150 bps)
Depreciation and Amortization	\$7,201	\$6,131	17.5%	\$12,455	\$12,390	0.5%
Total Assets	\$2,793,290	\$2,685,477	4.0%	\$2,793,290	\$2,685,477	4.0%
Average Headcount	6,960	7,533	(7.6%)	6,981	7,486	(6.7%)
Average Full-Time Equivalents <sup>(1)</sup>	6,610	7,416	(10.9%)	6,710	7,376	(9.0%)



# Q2 2020 Global Forwarding Results

*in thousands, except headcount*

Three Months Ended June 30

Six Months Ended June 30

	2020	2019	% Change	2020	2019	% Change
Total Revenues	\$707,820	\$592,483	19.5%	\$1,238,204	\$1,130,050	9.6%
Total Net Revenues	\$162,960	\$141,936	14.8%	\$291,274	\$269,172	8.2%
Net Revenue Margin %	23.0%	24.0%	(100 bps)	23.5%	23.8%	(30 bps)
Income from Operations	\$58,775	\$26,618	120.8%	\$70,734	\$40,821	73.3%
Operating Margin %	36.1%	18.8%	1,730 bps	24.3 %	15.2 %	910 bps
Depreciation and Amortization	\$9,206	\$9,315	(1.2%)	\$18,355	\$18,241	0.6%
Total Assets	\$1,029,203	\$1,014,235	1.5%	\$1,029,203	\$1,014,235	1.5%
Average Headcount	4,726	4,770	(0.9%)	4,763	4,728	0.7%
Average Full-Time Equivalents <sup>(1)</sup>	4,546	4,624	(1.7%)	4,599	4,582	0.4%



# Q2 2020 All Other and Corporate Results

*in thousands, except headcount*

Three Months Ended June 30

Six Months Ended June 30

	2020	2019	% Change	2020	2019	% Change
Total Revenues	\$444,734	\$444,304	0.1%	\$895,613	\$861,163	4.0%
Total Net Revenues	\$71,937	\$66,862	7.6%	\$138,798	\$131,876	5.2%
Income from Operations	(\$6,834)	(\$3,815)	NM	(\$7,879)	(\$4,751)	NM
Depreciation and Amortization	\$9,351	\$9,636	(3.0%)	\$19,341	\$19,011	1.7%
Total Assets	\$1,003,196	\$984,397	1.9%	\$1,003,196	\$984,397	1.9%
Average Headcount	3,608	3,409	5.8%	3,594	3,343	7.5%
Average Full-Time Equivalents <sup>(1)</sup>	3,464	3,300	5.0%	3,463	3,241	6.9%





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