
**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: October 30, 2018
(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)

14701 Charlson Road, Eden Prairie, Minnesota
(Address of principal executive offices)

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

55347-5088
(Zip Code)

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

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))

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 September 30, 2018 and its earnings conference call slides.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Index

- 99.1 [Press Release dated October 30, 2018 of C.H. Robinson Worldwide, Inc.](#)
 - 99.2 [Earnings conference call slides dated October 31, 2018](#)
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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: October 30, 2018



C.H. ROBINSON

C.H. Robinson
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Eden Prairie, MN 55347
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FOR INQUIRIES, CONTACT:

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FOR IMMEDIATE RELEASE

C.H. Robinson Reports 2018 Third Quarter Results

MINNEAPOLIS, MN, October 30, 2018 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (NASDAQ: CHRW) today reported financial results for the quarter ended September 30, 2018 .

- **Total revenues increased 13.4 percent to \$4.3 billion**
- **Net revenues increased 16.9 percent to \$694.0 million**
- **Income from operations increased 26.5 percent to \$246.0 million**
- **Diluted earnings per share (EPS) increased 47.1 percent to \$1.25**
- **Cash flow from operations increased 222.5 percent to \$220.4 million**

"Our strong third quarter financial performance reflects great execution by the employees across our global network. We delivered another quarter of double-digit increases in both net revenue and operating income and a 270 basis point increase in operating income margin. Truckload volume trends improved sequentially, and we delivered volume growth in many of our other service lines," said John Wiehoff, Chairman and Chief Executive Officer of C.H. Robinson. "Our strong operating income performance, combined with improved working capital and the benefits of U.S. tax reform, enabled us to generate significant increases in cash flow from operations and cash returns to shareholders in the quarter."

Third Quarter Results Summary

- **Total revenues** increased 13.4 percent to \$4.3 billion , driven by growth across all transportation service lines.
- **Net revenues** increased 16.9 percent to \$694.0 million , driven primarily by growth in truckload, less than truckload (“LTL”), customs and air services.
- **Operating expenses** increased 12.2 percent to \$448.1 million . **Personnel expenses** increased 14.4 percent to \$335.3 million , driven primarily by higher variable compensation expense and a 2.6 percent increase in average headcount. **Selling, general and administrative (“SG&A”) expenses** increased 6.2 percent to \$112.8 million , due primarily to increases in purchased services and occupancy, partially offset by decreases in equipment rental and maintenance and insurance expenses.
- **Income from operations** totaled \$246.0 million , up 26.5 percent from last year due to growth in North American Surface Transportation (“NAST”) and Robinson Fresh, partially offset by declines in Global Forwarding and All Other and Corporate. **Operating margin** of 35.4 percent increased 270 basis points.
- **Interest and other expenses** decreased by \$4.0 million , driven primarily by a \$7 million favorable impact from currency revaluation, partially offset by higher interest expense due to higher debt levels and an increase in variable interest rates.
- The **effective tax rate** in the quarter was 26.5 percent compared to 35.2 percent last year, driven primarily by a \$16.9 million benefit from the Tax Cuts and Jobs Act of 2017.
- **Net income** totaled \$175.9 million , up 47.6 percent from a year ago. **Diluted EPS** of \$1.25 increased 47.1 percent .

Year-to-Date Results Summary

- **Total revenues** increased 14.5 percent to \$12.5 billion , driven by growth across all transportation service lines.
- **Net revenues** increased 14.7 percent to \$2.0 billion , driven primarily by growth in truckload, LTL, air, ocean and customs services.
- **Income from operations** totaled \$656.6 million , up 16.4 percent from last year due primarily to growth in NAST, partially offset by a decline in Global Forwarding. **Operating margin** of 33.0 percent increased 50 basis points.
- The **effective tax rate** in the first nine months was 24.7 percent compared to 34.2 percent last year, driven primarily by a \$55.0 million benefit from the Tax Cuts and Jobs Act of 2017.
- **Net income** totaled \$477.4 million , up 35.5 percent from a year ago. **Diluted EPS** of \$3.39 increased 36.1 percent .

North American Surface Transportation Results

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% change	2018	2017	% change
Total revenues ⁽¹⁾	\$ 2,931,461	\$ 2,469,420	18.7%	\$ 8,473,376	\$ 7,110,223	19.2%
Net revenues	465,522	377,403	23.3%	1,317,104	1,109,749	18.7%
Income from operations	204,158	151,392	34.9%	562,802	447,553	25.8%

⁽¹⁾ Excludes intersegment revenues.

Third quarter total revenues for C.H. Robinson's NAST segment totaled \$2.9 billion , an increase of 18.7 percent over the prior year, primarily driven by increased pricing. NAST net revenues increased 23.3 percent in the quarter to \$465.5 million . Net revenues in truckload increased 25.5 percent , LTL net revenues increased 19.6 percent , and intermodal net revenues increased 10.8 percent , all primarily driven by higher pricing. Excluding the impact of the change in fuel prices, our average North America truckload rate per mile charged to customers increased approximately 14 percent in the quarter, while our truckload transportation cost per mile increased approximately 12 percent . Truckload volume declined 0.5 percent in the quarter. LTL volumes grew 4.5 percent , and intermodal volumes declined 6 percent versus the prior year. Operating expenses increased 15.6 percent , primarily due to increased variable compensation. Income from operations increased 34.9 percent to \$204.2 million , and operating margin expanded 380 basis points to 43.9 percent in the quarter. NAST average headcount was approximately flat in the quarter.

Global Forwarding Results

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% change	2018	2017	% change
Total revenues ⁽¹⁾	\$ 639,268	\$ 552,134	15.8 %	\$ 1,810,619	\$ 1,549,742	16.8 %
Net revenues	134,101	129,842	3.3 %	401,169	357,411	12.2 %
Income from operations	23,835	31,125	(23.4)%	61,844	75,006	(17.5)%

⁽¹⁾ Excludes intersegment revenues.

Third quarter total revenues for the Global Forwarding segment increased 15.8 percent to \$639.3 million driven by pricing and volume growth across all service lines. Net revenues increased 3.3 percent in the

quarter to \$134.1 million . Ocean net revenues decreased 7.9 percent driven by higher purchased transportation costs. Net revenues in air increased 17.7 percent , and customs net revenues increased 33.8 percent , both driven by higher volumes and pricing. The acquisition of Milgram & Company (“Milgram”) added approximately 3 percentage points to the net revenue growth in the quarter. Operating expenses increased 11.7 percent , primarily driven by an 8.9 percent increase in average headcount and higher variable compensation. Milgram added approximately 5 percentage points to the Global Forwarding average headcount. Income from operations decreased 23.4 percent to \$23.8 million , and operating margin declined 620 basis points to 17.8 percent in the quarter.

Robinson Fresh Results

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% change	2018	2017	% change
Total revenues ⁽¹⁾	\$ 565,590	\$ 613,646	(7.8)%	\$ 1,737,083	\$ 1,821,094	(4.6)%
Net revenues	60,340	54,253	11.2 %	169,747	171,936	(1.3)%
Income from operations	21,411	11,586	84.8 %	39,950	40,487	(1.3)%

⁽¹⁾ Excludes intersegment revenues.

Third quarter total revenues for the Robinson Fresh segment declined 7.8 percent to \$565.6 million . Segment net revenues expanded 11.2 percent to \$60.3 million in the quarter. Sourcing net revenues decreased 15.4 percent . Case volumes declined 9.5 percent , driven by a strategic customer exiting the fresh produce business, lower levels of customer promotional activity at our retail customers and lower restaurant traffic at our foodservice customers. Transportation net revenues increased 43.6 percent , primarily driven by truckload pricing increases. Robinson Fresh operating expenses decreased 8.8 percent driven by a 5.8 percent reduction in average headcount and lower SG&A expenses. Income from operations increased 84.8 percent to \$21.4 million , and operating margin expanded 1,410 basis points to 35.5 percent in the quarter.

All Other and Corporate Results

Net revenues for Managed Services and Other Surface Transportation are summarized as follows (dollars in thousands):

Net revenues	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% change	2018	2017	% change
Managed Services	\$ 20,080	\$ 18,487	8.6%	\$ 58,471	\$ 53,844	8.6%
Other Surface Transportation	14,001	13,861	1.0%	44,961	43,261	3.9%

Third quarter Managed Services net revenues increased 8.6 percent to \$20.1 million , driven by a combination of selling additional service lines to existing customers and new customer wins. Third quarter Other Surface Transportation net revenues increased 1.0 percent to \$14.0 million .

Other Income Statement Items

The third quarter effective tax rate was 26.5 percent , down from 35.2 percent last year. The lower tax rate was primarily driven by the impact of the Tax Cuts and Jobs Act passed in December 2017. We continue to expect our full year effective tax rate to be between 24 and 25 percent in 2018.

Due to the adoption of ASU 2014-09 (“Revenue from Contracts with Customers”), in-transit shipments are now included in our financial results as of January 1, 2018. We do not expect this new policy to have a material impact on our overall operating results for the full year.

Interest and other expenses decreased by \$4.0 million in the quarter driven primarily by a \$7 million favorable impact from currency revaluation, partially offset by higher interest expense due to higher debt levels and an increase in variable interest rates.

Diluted weighted average shares outstanding in the quarter were down 0.6 percent , as share repurchases were partially offset by activity in our equity compensation plans.

Cash Flow Generation and Capital Distribution

Cash from operations totaled \$220.4 million , up 222.5 percent versus the prior year, primarily due to improvements in working capital and increased earnings versus the year-ago period.

In the third quarter , \$150.8 million was returned to shareholders, with \$64.6 million in cash dividends and \$86.2 million in share repurchases. This represents an increase of 18.7 percent over the prior year.

Capital expenditures totaled \$19.5 million in the quarter. We continue to expect 2018 capital expenditures to be between \$60 and \$70 million, with the majority dedicated to technology.

Outlook

“Regardless of the freight environment, we build long-term committed relationships with shippers and carriers around the world and also fulfill spot market opportunities when they become available,” said John Wichoff. “At the same time, we also focus on operating cost efficiency, driving higher levels of productivity and increasing returns to our shareholders. We believe the strength of this business model is reflected in our strong third quarter financial performance.”

John added, “Moving forward, we will continue our investments in digital transformation to expand the supply chain expertise we provide to our customers and carriers and drive operating efficiencies in our business to increase returns to our employees and shareholders. I am confident that we have the right people, processes and technology to continue to win in the marketplace.”

About C.H. Robinson

At C.H. Robinson, we believe in accelerating global trade to seamlessly deliver the products and goods that drive the world's economy. Using the strengths of our knowledgeable people, proven processes, and global technology, we help our customers work smarter, not harder. As one of the world's largest third-party logistics providers (3PL), we provide a broad portfolio of logistics services, fresh produce sourcing and managed services for more than 120,000 customers and 73,000 active contract carriers through our integrated network of offices and more than 15,000 employees. In addition, the company, our Foundation and our employees contribute millions of dollars annually to a variety of organizations. Headquartered in Eden Prairie, Minnesota, C.H. Robinson (CHRW) has been publicly traded since 1997. For more information, visit www.chrobinson.com.

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 as changes in economic conditions, including uncertain consumer demand; economic recessions; changes in market demand and pressures on the pricing for our services; fuel prices and availability; changes in the availability of equipment and services from third party providers, including the availability of contracted truckload carriers and changes in prices; changes in political and governmental conditions domestically and internationally; catastrophic events such as environmental events or terrorist attacks; failure to retain employees; failure of any of our technology or operating systems, including due to data security breaches or hacking; competition and growth rates within the third party logistics industry; risks associated with our decentralized operations; seasonality in the transportation industry; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the produce industry, including food safety and contamination issues; risk of unexpected or unanticipated events or opportunities that might require additional capital expenditures; our dependence on our largest customers; risks associated with identifying suitable acquisitions and investments and with integrating acquired companies; risks associated with our long-term growth and profitability; 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 Third Quarter 2018 Earnings Conference Call

Wednesday, October 31, 2018 ; 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.

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

Callers should reference the conference ID, which is 13683578

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 adrienne.brausen@chrobinson.com.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% change	2018	2017	% change
Total revenues	\$ 4,291,900	\$ 3,784,451	13.4 %	\$ 12,493,264	\$ 10,909,594	14.5 %
Net revenues:						
Transportation						
Truckload	\$ 378,572	\$ 301,025	25.8 %	\$ 1,050,305	\$ 887,865	18.3 %
LTL	122,616	101,870	20.4 %	353,949	301,706	17.3 %
Intermodal	8,361	7,478	11.8 %	23,874	23,278	2.6 %
Ocean	74,839	81,182	(7.8)%	230,718	217,495	6.1 %
Air	29,991	25,529	17.5 %	89,779	73,166	22.7 %
Customs	23,305	17,421	33.8 %	64,754	49,810	30.0 %
Other logistics services	31,188	29,580	5.4 %	91,474	87,563	4.5 %
Total transportation	668,872	564,085	18.6 %	1,904,853	1,640,883	16.1 %
Sourcing	25,172	29,761	(15.4)%	86,599	95,318	(9.1)%
Total net revenues	694,044	593,846	16.9 %	1,991,452	1,736,201	14.7 %
Operating expenses	448,071	399,381	12.2 %	1,334,886	1,171,958	13.9 %
Income from operations	245,973	194,465	26.5 %	656,566	564,243	16.4 %
Net income	\$ 175,895	\$ 119,186	47.6 %	\$ 477,355	\$ 352,337	35.5 %
Diluted EPS	\$ 1.25	\$ 0.85	47.1 %	\$ 3.39	\$ 2.49	36.1 %

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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Transportation	\$ 4,028,392	\$ 3,433,701	\$ 11,619,171	\$ 9,855,739
Sourcing	263,508	350,750	874,093	1,053,855
Total revenues	4,291,900	3,784,451	12,493,264	10,909,594
Costs and expenses:				
Purchased transportation and related services	3,359,520	2,869,616	9,714,318	8,214,856
Purchased products sourced for resale	238,336	320,989	787,494	958,537
Personnel expenses	335,299	293,204	1,004,226	867,928
Other selling, general, and administrative expenses	112,772	106,177	330,660	304,030
Total costs and expenses	4,045,927	3,589,986	11,836,698	10,345,351
Income from operations	245,973	194,465	656,566	564,243
Interest and other expense	(6,526)	(10,484)	(22,354)	(29,154)
Income before provision for income taxes	239,447	183,981	634,212	535,089
Provisions for income taxes	63,552	64,795	156,857	182,752
Net income	\$ 175,895	\$ 119,186	\$ 477,355	\$ 352,337
Net income per share (basic)	\$ 1.27	\$ 0.85	\$ 3.42	\$ 2.50
Net income per share (diluted)	\$ 1.25	\$ 0.85	\$ 3.39	\$ 2.49
Weighted average shares outstanding (basic)	138,797	140,422	139,425	140,962
Weighted average shares outstanding (diluted)	140,160	141,022	140,720	141,403

Business Segment Information
(unaudited, dollars in thousands)

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended September 30, 2018						
Revenues	\$ 2,931,461	\$ 639,268	\$ 565,590	\$ 155,581	\$ —	\$ 4,291,900
Intersegment revenues ⁽¹⁾	147,104	12,626	56,425	3,756	(219,911)	—
Total revenues	3,078,565	651,894	622,015	159,337	(219,911)	4,291,900
Net revenues	465,522	134,101	60,340	34,081	—	694,044
Income from operations	204,158	23,835	21,411	(3,431)	—	245,973
Depreciation and amortization	6,096	8,735	1,092	8,000	—	23,923
Total Assets	2,515,823	944,928	411,309	620,662	—	4,492,722
Average headcount	7,007	4,684	914	2,686	—	15,291

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended September 30, 2017						
Revenues	\$ 2,469,420	\$ 552,134	\$ 613,646	\$ 149,251	\$ —	\$ 3,784,451
Intersegment revenues ⁽¹⁾	115,796	7,873	43,272	3,228	(170,169)	—
Total revenues	2,585,216	560,007	656,918	152,479	(170,169)	3,784,451
Net revenues	377,403	129,842	54,253	32,348	—	593,846
Income from operations	151,392	31,125	11,586	362	—	194,465
Depreciation and amortization	5,808	8,455	1,190	8,510	—	23,963
Total Assets	2,297,980	840,762	413,520	623,326	—	4,175,588
Average headcount	6,998	4,301	970	2,634	—	14,903

(1) Intersegment revenues represent the sales between our segments and are eliminated to reconcile to our consolidated results.

Business Segment Information
(unaudited, dollars in thousands)

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Nine Months Ended September 30, 2018						
Revenues	\$ 8,473,376	\$ 1,810,619	\$ 1,737,083	\$ 472,186	\$ —	\$ 12,493,264
Intersegment revenues ⁽¹⁾	405,966	36,865	154,902	13,946	(611,679)	—
Total revenues	8,879,342	1,847,484	1,891,985	486,132	(611,679)	12,493,264
Net revenues	1,317,104	401,169	169,747	103,432	—	1,991,452
Income from operations	562,802	61,844	39,950	(8,030)	—	656,566
Depreciation and amortization	18,314	26,397	3,409	24,282	—	72,402
Total Assets	2,515,823	944,928	411,309	620,662	—	4,492,722
Average headcount	6,931	4,725	910	2,623	—	15,189

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Nine Months Ended September 30, 2017						
Revenues	\$ 7,110,223	\$ 1,549,742	\$ 1,821,094	\$ 428,535	\$ —	\$ 10,909,594
Intersegment revenues ⁽¹⁾	329,193	23,456	116,281	13,776	(482,706)	—
Total revenues	7,439,416	1,573,198	1,937,375	442,311	(482,706)	10,909,594
Net revenues	1,109,749	357,411	171,936	97,105	—	1,736,201
Income from operations	447,553	75,006	40,487	1,197	—	564,243
Depreciation and amortization	17,104	24,574	3,534	24,128	—	69,340
Total Assets	2,297,980	840,762	413,520	623,326	—	4,175,588
Average headcount	6,921	4,113	966	2,590	—	14,590

(1) Intersegment revenues represent the sales between our segments and are eliminated to reconcile to our consolidated results.

Condensed Consolidated Balance Sheets
(unaudited, in thousands)

	September 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 297,801	\$ 333,890
Receivables, net	2,251,944	2,113,930
Contract assets	201,411	—
Other current assets	53,909	63,116
Total current assets	<u>2,805,065</u>	<u>2,510,936</u>
Property and equipment, net	231,962	230,326
Intangible and other assets	1,455,695	1,494,572
Total assets	<u>\$ 4,492,722</u>	<u>\$ 4,235,834</u>
Liabilities and stockholders' investment		
Current liabilities:		
Accounts payable and outstanding checks	\$ 1,152,633	\$ 1,096,664
Accrued expenses:		
Transportation expense	156,810	—
Compensation	121,813	105,316
Income taxes	15,213	12,240
Other accrued liabilities	68,863	58,229
Current portion of debt	—	715,000
Total current liabilities	<u>1,515,332</u>	<u>1,987,449</u>
Long term debt	1,341,303	750,000
Noncurrent income taxes payable	23,903	26,684
Deferred tax liability	44,555	45,355
Other long-term liabilities	1,026	601
Total liabilities	<u>2,926,119</u>	<u>2,810,089</u>
Total stockholders' investment	1,566,603	1,425,745
Total liabilities and stockholders' investment	<u>\$ 4,492,722</u>	<u>\$ 4,235,834</u>

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

	Nine Months Ended September 30,	
	2018	2017
Operating activities:		
Net income	\$ 477,355	\$ 352,337
Stock-based compensation	68,475	24,509
Depreciation and amortization	72,402	69,340
Provision for doubtful accounts	12,333	11,176
Deferred income taxes	(5,794)	(6,779)
Excess tax benefit on stock-based compensation	(9,345)	(11,908)
Other	1,350	1,352
Changes in operating elements, net of acquisitions:		
Receivables	(268,252)	(377,280)
Contract assets	(53,647)	—
Prepaid expenses and other	14,740	677
Other non-current assets and liabilities	2,105	(2,220)
Accounts payable and outstanding checks	120,652	166,152
Accrued transportation expenses	62,165	—
Accrued compensation	15,153	(6,102)
Accrued income taxes	9,247	7,873
Other accrued liabilities	9,944	(10,778)
Net cash provided by operating activities	528,883	218,349
Investing activities:		
Purchases of property and equipment	(35,794)	(32,132)
Purchases and development of software	(13,793)	(14,286)
Acquisitions, net of cash	(1,315)	(48,446)
Other	(1,605)	204
Net cash used for investing activities	(52,507)	(94,660)
Financing activities:		
Proceeds from long-term borrowings	591,012	250,000
Borrowings on line of credit	2,588,000	6,448,000
Repayments on line of credit	(3,303,000)	(6,469,000)
Net repurchases of common stock	(222,697)	(150,737)
Proceeds from stock issued for employee benefit plans	46,424	23,270
Cash dividends	(195,158)	(192,765)
Net cash used for financing activities	(495,419)	(91,232)
Effect of exchange rates on cash	(17,046)	17,184
Net change in cash and cash equivalents	(36,089)	49,641
Cash and cash equivalents, beginning of period	333,890	247,666
Cash and cash equivalents, end of period	\$ 297,801	\$ 297,307

	As of September 30,	
	2018	2017
Operational Data:		
Employees	15,225	14,998

Source: C.H. Robinson
CHRW-IR



Earnings Conference Call – Third Quarter 2018 October 31, 2018

John Wiehoff, Chairman & CEO
Andrew Clarke, CFO
Robert Biesterfeld, COO & President of NAST
Robert Houghton, VP 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; economic recessions; changes in market demand and pressures on the pricing for our services; fuel prices and availability; changes in the availability of equipment and services from third party providers, including the availability of contracted truckload carriers and changes in prices; changes in political and governmental conditions domestically and internationally; catastrophic events such as environmental events or terrorist attacks; failure to retain employees; failure of any of our technology or operating systems, including due to data security breaches or hacking; competition and growth rates within the third party logistics industry; risks associated with our decentralized operations; seasonality in the transportation industry; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the produce industry, including food safety and contamination issues; risk of unexpected or unanticipated events or opportunities that might require additional capital expenditures; our dependence on our largest customers; risks associated with identifying suitable acquisitions and investments and with integrating acquired companies; risks associated with our long-term growth and profitability; and other risks and uncertainties detailed in our Annual and Quarterly Reports.



Q3 2018 – Key Themes

- Strong financial performance including net revenue and operating margin expansion
- Double-digit increase in truckload cost and price
- Third quarter financial performance demonstrates the strength of our business model



Results Q3 2018

in thousands, except per share amounts and headcount

Three Months Ended September 30

Nine Months Ended September 30

	2018	2017	% Change	2018	2017	% Change
Total Revenues	\$4,291,900	\$3,784,451	13.4%	\$12,493,264	\$10,909,594	14.5%
Total Net Revenues	\$694,044	\$593,846	16.9%	\$1,991,452	\$1,736,201	14.7%
Net Revenue Margin %	16.2%	15.7%	50 bps	15.9%	15.9%	0 bps
Personnel Expenses	\$335,299	\$293,204	14.4%	\$1,004,226	\$867,928	15.7%
Selling, General, and Admin	\$112,772	\$106,177	6.2%	\$330,660	\$304,030	8.8%
Income from Operations	\$245,973	\$194,465	26.5%	\$656,566	\$564,243	16.4%
Operating Margin %	35.4%	32.7%	270 bps	33.0%	32.5%	50 bps
Depreciation and Amortization	\$23,923	\$23,963	(0.2%)	\$72,402	\$69,340	4.4%
Net Income	\$175,895	\$119,186	47.6%	\$477,355	\$352,337	35.5%
Earnings Per Share (Diluted)	\$1.25	\$0.85	47.1%	\$3.39	\$2.49	36.1%
Average Headcount	15,291	14,903	2.6%	15,189	14,590	4.1%

- Total revenues increase driven by higher pricing, volume and fuel costs
- Operating expenses growth driven by increases in variable compensation and average headcount
- Net income and earnings per share increases include favorable impact of U.S. corporate tax reform



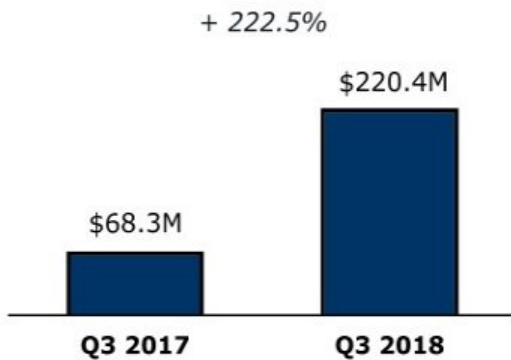
Q3 2018 Other Income Statement Items

- Q3 effective tax rate of 26.5% vs. 35.2% last year
- Interest expense increase due to higher debt levels and an increase in variable interest rates
- \$7 million favorable impact from currency revaluation
- Weighted average diluted shares outstanding down 0.6 percent



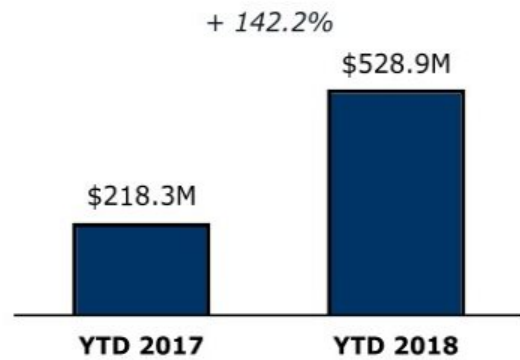
2018 Cash Flow

Q3 Cash Flow from Operations



- \$152.1 million increase in cash flow driven by improved working capital performance and higher net income
- \$19.5 million in capital expenditures

YTD Cash Flow from Operations

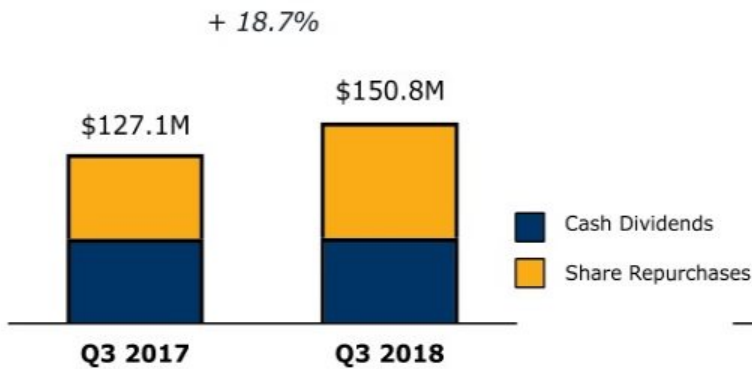


- \$310.6 million increase in cash flow driven by improved working capital performance and higher net income
- \$49.6 million in capital expenditures
- Continue to expect \$60-70 million in capital expenditures for the full year



2018 Capital Distribution

Q3 Capital Distribution



YTD Capital Distribution



- \$150.8 million of net income returned to shareholders
 - \$64.6 million in cash dividends
 - \$86.2 million in share repurchases
 - 909,904 shares repurchased in the third quarter at an average price of \$94.74 per share
- \$421.7 million of net income returned to shareholders
 - \$195.2 million cash dividends
 - \$226.5 million in share repurchases



Q3 2018 Balance Sheet

in thousands

	September 30, 2018	December 31, 2017	% Change
Accounts Receivable, Net	\$2,251,944	\$2,113,930	
Contract Assets ⁽¹⁾	\$201,411	—	
Accounts Payable and O/S Checks	\$1,152,633	\$1,096,664	
Accrued Transportation Expense ⁽¹⁾	\$156,810	—	
Net Operating Working Capital⁽²⁾	\$1,143,912	\$1,017,266	12.4%

- Total debt balance \$1.34 billion⁽³⁾
 - \$600 million senior unsecured notes, 4.20% coupon
 - \$500 million private placement debt, 4.28% average coupon
 - \$250 million accounts receivable securitization debt facility, 2.98% average rate
 - Increased size of revolving credit facility to \$1 billion on October 25

(1) Balance sheet as of September 30, 2018, includes contract assets and accrued transportation expense as the result of an accounting policy change that recognizes revenues for in-transit shipments.

(2) Net operating working capital is defined as net accounts receivable and contract assets less accounts payable, outstanding checks and accrued transportation expense.

(3) There was no outstanding balance on the credit facility as of September 30, 2018. The average borrowing rate on the credit facility during the third quarter was 3.58%.

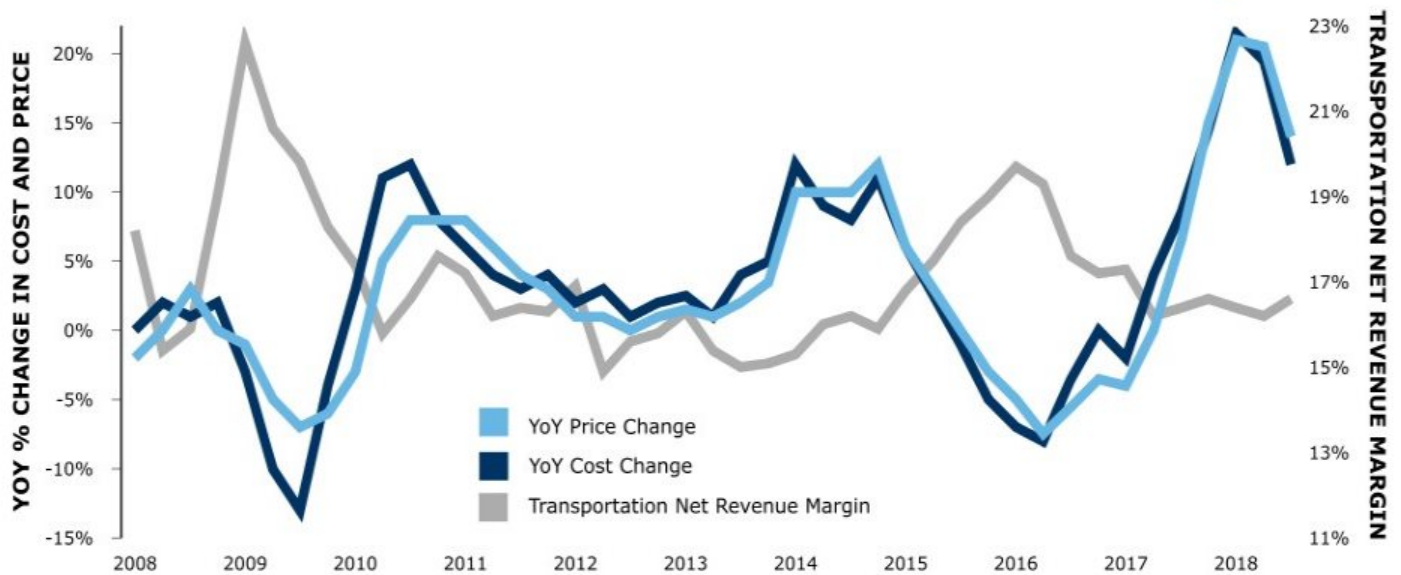


Fourth Quarter 2018 Trends – October

- October to date total company net revenue per day has increased approximately 9 percent when compared to October 2017
- Truckload volume per day has declined approximately 2 percent on a year-over-year basis in October
- Fourth quarter 2017 items of note
 - 12.5 percent net revenue growth
 - \$31.8 million non-recurring tax benefit



North America Truckload Cost and Price Change⁽¹⁾



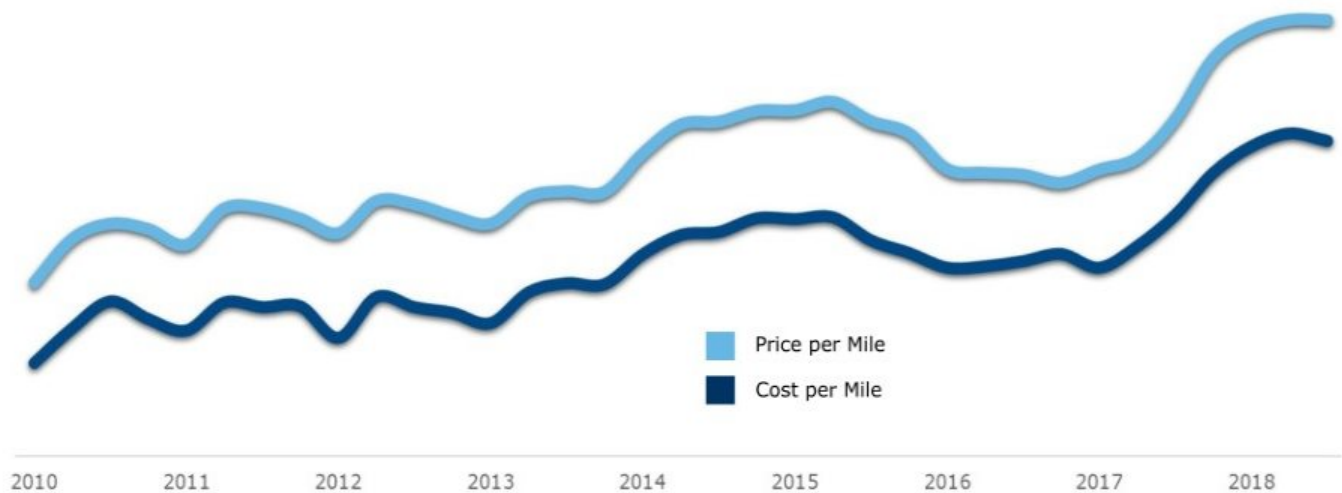
- North America Truckload cost and price change chart represents truckload shipments from all North America segments. Transportation net revenue margin represents total Transportation results from all segments.

North America Truckload		Q3
Volume	(1.5%)	
Price	14.0%	
Cost	12.0%	
Net Revenue Margin		↑

⁽¹⁾ Cost and price change exclude the estimated impact of fuel.



North America Truckload Cost and Price Per Mile⁽¹⁾



- North America Truckload cost and price per mile chart represents truckload shipments from all North America segments
- 2018 third quarter cost and price per mile remain above year-ago levels
- Continued price movements in response to changes in marketplace conditions

(1) Cost and price per mile exclude the estimated impact of fuel.



Q3 2018 NAST Results by Service Line

Truckload, Less Than Truckload and Intermodal

in thousands

Three Months Ended September 30

Net Revenues	2018	2017	% Change
Truckload	\$334,665	\$266,632	25.5%
LTL	\$116,789	\$97,634	19.6%
Intermodal	\$7,877	\$7,109	10.8%
Other	\$6,191	\$6,028	2.7%
Total	\$465,522	\$377,403	23.3%

- Double-digit price increases in truckload, LTL and intermodal
- Volume increase in LTL
- Sequential improvement in truckload volume trends
- Added 5,000 new carriers in the quarter

	Truckload	LTL	Intermodal
Pricing ⁽¹⁾⁽²⁾	14.0%	↑	↑
Cost ⁽¹⁾⁽²⁾	12.0%	↑	↑
Volume	(0.5%)	4.5%	(6.0%)
Net Revenue Margin	↑	↓	↓

(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.

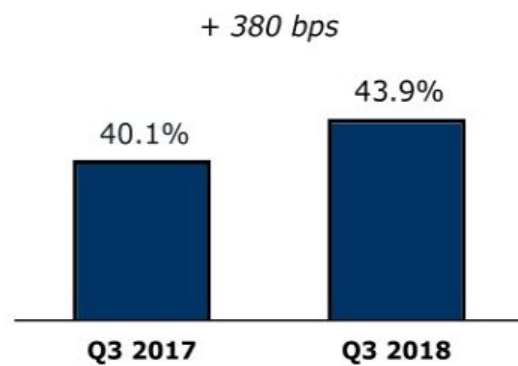


Q3 2018 NAST Operating Income

Q3 Operating Income



Q3 Operating Margin %



- Increased net revenues
- Progress against productivity initiatives
- Headcount approximately flat



Q3 2018 Global Forwarding Results by Service Line

Ocean, Air and Customs

in thousands

Three Months Ended September 30

Net Revenues	2018	2017	% Change
Ocean	\$74,700	\$81,110	(7.9%)
Air	\$28,228	\$23,992	17.7%
Customs	\$23,305	\$17,419	33.8%
Other	\$7,868	\$7,321	7.5%
Total	\$134,101	\$129,842	3.3%

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

- Volume increases in all service lines
- Ocean net revenues negatively impacted by increased transportation costs
- Milgram & Company acquisition net revenue impact to Global Forwarding:
 - Ocean +2 pts
 - Air +1 ppt
 - Customs +12 pts



Q3 2018 Global Forwarding Operating Income

Q3 Operating Income

(23.4%)



Q3 Operating Margin %

(620 bps)



- Investments in headcount and increased variable compensation
- 8.9 percent increase in average headcount
 - Milgram headcount added 5 percentage points



Q3 2018 Robinson Fresh Results

Transportation and Sourcing

in thousands

Three Months Ended September 30

Sourcing	2018	2017	% Change
Total Revenues ⁽¹⁾	\$263,508	\$350,750	(24.9%)
Net Revenues	\$25,172	\$29,761	(15.4%)
Net Revenue Margin %	9.6%	8.5%	110 bps

Transportation	2018	2017	% Change
Total Revenues ⁽¹⁾	\$302,082	\$262,896	14.9%
Truckload	\$27,556	\$19,466	41.6%
Other	\$7,612	\$5,026	51.5%
Net Revenues	\$35,168	\$24,492	43.6%
Net Revenue Margin %	11.6%	9.3%	230 bps

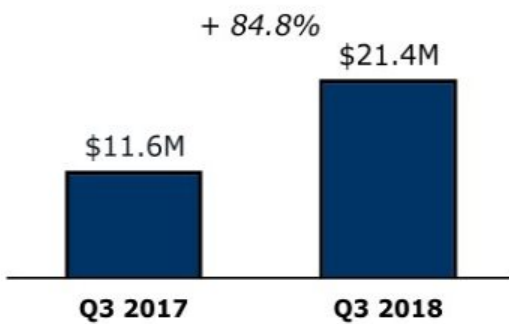
- Sourcing case volume declined 9.5 percent
- Reduced Sourcing promotional activity
- Truckload volume decline of 9 percent
- Pricing reflective of marketplace conditions in Transportation

(1) Does not include intersegment revenues.

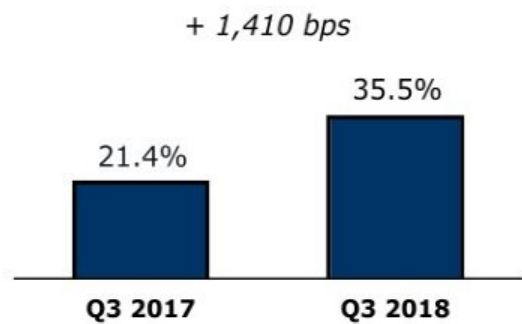


Q3 2018 Robinson Fresh Operating Income

Q3 Operating Income



Q3 Operating Margin %



- Increased transportation net revenues
- Operating expense reduction initiatives continue
 - 8.8 percent reduction in operating expenses
 - 5.8 percent reduction in average headcount



Q3 2018 All Other and Corporate Results

Managed Services and Other Surface Transportation

in thousands

Three Months Ended September 30

Net Revenues	2018	2017	% Change
Managed Services	\$20,080	\$18,487	8.6%
Other Surface Transportation	\$14,001	\$13,861	1.0%
Total	\$34,081	\$32,348	5.4%

Managed Services

- On track for \$4 billion in freight under management in 2018

Europe Surface Transportation

- Volume growth



Final Comments

- Cost and price remain above year-ago levels
- Continued business model strength
- Escalating tariff activity
- Investing to deliver increased value to customers, carriers, employees and shareholders





Appendix



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Q3 2018 Transportation Results⁽¹⁾

in thousands

Transportation	Three Months Ended September 30			Nine Months Ended September 30		
	2018	2017	% Change	2018	2017	% Change
Total Revenues	\$4,028,392	\$3,433,701	17.3%	\$11,619,171	\$9,855,739	17.9%
Total Net Revenues	\$668,872	\$564,085	18.6%	\$1,904,853	\$1,640,883	16.1%
Net Revenue Margin %	16.6%	16.4%	20 bps	16.4%	16.6%	(20 bps)

Transportation Net Revenue Margin %	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Q1	22.6%	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%
Q2	20.6%	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%
Q3	19.8%	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%
Q4	18.3%	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%	
Total	20.2%	16.8%	16.5%	15.8%	15.4%	15.9%	17.9%	18.4%	16.6%	

(1) Includes results across all segments.



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Q3 2018 NAST Results

in thousands, except headcount

Three Months Ended September 30

Nine Months Ended September 30

	2018	2017	% Change	2018	2017	% Change
Total Revenues ⁽¹⁾	\$2,931,461	\$2,469,420	18.7%	\$8,473,376	\$7,110,223	19.2%
Total Net Revenues	\$465,522	\$377,403	23.3%	\$1,317,104	\$1,109,749	18.7%
Net Revenue Margin %	15.9%	15.3%	60 bps	15.5%	15.6%	(10 bps)
Income from Operations	\$204,158	\$151,392	34.9%	\$562,802	\$447,553	25.8%
Operating Margin %	43.9%	40.1%	380 bps	42.7%	40.3%	240 bps
Depreciation and Amortization	\$6,096	\$5,808	5.0%	\$18,314	\$17,104	7.1%
Total Assets	\$2,515,823	\$2,297,980	9.5%	\$2,515,823	\$2,297,980	9.5%
Average Headcount	7,007	6,998	0.1%	6,931	6,921	0.1%

(1) Does not include intersegment revenues.



Q3 2018 Global Forwarding Results

in thousands, except headcount

Three Months Ended September 30

Nine Months Ended September 30

	2018	2017	% Change	2018	2017	% Change
Total Revenues ⁽¹⁾	\$639,268	\$552,134	15.8%	\$1,810,619	\$1,549,742	16.8%
Total Net Revenues	\$134,101	\$129,842	3.3%	\$401,169	\$357,411	12.2%
Net Revenue Margin %	21.0%	23.5%	(250 bps)	22.2%	23.1%	(90 bps)
Income from Operations	\$23,835	\$31,125	(23.4%)	\$61,844	\$75,006	(17.5%)
Operating Margin %	17.8%	24.0%	(620 bps)	15.4%	21.0%	(560 bps)
Depreciation and Amortization	\$8,735	\$8,455	3.3%	\$26,397	\$24,574	7.4%
Total Assets	\$944,928	\$840,762	12.4%	\$944,928	\$840,762	12.4%
Average Headcount	4,684	4,301	8.9%	4,725	4,113	14.9%

(1) Does not include intersegment revenues.



Q3 2018 Robinson Fresh Results

in thousands, except headcount

Three Months Ended September 30

Nine Months Ended September 30

	2018	2017	% Change	2018	2017	% Change
Total Revenues ⁽¹⁾	\$565,590	\$613,646	(7.8%)	\$1,737,083	\$1,821,094	(4.6%)
Total Net Revenues	\$60,340	\$54,253	11.2%	\$169,747	\$171,936	(1.3%)
Net Revenue Margin %	10.7%	8.8%	190 bps	9.8%	9.4%	40 bps
Income from Operations	\$21,411	\$11,586	84.8%	\$39,950	\$40,487	(1.3%)
Operating Margin %	35.5%	21.4%	1,410 bps	23.5%	23.5%	0 bps
Depreciation and Amortization	\$1,092	\$1,190	(8.2%)	\$3,409	\$3,534	(3.5%)
Total Assets	\$411,309	\$413,520	(0.5%)	\$411,309	\$413,520	(0.5%)
Average Headcount	914	970	(5.8%)	910	966	(5.8%)

(1) Does not include intersegment revenues.



Q3 2018 All Other and Corporate Results

in thousands, except headcount

Three Months Ended September 30

Nine Months Ended September 30

	2018	2017	% Change	2018	2017	% Change
Total Revenues ⁽¹⁾	\$155,581	\$149,251	4.2%	\$472,186	\$428,535	10.2%
Total Net Revenues	\$34,081	\$32,348	5.4%	\$103,432	\$97,105	6.5%
Income from Operations	(\$3,431)	\$362	NM	(\$8,030)	\$1,197	NM
Depreciation and Amortization	\$8,000	\$8,510	(6.0%)	\$24,282	\$24,128	0.6%
Total Assets	\$620,662	\$623,326	(0.4%)	\$620,662	\$623,326	(0.4%)
Average Headcount	2,686	2,634	2.0%	2,623	2,590	1.3%

(1) Does not include intersegment revenues.





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