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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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

**Date of Report: October 25, 2016  
(Date of earliest event reported)**

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

**(Exact name of registrant as specified in its charter)**

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**Commission File Number: 000-23189**

**Delaware**  
**(State or other jurisdiction  
of incorporation)**

**41-1883630**  
**(IRS Employer  
Identification No.)**

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

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

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

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

The following information is being “furnished” in accordance with 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, 2016 and its earnings conference call slides.

**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits.
  - 99.1 Press Release dated October 25, 2016 of C.H. Robinson Worldwide, Inc.
  - 99.2 Earnings conference call slides dated October 26, 2016.

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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 25, 2016

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## EXHIBIT INDEX

- 99.1 Press Release dated October 25, 2016 of C.H. Robinson Worldwide, Inc.
- 99.2 Earnings conference call slides dated October 26, 2016.

C.H. Robinson Worldwide, Inc.

14701 Charlson Road

Eden Prairie, Minnesota 55347

Andrew Clarke, Chief Financial Officer (952) 683-3474

Tim Gagnon, Director, Investor Relations (952) 683-5007

FOR IMMEDIATE RELEASE**C.H. ROBINSON REPORTS THIRD QUARTER RESULTS**

MINNEAPOLIS, October 25, 2016 – C.H. Robinson Worldwide, Inc. (“C.H. Robinson”) (NASDAQ: CHRW), today reported financial results for the quarter ended September 30, 2016. Summarized financial results are as follows (dollars in thousands, except per share data):

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% change	2016	2015	% change
Total revenues	\$3,355,754	\$3,419,253	-1.9%	\$9,729,438	\$10,265,231	-5.2%
Net revenues:						
Transportation						
Truckload	\$ 309,027	\$ 344,715	-10.4%	\$ 960,451	\$ 977,641	-1.8%
LTL	96,447	94,190	2.4%	287,518	271,084	6.1%
Intermodal	7,676	10,168	-24.5%	25,961	32,219	-19.4%
Ocean	56,506	58,322	-3.1%	175,243	167,578	4.6%
Air	19,897	20,248	-1.7%	58,424	60,483	-3.4%
Customs	12,320	12,012	2.6%	34,649	33,248	4.2%
Other logistics services	26,771	20,436	31.0%	76,965	61,331	25.5%
Total transportation	528,644	560,091	-5.6%	1,619,211	1,603,584	1.0%
Sourcing	29,818	28,484	4.7%	96,801	94,119	2.8%
Total net revenues	558,462	588,575	-5.1%	1,716,012	1,697,703	1.1%
Operating expenses	347,195	355,864	-2.4%	1,072,046	1,053,972	1.7%
Operating income	211,267	232,711	-9.2%	643,966	643,731	0.0%
Net income	\$ 129,028	\$ 139,432	-7.5%	\$ 391,081	\$ 383,116	2.1%
Diluted EPS	\$ 0.90	\$ 0.96	-6.2%	\$ 2.73	\$ 2.63	3.8%

“We expected a challenging pricing environment in 2016 as shippers focus on reducing their transportation costs. Despite the decrease in some of our key financial metrics in the third quarter, we feel confident that we are making good progress on our long-term plans,” said John Wiehoff, CEO and Chairman. “We are adapting to the market conditions by achieving profitable volume growth and continuing to focus on improving our customers’ supply chain outcomes.”

Our truckload net revenues decreased 10.4 percent in the third quarter of 2016 compared to the third quarter of 2015. Our total truckload volumes increased approximately 7.5 percent in the third quarter of 2016 compared to the third quarter of 2015. North American truckload volumes also increased approximately 7.5 percent over the same period. Our truckload net revenue margin decreased in the third quarter of 2016 compared to the third quarter of 2015, due primarily to lower customer pricing. In North America, excluding the estimated impacts of the change in fuel prices, our average truckload rate per mile charged to our customers decreased approximately 5.5 percent in the third quarter of 2016 compared to the third quarter of 2015. In North America, our truckload transportation costs decreased approximately 3.5 percent, excluding the estimated impacts of the change in fuel prices.

(more)

Our less than truckload (“LTL”) net revenues increased 2.4 percent in the third quarter of 2016 compared to the third quarter of 2015. LTL volumes increased approximately 4.5 percent in the third quarter of 2016 compared to the third quarter of 2015. Net revenue margin decreased slightly in the third quarter of 2016 compared to the third quarter of 2015.

Our intermodal net revenues decreased 24.5 percent in the third quarter of 2016 compared to the third quarter of 2015. This was primarily due to net revenue margin declines. During the third quarter of 2016, intermodal opportunities were negatively impacted by the alternative lower cost truck market.

Our ocean transportation net revenues decreased 3.1 percent in the third quarter of 2016 compared to the third quarter of 2015. The decrease in net revenues was primarily due to higher cost of capacity and pressured margins on fixed price business, resulting primarily from the Hanjin Shipping Co. bankruptcy.

Our air transportation net revenues decreased 1.7 percent in the third quarter of 2016 compared to the third quarter of 2015. The decrease was due to decreased net revenue margin, offset partially by increased volumes.

Our customs net revenues increased 2.6 percent in the third quarter of 2016 compared to the third quarter of 2015. The increase was primarily due to increased transaction volumes.

Our other logistics services net revenues, which includes managed services, warehousing, and small parcel, increased 31.0 percent in the third quarter of 2016 compared to the third quarter of 2015 primarily from growth in managed services.

Sourcing net revenues increased 4.7 percent in the third quarter of 2016 compared to the third quarter of 2015. This increase was primarily due to a case volume increase across a variety of commodities and services, partially offset by a decrease in net revenue per case.

For the third quarter, operating expenses decreased 2.4 percent to \$347.2 million in 2016 from \$355.9 million in 2015. Operating expenses as a percentage of net revenues increased to 62.2 percent in the third quarter of 2016 from 60.5 percent in the third quarter of 2015.

For the third quarter, personnel expenses decreased 2.7 percent to \$256.9 million in 2016 from \$264.1 million in 2015. For the third quarter, our average headcount grew 4.5 percent compared to the third quarter of 2015. The decrease in personnel expense was due to decreased expenses related to incentive plans that are designed to keep expenses variable with changes in net revenues and profitability, partially offset by the increase in average headcount.

For the third quarter, other selling, general, and administrative expenses decreased 1.6 percent to \$90.3 million in 2016 from \$91.8 million in 2015. This was primarily due to a decrease in claims and the allowance for doubtful accounts, partially offset by increases in other areas.

As previously announced, we acquired APC Logistics, a provider of freight forwarding and customs brokerage services in Australia and New Zealand. The acquisition was completed at the close of business on September 30, 2016. The \$229 million acquisition expands our global presence and brings additional capabilities and expertise to our portfolio. APC Logistics employs approximately 300 people and has seven offices in Australia and two offices in New Zealand.

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## 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 110,000 customers and 68,000 contract carriers through our integrated network of offices and more than 14,000 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 on the NASDAQ since 1997. For more information, visit <http://www.chrobinson.com> or view our [company video](https://www.chrobinson.com/en/us/About-Us/) at <https://www.chrobinson.com/en/us/About-Us/>.

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; 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, and changes in relationships with existing truck, rail, ocean and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to integrate the operations of acquired companies with our historic operations successfully; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the potential impacts of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel prices and availability; the impact of war on the economy; 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 2016 Earnings Conference Call  
Wednesday, October 26, 2016 8:30 a.m. Eastern Time*

*The call will be limited to 60 minutes, including questions and answers. 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](mailto:adrienne.brausen@chrobinson.com).*

*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*

*Callers should reference the conference ID, which is 13646518*

*Webcast replay available through Investor Relations link at [www.chrobinson.com](http://www.chrobinson.com)*

*Telephone audio replay available until 11:30 a.m. Eastern Time on November 2, 2016: 877-660-6853;*

*passcode: 13646518#*

*International callers dial +1-201-612-7415*

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(unaudited, in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenues:				
Transportation	\$2,998,583	\$3,044,500	\$8,593,767	\$ 9,122,479
Sourcing	357,171	374,753	1,135,671	1,142,752
Total revenues	<u>3,355,754</u>	<u>3,419,253</u>	<u>9,729,438</u>	<u>10,265,231</u>
Costs and expenses:				
Purchased transportation and related services	2,469,939	2,484,409	6,974,556	7,518,895
Purchased products sourced for resale	327,353	346,269	1,038,870	1,048,633
Personnel expenses	256,883	264,077	804,631	783,220
Other selling, general, and administrative expenses	90,312	91,787	267,415	270,752
Total costs and expenses	<u>3,144,487</u>	<u>3,186,542</u>	<u>9,085,472</u>	<u>9,621,500</u>
Income from operations	<u>211,267</u>	<u>232,711</u>	<u>643,966</u>	<u>643,731</u>
Interest and other expense	(7,426)	(6,559)	(22,463)	(22,058)
Income before provision for income taxes	203,841	226,152	621,503	621,673
Provisions for income taxes	74,813	86,720	230,422	238,557
Net income	<u>\$ 129,028</u>	<u>\$ 139,432</u>	<u>\$ 391,081</u>	<u>\$ 383,116</u>
Net income per share (basic)	\$ 0.90	\$ 0.96	\$ 2.73	\$ 2.63
Net income per share (diluted)	\$ 0.90	\$ 0.96	\$ 2.73	\$ 2.63
Weighted average shares outstanding (basic)	142,611	144,578	143,040	145,423
Weighted average shares outstanding (diluted)	142,883	144,782	143,245	145,601

(more)



CONDENSED CONSOLIDATED BALANCE SHEETS  
(unaudited, in thousands)

	September 30, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 224,449	\$ 168,229
Receivables, net	1,682,686	1,505,620
Other current assets	60,414	56,849
Total current assets	1,967,549	1,730,698
Property and equipment, net	226,470	190,874
Intangible and other assets	1,470,043	1,262,786
<b>Total assets</b>	<b>\$ 3,664,062</b>	<b>\$ 3,184,358</b>
<b>Liabilities and stockholders' investment</b>		
Current liabilities:		
Accounts payable and outstanding checks	\$ 897,694	\$ 783,883
Accrued compensation	95,572	146,666
Accrued income taxes	10,753	12,573
Other accrued expenses	70,779	55,475
Current portion of debt	725,000	450,000
Total current liabilities	1,799,798	1,448,597
Noncurrent income taxes payable	18,843	19,634
Deferred tax liabilities	75,531	65,460
Long-term debt	500,000	500,000
Other long term liabilities	223	217
<b>Total liabilities</b>	<b>2,394,395</b>	<b>2,033,908</b>
<b>Total stockholders' investment</b>	<b>1,269,667</b>	<b>1,150,450</b>
<b>Total liabilities and stockholders' investment</b>	<b>\$ 3,664,062</b>	<b>\$ 3,184,358</b>

(more)

(unaudited, in thousands, except operational data)

	Nine months ended September 30,	
	2016	2015
Operating activities:		
Net income	\$ 391,081	\$ 383,116
Stock-based compensation	30,626	43,512
Depreciation and amortization	52,716	49,513
Provision for doubtful accounts	2,738	11,975
Deferred income taxes	21,832	(8,356)
Other	566	459
Changes in operating elements, net of acquisitions:		
Receivables	(137,813)	(39,051)
Prepaid expenses and other	(12,148)	(6,347)
Other non-current assets	(2,793)	124
Accounts payable and outstanding checks	93,510	23,037
Accrued compensation and profit-sharing contribution	(50,105)	(3,585)
Accrued income taxes	(3,159)	17,774
Other accrued liabilities	(10,223)	(7,728)
Net cash provided by operating activities	376,828	464,443
Investing activities:		
Purchases of property and equipment	(56,125)	(19,317)
Purchases and development of software	(14,986)	(13,494)
Restricted cash	—	359,388
Acquisitions, net of cash	(220,203)	(367,108)
Other	(735)	535
Net cash used for investing activities	(292,049)	(39,996)
Financing activities:		
Borrowings on line of credit	4,415,000	5,508,000
Repayments on line of credit	(4,140,000)	(5,583,000)
Net repurchases of common stock	(129,302)	(159,059)
Excess tax benefit on stock-based compensation	17,207	7,298
Cash dividends	(191,129)	(171,448)
Net cash used for financing activities	(28,224)	(398,209)
Effect of exchange rates on cash	(335)	(12,091)
Net change in cash and cash equivalents	56,220	14,147
Cash and cash equivalents, beginning of period	168,229	128,940
Cash and cash equivalents, end of period	\$ 224,449	\$ 143,087

	As of September 30,	
	2016	2015
Operational Data:		
Employees <sup>(1)</sup>	14,023	13,156

(1) Includes 313 APC Logistics employees added on September 30, 2016

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**C.H. ROBINSON**

## Earnings Conference Call – Third Quarter 2016

October 26, 2016

John Wiehoff, Chairman & CEO

Andrew Clarke, CFO

Tim Gagnon, Director, Investor Relations



## 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, and changes in relationships with existing truck, rail, ocean and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to integrate the operations of acquired companies with our historic operations successfully; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the potential impacts of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel prices and availability; changes to our share repurchase activity; the impact of war on the economy; and other risks and uncertainties detailed in our Annual and Quarterly Reports.



# Results Q3 2016

in thousands, except per share amounts

	Three months ended September 30			Nine months ended September 30		
	2016	2015	% Change	2016	2015	% Change
Total revenues	\$3,355,754	\$3,419,253	-1.9%	\$9,729,438	\$10,265,231	-5.2%
Total net revenues	\$558,462	\$588,575	-5.1%	\$1,716,012	\$1,697,703	1.1%
Income from operations	\$211,267	\$232,711	-9.2%	\$643,966	\$643,731	0.0%
Net income	\$129,028	\$139,432	-7.5%	\$391,081	\$383,116	2.1%
Earnings per share (diluted)	\$0.90	\$0.96	-6.2%	\$2.73	\$2.63	3.8%
Weighted average shares outstanding (diluted)	142,883	144,782	-1.3%	143,245	145,601	-1.6%
Average headcount <sup>(1)</sup>	13,706	13,112	4.5%	13,478	12,838	5.0%
Ending headcount <sup>(1)</sup>	13,710	13,156	4.2%	13,710	13,156	4.2%

- Net revenue decrease was primarily the result of margin compression in the truckload and ocean service lines.
- Volumes increased in most services.
- Variable expense reduction unable to offset net revenue decrease.
- The acquisition of APC Logistics closed on September 30, 2016, and added 313 employees.

(1) Does not include APC Logistics employees.

# Transportation Results Q3 2016

## TRANSPORTATION in thousands

	Three months ended September 30			Nine months ended September 30		
	2016	2015	% Change	2016	2015	% Change
Total revenues	\$2,998,583	\$3,044,500	-1.5%	\$8,593,767	\$9,122,479	-5.8%
Total net revenues	\$528,644	\$560,091	-5.6%	\$1,619,211	\$1,603,584	1.0%
Net revenue margin	17.6%	18.4%	-4.2%	18.8%	17.6%	7.2%

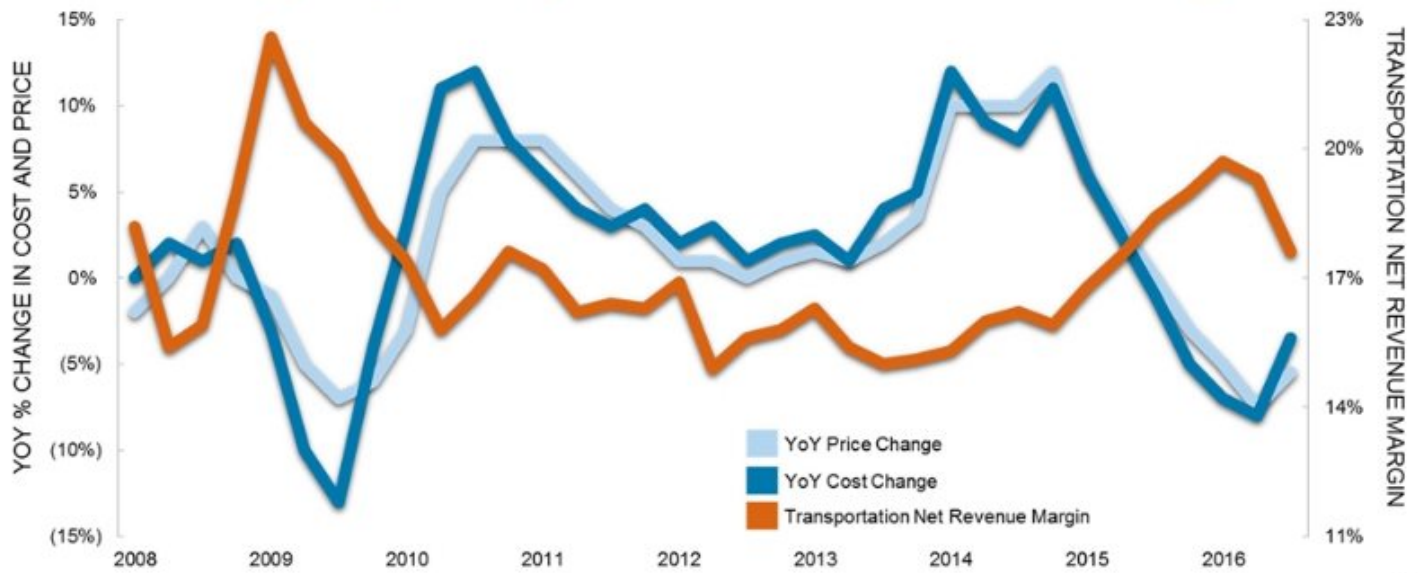
## TRANSPORTATION NET REVENUE MARGIN PERCENTAGE

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Q1	20.2%	18.2%	22.6%	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%
Q2	17.9%	15.4%	20.6%	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%
Q3	18.0%	15.9%	19.8%	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%
Q4	17.7%	19.0%	18.3%	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%	
Year	18.4%	17.0%	20.2%	16.8%	16.5%	15.8%	15.4%	15.9%	17.9%	

- Transportation net revenue margin decreased in the third quarter of 2016 compared to 2015 for nearly all services.



# North America Truckload Cost and Price Change<sup>(1)</sup>, Transportation Net Revenue Margin



- Supply and demand affect truckload pricing from quarter to quarter and year to year.
- Average YoY price and cost increase is 2% since 2008.

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

# Truckload Results Q3 2016

## TRUCKLOAD NET REVENUES in thousands

Three months ended Sept 30

Nine months ended Sept 30

2016	2015	% Change	2016	2015	% Change
\$309,027	\$344,715	-10.4%	\$960,451	\$977,641	-1.8%

Year over year change

North America Truckload	Quarter	YTD
Volume	7.5%	5%
Approximate pricing*	-5.5%	-6%
Approximate cost*	-3.5%	-6%
Net revenue margin	↓	↓

\*Pricing and cost measures exclude the estimated impact of the change in fuel prices

- Net revenue decreased as a result of customer rates decreasing approximately 2% more than purchased transportation costs.
- Strong capacity recruitment to support volume growth as we added 4,200 new contracted carriers in the third quarter.
- Volume growth was a result of an increase in both short and long haul shipments when compared to the third quarter of 2015.



# LTL Results Q3 2016

## LTL NET REVENUES in thousands

Three months ended Sept 30			Nine months ended Sept 30		
2016	2015	% Change	2016	2015	% Change
\$96,447	\$94,190	2.4%	\$287,518	\$271,084	6.1%

LTL	Year over year change	
	Quarter	YTD
Volume	5%	7%
Pricing	↓	↓
Net revenue margin	↔	↑

- Less than Truckload net revenue growth of 2.4 percent in the third quarter of 2016 compared to the third quarter of 2015 was primarily driven by volume growth and partially offset by a lower net revenue per shipment.
- A reduction in our average shipment size negatively impacted our total net revenue in the third quarter of 2016 when compared to the third quarter of 2015.

# Intermodal Results Q3 2016

## INTERMODAL NET REVENUES in thousands

Three months ended Sept 30			Nine months ended Sept 30		
2016	2015	% Change	2016	2015	% Change
\$7,676	\$10,168	-24.5%	\$25,961	\$32,219	-19.4%

INTERMODAL	Year over year change	
	Quarter	YTD
Volume	0%	-9%
Pricing	↓	↓
Net revenue margin	↓	↓

- Net revenue margin decreased in the third quarter as a result of a more competitive pricing environment.
- Intermodal volumes were flat in the third quarter of 2016 when compared to the third quarter of 2015.
- Intermodal conversion opportunities remain pressured by low truck pricing.

# Global Forwarding Results Q3 2016

## Ocean, Air and Customs

### NET REVENUES in thousands

Three months ended Sept 30				Nine months ended Sept 30			
	2016	2015	% Change		2016	2015	% Change
Ocean	\$56,506	\$58,322	-3.1%	Ocean	\$175,243	\$167,578	4.6%
Air	\$19,897	\$20,248	-1.7%	Air	\$58,424	\$60,483	-3.4%
Customs	\$12,320	\$12,012	2.6%	Customs	\$34,649	\$33,248	4.2%

OCEAN	Year over year change	
	Quarter	YTD
Volume	↑	↑
Pricing	↓	↓
Net revenue margin	↑	↑

AIR	Year over year change	
	Quarter	YTD
Volume	↑	↑
Pricing	↓	↓
Net revenue margin	↓	↑

- Combined Global Forwarding services net revenues decreased 2.1 percent in the third quarter when compared to the third quarter of 2015.
- Hanjin Shipping Co. bankruptcy in September caused an increase in ocean capacity costs and pressured margins on fixed price business.
- Air shipment volume increased approximately 18%, and ocean shipments increased approximately 5% when compared to the third quarter of 2015.

## Other Logistics Services Results Q3 2016

### NET REVENUES in thousands

Three months ended Sept 30			Nine months ended Sept 30		
2016	2015	% Change	2016	2015	% Change
\$26,771	\$20,436	31.0%	\$76,965	\$61,331	25.5%

- Other Logistics Services net revenues include transportation managed services, warehousing, and small parcel.
- Managed services net revenues increased 29 percent in the third quarter when compared to third quarter of 2015.
- Managed services business continues to expand globally.

# Sourcing Results Q3 2016

## SOURCING NET REVENUES in thousands

	Three months ended Sept 30			Nine months ended Sept 30		
	2016	2015	% Change	2016	2015	% Change
Total revenues	\$357,171	\$374,753	-4.7%	\$1,135,671	\$1,142,752	-0.6%
Total net revenues	29,818	28,484	4.7%	96,801	94,119	2.8%
Net revenue margin	8.3%	7.6%	9.8%	8.5%	8.2%	3.5%

- Sourcing net revenue increase in the third quarter of 2016 compared to the third quarter of 2015 was primarily the result of 6.4% case volume growth and slightly offset by a lower net revenue per case.
- Case volume increase driven by strong performance in the Foodservice vertical and strategic categories.

# Summarized Income Statement

in thousands

	Three months ended Sept 30			Nine months ended Sept 30		
	2016	2015	% Change	2016	2015	% Change
Total revenues	\$3,355,754	\$3,419,253	-1.9%	\$9,729,438	\$10,265,231	-5.2%
Total net revenues	558,462	588,575	-5.1%	1,716,012	1,697,703	1.1%
Personnel expenses	256,883	264,077	-2.7%	804,631	783,220	2.7%
Selling, general & admin	90,312	91,787	-1.6%	267,415	270,752	-1.2%
Total operating expenses	347,195	355,864	-2.4%	1,072,046	1,053,972	1.7%
Income from operations	211,267	232,711	-9.2%	643,966	643,731	0.0%
Percent of net revenue	37.8%	39.5%	-4.3%	37.5%	37.9%	-1.0%
Net income	129,028	139,432	-7.5%	391,081	383,116	2.1%

- Personnel expense decrease was primarily driven by lower variable compensation incentives and partially offset by average headcount growth.
- Selling, general and administrative expenses decreased due to lower provision for bad debt and claims, partially offset by increases in other areas.
- Lower income tax rate is partially the result of a one-time tax benefit from items related to the Freightquote acquisition.



# Other Financial Information

in thousands

## CASH FLOW DATA

Three months ended Sept 30

	2016	2015	% Change
Net cash provided by operating activities	\$129,567	\$213,247	-39.2%
Capital expenditures, net	\$27,135	\$13,206	105.5%

## BALANCE SHEET DATA

	September 30, 2016
Cash & investments	\$224,449
Current assets	1,967,549
Total assets	3,664,062
Debt	1,225,000
Stockholders investment	1,269,668

- Total debt balance \$1.225 billion
  - \$500 million, 4.28% average coupon
  - \$725 million drawn on revolver, 1.52% current rate as of September 30, 2016

# Capital Distribution

in thousands

	2011	2012 (a)	2013	2014	2015	Q3 2016	YTD 2016
<b>Net income</b>	<b>\$431,612</b>	<b>\$447,007</b>	<b>\$415,904</b>	<b>\$449,711</b>	<b>\$509,699</b>	<b>\$129,028</b>	<b>\$391,081</b>
<b>Capital distribution</b>							
Cash dividends paid	\$194,697	\$219,313	\$220,257	\$215,008	\$235,615	\$63,609	\$191,129
Share repurchases	250,274	255,849	807,449 (b)	176,645	241,231	66,924	145,305
<b>Subtotal</b>	<b>\$444,971</b>	<b>\$475,162</b>	<b>\$1,027,706</b>	<b>\$391,653</b>	<b>\$476,846</b>	<b>\$130,533</b>	<b>\$336,434</b>
<b>Percent of net income</b>							
Cash dividends paid	45%	49%	53%	48%	46%	49%	49%
Share repurchases	58%	57%	194%	39%	47%	52%	37%
<b>Subtotal</b>	<b>103%</b>	<b>106%</b>	<b>247%</b>	<b>87%</b>	<b>93%</b>	<b>101%</b>	<b>86%</b>

(a) 2012 Net Income is adjusted to excluded transaction related gains and expenses. A reconciliation of adjusted results appears in Appendix A. 2012 Dividends exclude the fifth dividend payment made during the year.

(b) Includes a \$500 million accelerated share repurchase.

- Capital returned to shareholders during the quarter
  - \$63.6 million cash dividend
  - \$66.9 million in cash for repurchase activity
    - 965,400 shares
    - Average price \$69.23 for shares repurchased
- Target is to return approximately 90% of net income to shareholders annually.



## Final Comments

- North America truckload volume growth of approximately 12 percent per business day, October to date.
- October to date total company net revenue per day has decreased approximately 4 percent when compared to October 2015.
- Q4 Activities:
  - APC integration is going well.
  - We are confident in our network's ability to execute in all types of market conditions.

# Appendix A: 2012 Summarized Adjusted Income Statement

In thousands, except per share amounts

Twelve months ended December 31, 2012

	2012 Actual	Non-recurring Acquisition Impacts	Non-recurring Divestiture Impacts	Adjusted
<b>Total net revenues</b>	<b>\$1,717,571</b>			<b>\$1,717,571</b>
Personnel expenses (1)	766,006	-385	-34,207	731,414
Other operating expenses (2)	276,245	-10,225	-379	265,641
<b>Total operating expenses</b>	<b>1,042,251</b>	<b>-10,610</b>	<b>-34,586</b>	<b>997,055</b>
<b>Income from operations</b>	<b>675,320</b>	<b>10,610</b>	<b>34,586</b>	<b>720,516</b>
Investment & other income (3)	283,142		-281,551	1,591
Income before taxes	958,462	10,610	-246,965	722,107
Provision for income taxes	364,658	2,745	-92,303	275,100
<b>Net income</b>	<b>\$593,804</b>	<b>7,865</b>	<b>-\$154,662</b>	<b>\$447,007</b>
Net income per share (diluted)	3.67			2.76
Weighted average shares (diluted)	161,946	185 (4)	92 (5)	161,669

To assist investors in understanding our financial performance, we supplement the financial results that are generated in accordance with the accounting principles generally accepted in the United States, or GAAP, with non-GAAP financial measures, including non-GAAP operating expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP diluted net income per share. We believe that these non-GAAP measures provide meaningful insight into our operating performance excluding certain event-specific charges, and provide an alternative perspective of our results of operations. We use non-GAAP measures to assess our operating performance for the quarter. Management believes that these non-GAAP financial measures reflect an additional way of analyzing aspects of our ongoing operations that, when viewed with our GAAP results, provides a more complete understanding of the factors and trends affecting our business.

- 1) The adjustment to personnel consists of \$33 million of incremental vesting expense of our equity awards triggered by the gain on the divestiture of T-Chek. The balance consists of transaction related bonuses.
- 2) The adjustments to other operating expenses reflect fees paid to third parties for:
  - a) Investment banking fees related to the acquisition of Phoenix
  - b) External legal and accounting fees related to the acquisitions of Apreo and Phoenix and the divestiture of T-Chek.
- 3) The adjustment to investment and other income reflects the gain from the divestiture of T-Chek.
- 4) The adjustment to diluted weighted average shares outstanding relates to the shares of C.H. Robinson stock issued as consideration paid to the sellers in the acquisition of Phoenix.
- 5) The adjustment to diluted weighted average shares outstanding relates to the additional vesting of performance-based restricted stock as a result of the gain on sale recognized from the divestiture of T-Chek.



**C.H. ROBINSON**

