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 29, 2019
(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	**41-1883630**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

14701 Charlson Road
Eden Prairie, Minnesota 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)

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 September 30, 2019 and its earnings conference call slides.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Number	Description
99.1	Press Release dated October 29, 2019 of C.H. Robinson Worldwide, Inc.
99.2	Earnings conference call slides dated October 30, 2019
104	The cover page from the Current Report on Form 8-K formatted in Inline XBRL

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 29, 2019

C.H. ROBINSON

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

FOR INQUIRIES, CONTACT:
Robert Houghton, VP of Investor Relations and Treasury
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FOR IMMEDIATE RELEASE

C.H. Robinson Reports 2019 Third Quarter Results

MINNEAPOLIS, MN, October 29, 2019 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (Nasdaq: CHRW) today reported financial results for the quarter ended September 30, 2019.

- **Net revenues decreased 8.7 percent to $633.4 million**
- **Income from operations decreased 18.2 percent to $201.1 million**
- **Operating margin decreased 370 basis points to 31.7 percent**
- **Diluted earnings per share (EPS) decreased 14.4 percent to $1.07**
- **Cash flow from operations decreased 24.1 percent to $167.3 million**

"The third quarter provided challenges in both our North American Surface Transportation and Global Forwarding segments. Our net revenues, operating income, and EPS results finished below our long-term expectations. We anticipated an aggressive industry pricing environment coming into the second half of this year driven by excess capacity and softening demand and knew we faced difficult comparisons versus our strong double-digit net revenue growth in the second half of last year. Our results were negatively impacted by truckload margin compression in North America," said Bob Biesterfeld, Chief Executive Officer of C.H. Robinson.

Biesterfeld continued, "A part of our customer value proposition, particularly in our committed relationships, is managing through freight cycles and the pricing volatility that occurs as a result of the cyclicality of our industry. Our people did a great job of controlling what we can control, which includes winning increased awards in contractual bids with our largest customers in the quarter and continuing to provide excellent service and innovation. We are also continuing to adjust our pricing strategies in order to optimize our results."

Third Quarter Results Summary

- **Total revenues** decreased 10.2 percent to $3.9 billion, driven by lower pricing across most transportation service lines.
- **Net revenues** decreased 8.7 percent to $633.4 million, primarily driven by reduced margin in truckload services.
- **Operating expenses** decreased 3.5 percent to $432.3 million. **Personnel expenses** decreased 4.4 percent to $320.6 million, driven primarily by declines in performance-based compensation, partially offset by a 3.2 percent increase in average headcount. **Selling, general and administrative ("SG&A") expenses** decreased 0.9 percent to $111.8 million, due primarily to a decrease in bad debt expense and a $5.8 million gain on the sale of an office building in Chicago, Illinois, partially offset by an increase in purchased services.
- **Income from operations** totaled $201.1 million, down 18.2 percent from last year due to a decline in North American Surface Transportation ("NAST"), partially offset by growth in Global Forwarding and All Other and Corporate. **Operating margin** of 31.7 percent declined 370 basis points.
- **Interest and other expenses** totaled $13.2 million, which primarily consists of interest expense. The third quarter also included a $1.1 million unfavorable impact from currency revaluation.
- The **effective tax rate** in the quarter was 21.8 percent compared to 26.5 percent last year. The lower effective tax rate was due primarily to a favorable adjustment of $2.7 million from a prior year tax provision.
- **Net income** totaled $146.9 million, down 16.5 percent from a year ago. **Diluted EPS** of $1.07 decreased 14.4 percent.

Year-to-Date Results Summary

- **Total revenues** decreased 7.8 percent to $11.5 billion, driven by declines across most transportation service lines.
- **Net revenues** increased 0.8 percent to $2.0 billion.
- **Operating expenses** increased 1.5 percent to $1.4 billion. **Personnel expenses** decreased 0.5 percent to $1.0 billion, driven primarily by declines in performance-based compensation, partially offset by a 2.6 percent increase in average headcount. **SG&A expenses** increased 7.3 percent to $354.7 million, due primarily to increases in purchased services, particularly commercial off-the-shelf software, and occupancy, partially offset by a reduction in bad debt expense.
- **Income from operations** totaled $653.2 million, down 0.5 percent from last year due to a decline in All Other and Corporate, partially offset by growth in Global Forwarding. **Operating margin** of 32.5 percent decreased 50 basis points.
- **Interest and other expenses** totaled $36.9 million, which primarily consists of interest expense. The nine-month period also included a $3.3 million unfavorable impact from currency revaluation.
- The **effective tax rate** for the first nine months was 22.5 percent compared to 24.7 percent in the year-ago period.

- **Net income** totaled $477.9 million, up 0.1 percent from a year ago. **Diluted EPS** of $3.45 increased 1.8 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,		
	2019	2018	% change	2019	2018	% change
Total revenues	$ 2,826,308	$ 3,224,906	(12.4)%	$ 8,495,145	$ 9,296,510	(8.6)%
Net revenues	433,760	499,463	(13.2)%	1,406,728	1,397,571	0.7 %
Income from operations	176,200	223,893	(21.3)%	592,215	591,774	0.1 %

Third quarter total revenues for C.H. Robinson's NAST segment totaled $2.8 billion, a decrease of 12.4 percent over the prior year, primarily driven by decreased pricing. NAST net revenues decreased 13.2 percent in the quarter to $433.8 million. Net revenues in truckload decreased 17.4 percent, less than truckload ("LTL") net revenues increased 1.3 percent, and intermodal net revenues decreased 15.9 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 12.5 percent in the quarter, while truckload transportation cost per mile decreased approximately 12 percent. Truckload volumes declined 4 percent in the quarter, as low-single-digit growth in contractual volume was not enough to offset the significant declines in spot market opportunities in the current environment. LTL volumes grew 4 percent, and intermodal volumes declined 24 percent versus the prior year. Operating expenses decreased 6.5 percent due to decreased personnel expenses, partially offset by increased SG&A expenses. Income from operations decreased 21.3 percent to $176.2 million, and operating margin declined 420 basis points to 40.6 percent. NAST average headcount was down 0.1 percent in the quarter. As a reminder, third quarter and year-to-date NAST results include Robinson Fresh transportation, which was previously reported under the Robinson Fresh segment.

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,		
	2019	2018	% change	2019	2018	% change
Total revenues	$ 597,695	$ 639,268	(6.5)%	$ 1,727,745	$ 1,810,619	(4.6)%
Net revenues	135,815	134,101	1.3 %	404,987	401,169	1.0 %
Income from operations	24,676	23,835	3.5 %	65,497	61,844	5.9 %

Third quarter total revenues for the Global Forwarding segment decreased 6.5 percent to $597.7 million, primarily driven by lower pricing in ocean and air and a decline in air volume. Net revenues increased 1.3 percent in the quarter to $135.8 million, with the acquisition of The Space Cargo Group ("Space Cargo") contributing 3.5 percentage points of growth in the quarter. Ocean net revenues increased 4.1 percent driven by margin expansion. Net revenues in air decreased 7.2 percent driven by declines in pricing and shipments. Customs net revenues increased 1.8 percent, primarily driven by increased transaction volume. Operating expenses increased 0.8 percent, driven by increased investments in technology. Third quarter average headcount increased 2.3 percent, with Space Cargo contributing 3.5 percentage points to the growth. Income from operations increased 3.5 percent to $24.7 million, and operating margin expanded 40 basis points to 18.2 percent in the quarter.

All Other and Corporate Results

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
Net revenues	2019	2018	% change	2019	2018	% change
Robinson Fresh	$ 26,382	$ 26,399	(0.1)%	$ 86,276	$ 89,280	(3.4)%
Managed Services	21,574	20,080	7.4 %	61,985	58,471	6.0 %
Other Surface Transportation	15,900	14,001	13.6 %	47,471	44,961	5.6 %

Third quarter Robinson Fresh net revenues decreased 0.1 percent to $26.4 million. Managed Services net revenues increased 7.4 percent this quarter. Other Surface Transportation net revenues increased 13.6 percent to $15.9 million, with the acquisition of Dema Service contributing 13 percentage points of net revenue growth. All Other and Corporate operating income included a $5.8 million gain on the sale of an office building in Chicago, Illinois.

Other Income Statement Items

The third quarter effective tax rate was 21.8 percent, down from 26.5 percent last year. The lower effective tax rate was due primarily to a favorable adjustment of $2.7 million from a prior year tax provision. We now expect our 2019 full-year effective tax rate to be in the range of 23 to 24 percent.

Interest and other expenses totaled $13.2 million, which primarily consists of interest expense. Interest expense declined in the quarter driven by a reduction in our overall debt balance. The third quarter also included a $1.1 million unfavorable impact from currency revaluation.

Diluted weighted average shares outstanding in the quarter were down 1.9 percent due primarily to $67.0 million in share repurchases.

Cash Flow Generation and Capital Distribution

Cash from operations totaled $167.3 million, down 24.1 percent versus the prior year, primarily due to decreased earnings versus the year-ago period.

In the third quarter, $135.9 million was returned to shareholders, with $68.9 million in cash dividends and $67.0 million in share repurchases. This represents a decrease of 9.9 percent over the prior year.

Capital expenditures totaled $19.4 million in the quarter. We now expect 2019 capital expenditures to be between $65 and $75 million, with the majority dedicated to technology.

Outlook

“Looking ahead, we expect that North American routing guides will continue to reset at lower prices in response to the falling cost environment and decline in spot market freight opportunities. While industry data suggests capacity continues to exit the North America truckload market, we believe capacity will exceed available shipments for the next few quarters,” Biesterfeld stated. “Despite the current freight environment, our long-term goals remain unchanged. We remain focused on taking market share, automating core processes while delivering industry-leading quality service to our customers and carriers, and improving operating leverage in our businesses.”

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 over $20 billion in freight under management and 18 million shipments annually, we are the world's largest logistics platform. 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 124,000 customers and 76,000 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 (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; 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 2019 Earnings Conference Call
Wednesday, October 30, 2019; 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

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)

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 September 30,			Nine Months Ended September 30,		
	2019	2018	% change	2019	2018	% change
Total revenues	$ 3,856,132	$ 4,291,900	(10.2)%	$ 11,516,182	$ 12,493,264	(7.8)%
Net revenues:						
Transportation						
Truckload	$ 317,990	$ 378,572	(16.0)%	$ 1,067,334	$ 1,050,305	1.6 %
LTL	124,523	122,616	1.6 %	363,743	353,949	2.8 %
Intermodal	7,110	8,361	(15.0)%	19,484	23,874	(18.4)%
Ocean	77,879	74,839	4.1 %	234,884	230,718	1.8 %
Air	27,121	29,991	(9.6)%	80,837	89,779	(10.0)%
Customs	23,719	23,305	1.8 %	68,903	64,754	6.4 %
Other logistics services	30,025	31,188	(3.7)%	90,472	91,474	(1.1)%
Total transportation	608,367	668,872	(9.0)%	1,925,657	1,904,853	1.1 %
Sourcing	25,064	25,172	(0.4)%	81,790	86,599	(5.6)%
Total net revenues	633,431	694,044	(8.7)%	2,007,447	1,991,452	0.8 %
Operating expenses	432,346	448,071	(3.5)%	1,354,277	1,334,886	1.5 %
Income from operations	201,085	245,973	(18.2)%	653,170	656,566	(0.5)%
Net income	$ 146,894	$ 175,895	(16.5)%	$ 477,862	$ 477,355	0.1 %
Diluted EPS	$ 1.07	$ 1.25	(14.4)%	$ 3.45	$ 3.39	1.8 %

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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues:				
Transportation	$ 3,608,346	$ 4,028,392	$ 10,751,890	$ 11,619,171
Sourcing	247,786	263,508	764,292	874,093
Total revenues	3,856,132	4,291,900	11,516,182	12,493,264
Costs and expenses:				
Purchased transportation and related services	2,999,979	3,359,520	8,826,233	9,714,318
Purchased products sourced for resale	222,722	238,336	682,502	787,494
Total costs and expenses	3,222,701	3,597,856	9,508,735	10,501,812
Net revenues	$ 633,431	$ 694,044	$ 2,007,447	$ 1,991,452

Condensed Consolidated Statements of Income

(unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues:				
Transportation	$ 3,608,346	$ 4,028,392	$ 10,751,890	$ 11,619,171
Sourcing	247,786	263,508	764,292	874,093
Total revenues	3,856,132	4,291,900	11,516,182	12,493,264
Costs and expenses:				
Purchased transportation and related services	2,999,979	3,359,520	8,826,233	9,714,318
Purchased products sourced for resale	222,722	238,336	682,502	787,494
Personnel expenses	320,563	335,299	999,547	1,004,226
Other selling, general, and administrative expenses	111,783	112,772	354,730	330,660
Total costs and expenses	3,655,047	4,045,927	10,863,012	11,836,698
Income from operations	201,085	245,973	653,170	656,566
Interest and other expense	(13,180)	(6,526)	(36,935)	(22,354)
Income before provision for income taxes	187,905	239,447	616,235	634,212
Provisions for income taxes	41,011	63,552	138,373	156,857
Net income	$ 146,894	$ 175,895	$ 477,862	$ 477,355
Net income per share (basic)	$ 1.08	$ 1.27	$ 3.48	$ 3.42
Net income per share (diluted)	$ 1.07	$ 1.25	$ 3.45	$ 3.39
Weighted average shares outstanding (basic)	136,380	138,797	137,274	139,425
Weighted average shares outstanding (diluted)	137,476	140,160	138,373	140,720

Business Segment Information

(unaudited, dollars in thousands)

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended September 30, 2019				
Total revenues	$ 2,826,308	$ 597,695	$ 432,129	$ 3,856,132
Net revenues	433,760	135,815	63,856	633,431
Income from operations	176,200	24,676	209	201,085
Depreciation and amortization	5,734	9,186	10,560	25,480
Total assets [(1)]	2,649,259	995,137	992,153	4,636,549
Average headcount	7,448	4,790	3,544	15,782

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended September 30, 2018 [(2)]				
Total revenues	$ 3,224,906	$ 639,268	$ 427,726	$ 4,291,900
Net revenues	499,463	134,101	60,480	694,044
Income (loss) from operations	223,893	23,835	(1,755)	245,973
Depreciation and amortization	6,286	8,735	8,902	23,923
Total assets [(1)]	2,739,569	944,928	808,225	4,492,722
Average headcount	7,454	4,684	3,153	15,291

[(1)] All cash and cash equivalents are included in All Other and Corporate.
[(2)] Amounts have been reclassified to reflect the segment reorganization announced in the first quarter of 2019.

Business Segment Information

(unaudited, dollars in thousands)

	NAST		Global Forwarding		All Other and Corporate		Consolidated
Nine Months Ended September 30, 2019							
Total revenues	$	8,495,145	$	1,727,745	$	1,293,292	$ 11,516,182
Net revenues		1,406,728		404,987		195,732	2,007,447
Income (loss) from operations		592,215		65,497		(4,542)	653,170
Depreciation and amortization		18,124		27,427		29,571	75,122
Total assets [1]		2,649,259		995,137		992,153	4,636,549
Average headcount		7,436		4,748		3,398	15,582

	NAST		Global Forwarding		All Other and Corporate		Consolidated
Nine Months Ended September 30, 2018 [2]							
Total revenues	$	9,296,510	$	1,810,619	$	1,386,135	$ 12,493,264
Net revenues		1,397,571		401,169		192,712	1,991,452
Income from operations		591,774		61,844		2,948	656,566
Depreciation and amortization		18,905		26,397		27,100	72,402
Total assets [1]		2,739,569		944,928		808,225	4,492,722
Average headcount		7,375		4,725		3,089	15,189

[1] All cash and cash equivalents are included in All Other and Corporate.

[2] Amounts have been reclassified to reflect the segment reorganization announced in the first quarter of 2019.

Condensed Consolidated Balance Sheets

(unaudited, in thousands)

	September 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 384,424	$ 378,615
Receivables, net of allowance for doubtful accounts	2,074,449	2,162,438
Contract assets	150,569	159,635
Prepaid expenses and other	73,724	52,386
Total current assets	2,683,166	2,753,074
Property and equipment, net	209,521	228,301
Right-of-use lease assets	263,833	—
Intangible and other assets	1,480,029	1,446,037
Total assets	$ 4,636,549	$ 4,427,412
Liabilities and stockholders’ investment		
Current liabilities:		
Accounts payable and outstanding checks	$ 1,076,597	$ 1,063,107
Accrued expenses:		
Compensation	107,659	153,626
Transportation expense	114,498	119,820
Income taxes	19,470	28,360
Other accrued liabilities	60,069	63,410
Current lease liabilities	55,847	—
Current portion of debt	—	5,000
Total current liabilities	1,434,140	1,433,323
Long-term debt	1,253,091	1,341,352
Noncurrent lease liabilities	216,610	—
Noncurrent income taxes payable	22,149	21,463
Deferred tax liability	37,206	35,757
Other long-term liabilities	257	430
Total liabilities	2,963,453	2,832,325
Total stockholders’ investment	1,673,096	1,595,087
Total liabilities and stockholders’ investment	$ 4,636,549	$ 4,427,412

Condensed Consolidated Statements of Cash Flow

(unaudited, in thousands, except operational data)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating activities:		
Net income	$ 477,862	$ 477,355
Depreciation and amortization	75,122	72,402
Provision for doubtful accounts	642	12,333
Stock-based compensation	40,657	68,475
Deferred income taxes	(3,360)	(5,794)
Excess tax benefit on stock-based compensation	(6,908)	(9,345)
Other operating activities	(4,471)	1,350
Changes in operating elements, net of acquisitions:		
Receivables	104,108	(268,252)
Contract assets	9,067	(53,647)
Prepaid expenses and other	(18,940)	14,740
Accounts payable and outstanding checks	3,871	120,652
Accrued compensation	(45,319)	15,153
Accrued transportation expenses	(5,323)	62,165
Accrued income taxes	(7,042)	9,247
Other accrued liabilities	5,210	9,944
Other assets and liabilities	(1,318)	2,105
Net cash provided by operating activities	623,858	528,883
Investing activities:		
Purchases of property and equipment	(26,661)	(35,794)
Purchases and development of software	(24,282)	(13,793)
Acquisitions, net of cash acquired	(59,188)	(1,315)
Other investing activities	16,625	(1,605)
Net cash used for investing activities	(93,506)	(52,507)
Financing activities:		
Proceeds from stock issued for employee benefit plans	40,442	46,424
Net repurchases of common stock	(255,655)	(222,697)
Cash dividends	(207,865)	(195,158)
Proceeds from long-term borrowings	929,000	591,012
Payments on long-term borrowings	(1,018,000)	—
Proceeds from short-term borrowings	14,000	2,588,000
Payments on short-term borrowings	(19,000)	(3,303,000)
Net cash used for financing activities	(517,078)	(495,419)
Effect of exchange rates on cash	(7,465)	(17,046)
Net change in cash and cash equivalents	5,809	(36,089)
Cash and cash equivalents, beginning of period	378,615	333,890
Cash and cash equivalents, end of period	$ 384,424	$ 297,801

	As of September 30, 2019	As of September 30, 2018
Operational Data:		
Employees	15,654	15,225

Source: C.H. Robinson
CHRW-IR

Earnings Conference Call – Third Quarter 2019
October 30, 2019

Bob Biesterfeld, CEO
Mike Zechmeister, CFO
Bob Houghton, VP of Investor Relations

C.H. ROBINSON

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; and other risks and uncertainties detailed in our Annual and Quarterly Reports.

Q3 2019 – Key Themes

- Results below our long-term expectations
- Price and cost declines in most service lines
- Low-single-digit growth in truckload contractual volume

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Results Q3 2019

in thousands, except per share amounts and headcount

	Three Months Ended September 30			Nine Months Ended September 30		
	2019	2018	% Change	2019	2018	% Change
Total Revenues	$3,856,132	$4,291,900	(10.2%)	$11,516,182	$12,493,264	(7.8%)
Total Net Revenues	$633,431	$694,044	(8.7%)	$2,007,447	$1,991,452	0.8%
Net Revenue Margin %	*16.4%*	*16.2%*	*20 bps*	*17.4%*	*15.9%*	*150 bps*
Personnel Expenses	$320,563	$335,299	(4.4%)	$999,547	$1,004,226	(0.5%)
Selling, General, and Admin	$111,783	$112,772	(0.9%)	$354,730	$330,660	7.3%
Income from Operations	$201,085	$245,973	(18.2%)	$653,170	$656,566	(0.5%)
Operating Margin %	*31.7%*	*35.4%*	*(370 bps)*	*32.5%*	*33.0%*	*(50 bps)*
Depreciation and Amortization	$25,480	$23,923	6.5%	$75,122	$72,402	3.8%
Net Income	$146,894	$175,895	(16.5%)	$477,862	$477,355	0.1%
Earnings Per Share (Diluted)	$1.07	$1.25	(14.4%)	$3.45	$3.39	1.8%
Average Headcount	15,782	15,291	3.2%	15,582	15,189	2.6%

- Decline in net revenues driven primarily by margin compression in truckload
- Decrease in personnel and SG&A expenses includes a decline in variable compensation expense and increased IT spend

Q3 2019 Other Income Statement Items

- Q3 effective tax rate of 21.8% vs. 26.5% last year
  - $2.7 million reduction in income tax provision in Q3
  - Expect full-year 2019 effective tax rate to be 23.0-24.0%
- $5.8 million gain from office building sale included in All Other and Corporate operating income
- $1.1 million unfavorable impact from currency revaluation
- Interest expense decline due to lower debt levels
- Weighted average diluted shares outstanding down 1.9 percent

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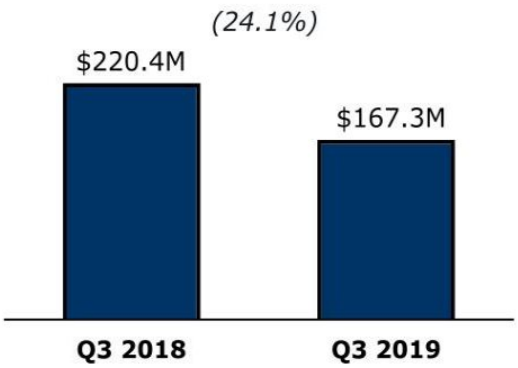
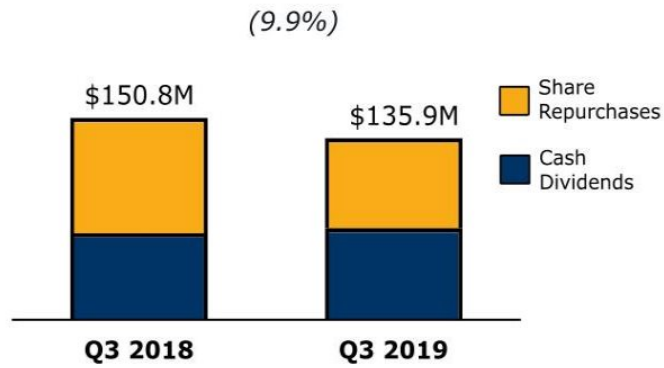
Q3 2019 Cash Flow and Capital Distribution

Cash Flow from Operations



Capital Distribution



- $53.1 million decrease in cash flow primarily driven by lower net income
- $19.4 million in capital expenditures
- Expect full-year capital expenditures to be $65-75 million

- $135.9 million returned to shareholders
  - $68.9 million in cash dividends
  - $67.0 million in share repurchases
    - 797,437 shares repurchased in the third quarter at an average price of $84.04 per share

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Q3 2019 Balance Sheet

in thousands

	September 30, 2019	September 30, 2018	% Change
Accounts Receivable, Net[1]	$2,225,018	$2,453,355	(9.3%)
Accounts Payable[2]	$1,191,095	$1,309,443	(9.0%)
Net Operating Working Capital[3]	**$1,033,923**	**$1,143,912**	**(9.6%)**

- Total debt balance $1.25 billion
  - $600 million senior unsecured notes, 4.20% coupon
  - $500 million private placement debt, 4.28% average coupon
  - $161 million accounts receivable securitization debt facility, 2.9% borrowing rate
  - 4.1% weighted average interest rate in the quarter

(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, as described above, less accounts payable, as described above.

Fourth Quarter 2019 Trends – October

- October to date total company net revenue per business day has decreased approximately 15 percent when compared to October 2018
- North America truckload volume per business day is approximately flat on a year-over-year basis in October

NAST Truckload Cost and Price Change[1]

- North American Surface Transportation ("NAST") truckload cost and price change chart represents truckload shipments in North America.
- Includes the impact of the truckload service line previously reported in the Robinson Fresh segment.

NAST Truckload	Q3
Volume[1]	(4.0%)
Pricing[1][2][3]	(12.5%)
Cost[1][2][3]	(12.0%)
Net Revenue Margin	⬇

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

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

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

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Q3 2019 NAST Results by Service Line

Truckload, Less Than Truckload and Intermodal

in thousands

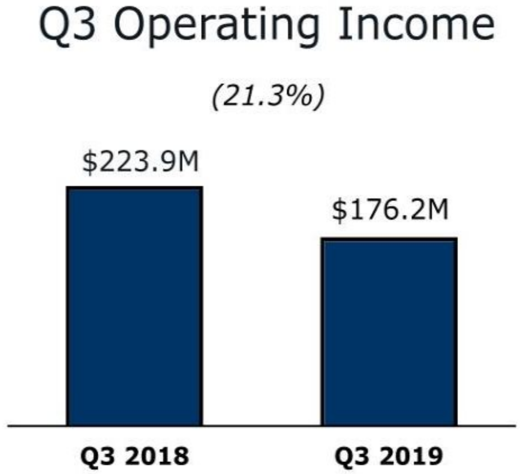
	Three Months Ended September 30		
Net Revenues	**2019**	**2018**	**% Change**
Truckload	$299,065	$362,115	(17.4%)
LTL	$122,959	$121,438	1.3%
Intermodal	$6,878	$8,178	(15.9%)
Other	$4,858	$7,732	(37.2%)
Total Net Revenues	**$433,760**	**$499,463**	**(13.2%)**
Net Revenue Margin %	*15.3%*	*15.5%*	*(20 bps)*

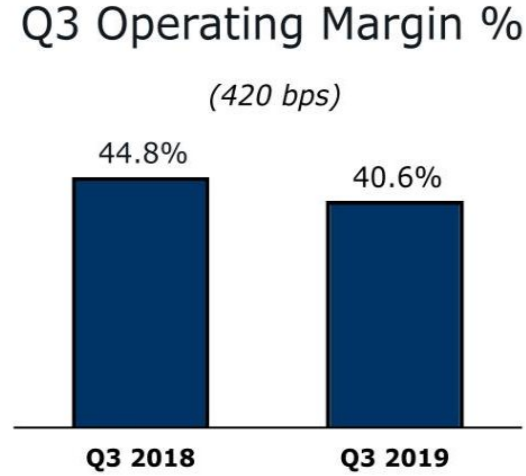
	Truckload	LTL	Intermodal
Pricing(1)(2)	↓	↓	↓
Cost(1)(2)	↓	↓	↓
Volume	↓	↑	↓
Net Revenue Margin	↓	↓	↑

- Year-over-year price declines in truckload, LTL, intermodal and Other
- Net revenue margin compression in truckload and LTL
- 4 percent volume increase(3) in LTL
- Added 4,400 new carriers in the quarter

(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 rate is rounded to the nearest 0.5 percent.

Q3 2019 NAST Operating Income





- Decreased net revenues
- Average headcount decreased 0.1 percent
- Lower variable compensation

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Q3 2019 Global Forwarding Results by Service Line

Ocean, Air and Customs

in thousands

Net Revenues	Three Months Ended September 30 2019	2018	% Change
Ocean	$77,777	$74,700	4.1%
Air	$26,195	$28,228	(7.2%)
Customs	$23,719	$23,305	1.8%
Other	$8,124	$7,868	3.3%
Total Net Revenues	**$135,815**	**$134,101**	**1.3%**
Net Revenue Margin %	*22.7%*	*21.0%*	*170 bps*

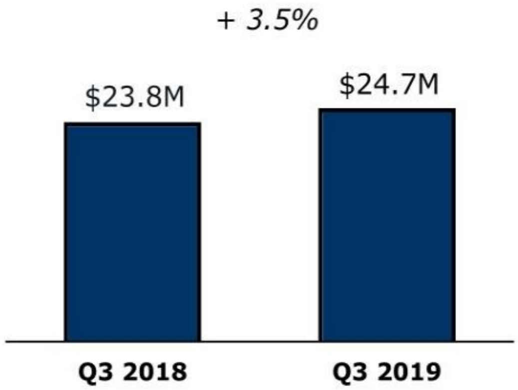
	Ocean	Air
Pricing	↓	↓
Volume	↔	↓
Net Revenue Margin	↑	↑

- Ocean net revenue increase due to margin expansion
- Air net revenue decline due to declines in pricing and volume
- Customs net revenue growth due to increased transaction volume
- Space Cargo acquisition net revenue impact to Global Forwarding(1):
  - Ocean +3 ppts
  - Air +6 ppts
  - Customs +1 ppt

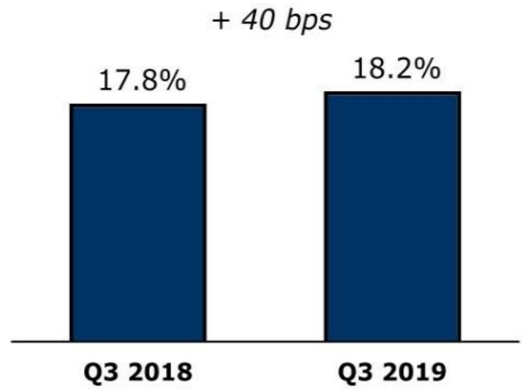
(1) Growth rates are rounded to the nearest percent.

Q3 2019 Global Forwarding Operating Income

Q3 Operating Income



Q3 Operating Margin %



- Increased net revenues
- 2.3 percent increase in average headcount
  - Space Cargo acquisition contributed 3.5 percentage points to Global Forwarding headcount growth

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Q3 2019 All Other and Corporate Results

Robinson Fresh, Managed Services and Other Surface Transportation

in thousands

Three Months Ended September 30

Net Revenues	2019	2018	% Change
Robinson Fresh	$26,382	$26,399	(0.1%)
Managed Services	$21,574	$20,080	7.4%
Other Surface Transportation	$15,900	$14,001	13.6%
Total	**$63,856**	**$60,480**	**5.6%**

Robinson Fresh
- Case volume decline of 2.5 percent(1)

Managed Services
- $4 billion in annual freight under management

Other Surface Transportation
- Dema Service acquisition added 13 percentage points of net revenue growth(1)

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

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Final Comments

- Expect current market conditions to continue
- Continued investments in technology
- Focused on long-term strategies of taking market share and improving operating leverage

Appendix

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Q3 2019 Transportation Results(1)

in thousands

Transportation	Three Months Ended September 30 2019	2018	% Change	Nine Months Ended September 30 2019	2018	% Change
Total Revenues	$3,608,346	$4,028,392	(10.4%)	$10,751,890	$11,619,171	(7.5%)
Total Net Revenues	$608,367	$668,872	(9.0%)	$1,925,657	$1,904,853	1.1%
Net Revenue Margin %	*16.9%*	*16.6%*	*30 bps*	*17.9%*	*16.4%*	*150 bps*

Transportation Net Revenue Margin %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Q1	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%
Q2	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%
Q3	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%
Q4	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	
Total	**16.8%**	**16.5%**	**15.8%**	**15.4%**	**15.9%**	**17.9%**	**18.4%**	**16.6%**	**16.7%**	

(1) Includes results across all segments.

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Q3 2019 NAST Results

in thousands, except headcount

	Three Months Ended September 30			Nine Months Ended September 30		
	2019	2018	% Change	2019	2018	% Change
Total Revenues	$2,826,308	$3,224,906	(12.4%)	$8,495,145	$9,296,510	(8.6%)
Total Net Revenues	$433,760	$499,463	(13.2%)	$1,406,728	$1,397,571	0.7%
Net Revenue Margin %	*15.3%*	*15.5%*	*(20 bps)*	*16.6%*	*15.0%*	*160 bps*
Income from Operations	$176,200	$223,893	(21.3%)	$592,215	$591,774	0.1%
Operating Margin %	*40.6%*	*44.8%*	*(420 bps)*	*42.1%*	*42.3%*	*(20 bps)*
Depreciation and Amortization	$5,734	$6,286	(8.8%)	$18,124	$18,905	(4.1%)
Total Assets	$2,649,259	$2,739,569	(3.3%)	$2,649,259	$2,739,569	(3.3%)
Average Headcount	7,448	7,454	(0.1%)	7,436	7,375	0.8%

Q3 2019 Global Forwarding Results

in thousands, except headcount

	Three Months Ended September 30			Nine Months Ended September 30		
	2019	2018	% Change	2019	2018	% Change
Total Revenues	$597,695	$639,268	(6.5%)	$1,727,745	$1,810,619	(4.6%)
Total Net Revenues	$135,815	$134,101	1.3%	$404,987	$401,169	1.0%
Net Revenue Margin %	*22.7%*	*21.0%*	*170 bps*	*23.4%*	*22.2%*	*120 bps*
Income from Operations	$24,676	$23,835	3.5%	$65,497	$61,844	5.9%
Operating Margin %	*18.2%*	*17.8%*	*40 bps*	*16.2%*	*15.4%*	*80 bps*
Depreciation and Amortization	$9,186	$8,735	5.2%	$27,427	$26,397	3.9%
Total Assets	$995,137	$944,928	5.3%	$995,137	$944,928	5.3%
Average Headcount	4,790	4,684	2.3%	4,748	4,725	0.5%

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Q3 2019 All Other and Corporate Results

in thousands, except headcount

	Three Months Ended September 30			Nine Months Ended September 30		
	2019	2018	% Change	2019	2018	% Change
Total Revenues	$432,129	$427,726	1.0%	$1,293,292	$1,386,135	(6.7%)
Total Net Revenues	$63,856	$60,480	5.6%	$195,732	$192,712	1.6%
Income from Operations	$209	($1,755)	*NM*	($4,542)	$2,948	*NM*
Depreciation and Amortization	$10,560	$8,902	18.6%	$29,571	$27,100	9.1%
Total Assets	$992,153	$808,225	22.8%	$992,153	$808,225	22.8%
Average Headcount	3,544	3,153	12.4%	3,398	3,089	10.0%

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