
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: November 1, 2023
(Date of earliest event reported)



C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23189

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

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

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

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

Title of each class
Common Stock, \$0.10 par value

Trading Symbol(s)
CHRW

Name of each exchange on which registered
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 the Company's announcement regarding its financial results for the quarter ended September 30, 2023 and its earnings conference call slides.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Description</u>
99.1	Press Release dated November 1, 2023 of C.H. Robinson Worldwide, Inc.
99.2	Earnings conference call slides dated November 1, 2023
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: November 1, 2023



C.H. ROBINSON

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

FOR INQUIRIES, CONTACT:

Chuck Ives, Director of Investor Relations

Email: chuck.ives@chrobinson.com

FOR IMMEDIATE RELEASE

C.H. Robinson Reports 2023 Third Quarter Results

Eden Prairie, MN, November 1, 2023 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (Nasdaq: CHRW) today reported financial results for the quarter ended September 30, 2023.

Third Quarter Key Metrics:

- **Gross profits decreased 28.9% to \$626.6 million**
- **Income from operations decreased 60.5% to \$113.5 million**
- **Adjusted operating margin⁽¹⁾ decreased 1,450 basis points to 17.9%**
- **Adjusted operating margin - excluding restructuring⁽¹⁾ decreased 1,070 basis points to 21.7%**
- **Diluted earnings per share (EPS) decreased 61.8% to \$0.68**
- **Adjusted EPS⁽¹⁾ decreased 52.8% to \$0.84**
- **Cash generated by operations decreased by \$420.2 million to \$205.2 million**

⁽¹⁾ Adjusted operating margin, adjusted operating margin - excluding restructuring and adjusted EPS are non-GAAP financial measures. The same factors described in this release that impacted these non-GAAP measures also impacted the comparable GAAP measures. Refer to pages 11 through 13 for further discussion and GAAP to Non-GAAP Reconciliations.

"As has been well documented by many industry participants and observers, global freight demand continued to be weak in the third quarter," said C.H. Robinson's President and Chief Executive Officer, Dave Bozeman. "We are staying focused on what we can control, by providing superior service to our customers and carriers, executing on our plans to streamline our processes by removing waste and manual touches, and delivering tools that enable our customer- and carrier-facing employees to allocate their time to relationship building and exception management. Our focus on delivering quality and improvements to our customers, such as enhanced visibility and increased automation, has been reflected in very positive feedback from customers and validated by net promoter scores this year that are the highest on record for the company, which we believe sets us up well with customers for the eventual positive inflection in the

freight market."

"Our customers value the quality, stability and reliability that we provide, as they work to optimize their transportation needs. This has taken on greater importance to shippers who had exposure to transportation providers whose business models were not financially viable. During my many discussions with customers over the past four months, it's clear that they prefer partners who have financial strength and can invest through cycles in the customer experience. They also want partners who have the expertise to provide innovative solutions, enabled by technology and people that they rely on to serve as an extension of their team. C.H. Robinson is that partner, with people who have deep expertise in the freight market and longstanding relationships with their customers and carriers. Combined with Robinson's strong technology and large data set, our people are able to provide innovative tech-enabled solutions powered by our information advantage for the benefit of our customers and carriers. This secret sauce is not easy to replicate with a digital-only solution," added Bozeman.

"We're executing on our plans to streamline our processes by removing waste and manual touches, and the result has been meaningful cost reductions and productivity gains across our business that are ahead of our stated targets. Even though I'm pleased with the progress that the team has made, I've challenged them to increase our clock speed on decision making and improvement efforts. We're now driving focus on a handful of concurrent workstreams that are addressing the highest leverage areas to eliminate productivity bottlenecks."

"Ultimately, our focus on continuously improving the customer and carrier experience and removing waste from our workflows will result in a company that is quicker, more flexible and more agile in solving problems for our customers, providing better customer service and creating operating leverage and profitable growth. I'm excited about the work that we're doing to reinvigorate Robinson's winning culture, and I'm confident that together we will win for our customers, carriers, employees and shareholders," Bozeman concluded.

Summary of Third Quarter of 2023 Results Compared to the Third Quarter of 2022

- **Total revenues** decreased 27.8% to \$4.3 billion, primarily driven by lower pricing in our ocean and truckload services.
- **Gross profits** decreased 28.9% to \$626.6 million. **Adjusted gross profits** decreased 28.4% to \$634.8 million, primarily driven by lower adjusted gross profit per transaction in truckload and ocean.
- **Operating expenses** decreased 13.1% to \$521.3 million. **Personnel expenses** decreased 21.5% to \$343.5 million, primarily due to cost optimization efforts and lower variable compensation. Average headcount declined 13.7%. **Other selling, general and administrative (“SG&A”) expenses** of \$177.8 million increased 9.7%, primarily due to \$21.4 million of restructuring expenses, partially offset by decreased purchased and contracted services and decreased legal settlements. The restructuring expenses are primarily related to asset impairments driven by our decision to divest our global forwarding operations in Argentina.
- **Income from operations** totaled \$113.5 million, down 60.5% due to the decrease in adjusted gross profits, partially offset by the decline in operating expenses. **Adjusted operating margin** of 17.9% declined 1,450 basis points.
- **Interest and other income/expense, net** totaled \$20.7 million of expense, consisting primarily of \$21.8 million of interest expense, which increased \$1.0 million versus last year due to higher variable interest rates.
- The **effective tax rate** in the quarter was 11.7% compared to 16.9% in the third quarter last year. The lower rate in the third quarter of this year was driven by lower income before taxes and incremental benefits from foreign tax credits.
- **Net income** totaled \$81.9 million, down 63.7% from a year ago. **Diluted EPS** of \$0.68 decreased 61.8%. **Adjusted EPS** of \$0.84 decreased 52.8%.

Summary of 2023 Year-to-Date Results Compared to 2022

- **Total revenues** decreased 31.9% to \$13.4 billion, primarily driven by lower pricing in our ocean and truckload services.
- **Gross profits** decreased 30.1% to \$2.0 billion. **Adjusted gross profits** decreased 29.7% to \$2.0 billion, primarily driven by lower adjusted gross profit per transaction in truckload and ocean.
- **Operating expenses** decreased 8.3% to \$1.6 billion. **Personnel expenses** decreased 14.8% to \$1.1 billion, primarily due to cost optimization efforts and lower variable compensation. Average headcount declined 8.0%. **Other SG&A expenses** increased 11.3% to \$474.9 million, primarily due to a \$25.3 million gain on the sale-leaseback of our Kansas City regional center recorded in the prior year and \$22.6 million of restructuring expenses in the current year, partially offset by decreased purchased and contracted services.
- **Income from operations** totaled \$407.2 million, down 63.1% from last year, due to the decrease in adjusted gross profits, partially offset by the decline in operating expenses. **Adjusted operating margin** of 20.5% decreased 1,850 basis points.
- **Interest and other income/expense, net** totaled \$67.3 million of expense, which primarily consisted of \$68.6 million of interest expense, which increased \$16.3 million versus last year due to higher variable interest rates. The year-to-date results also included a \$5.9 million net loss from foreign currency revaluation and realized foreign currency gains and losses, compared to a \$6.6 million net loss last year, driven by foreign currency impacts on intercompany assets and liabilities.
- The **effective tax rate** for the nine months ended September 30, 2023 was 13.5% compared to 19.2% in the year-ago period. The lower rate in the current period was driven by lower income before taxes and incremental benefits from foreign tax credits.
- **Net income** totaled \$294.2 million, down 65.2% from a year ago. **Diluted EPS** of \$2.46 decreased 62.2%. **Adjusted EPS** of \$2.73 decreased 57.0%.

North American Surface Transportation (“NAST”) Results

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Total revenues	\$ 3,086,970	\$ 4,002,461	(22.9)%	\$ 9,470,425	\$ 12,264,396	(22.8)%
Adjusted gross profits ⁽¹⁾	386,510	563,787	(31.4)%	1,213,697	1,694,438	(28.4)%
Income from operations	112,121	211,899	(47.1)%	364,002	670,752	(45.7)%

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained later in this release. The difference between adjusted gross profits and gross profits is not material.

Third quarter total revenues for the NAST segment totaled \$3.1 billion, a decrease of 22.9% over the prior year, primarily driven by lower truckload pricing, reflecting an oversupply of truckload capacity compared to soft freight demand. NAST adjusted gross profits decreased 31.4% in the quarter to \$386.5 million. Adjusted gross profits in truckload decreased 40.4% due to a 36.5% decrease in adjusted gross profit per shipment and a 6.0% decline in truckload shipments. Our average truckload linehaul rate per mile charged to our customers, which excludes fuel surcharges, decreased approximately 16.5% in the quarter compared to the prior year, while truckload linehaul cost per mile, excluding fuel surcharges, decreased approximately 13.5%, resulting in a 34.0% decrease in truckload adjusted gross profit per mile. LTL adjusted gross profits decreased 15.3% versus the year-ago period, as adjusted gross profit per order decreased 13.5% and LTL shipments decreased 2.0%. NAST overall volume growth was down 3.5% for the quarter. Operating expenses decreased 22.0% primarily due to cost optimization efforts, including lower average employee headcount, and lower variable compensation. NAST average employee headcount was down 16.2% in the quarter. Income from operations decreased 47.1% to \$112.1 million, and adjusted operating margin declined 860 basis points to 29.0%.

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,						
	2023	2022	% change	2023	2022	% change				
Total revenues	\$	719,045	\$	1,511,115	(52.4)%	\$	2,288,890	\$	5,798,702	(60.5)%
Adjusted gross profits ⁽¹⁾		169,893		248,433	(31.6)%		527,043		894,724	(41.1)%
Income from operations		3,491		85,953	(95.9)%		63,254		421,148	(85.0)%

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained later in this release. The difference between adjusted gross profits and gross profits is not material.

Third quarter total revenues for the Global Forwarding segment decreased 52.4% to \$719.0 million, primarily driven by lower pricing in our ocean service, reflecting an oversupply of vessel capacity compared to soft freight demand. Adjusted gross profits decreased 31.6% in the quarter to \$169.9 million. Ocean adjusted gross profits decreased 35.0%, driven by a 34.5% decrease in adjusted gross profit per shipment and a 0.5% decline in shipments. Air adjusted gross profits decreased 36.8%, driven by a 35.5% decrease in adjusted gross profit per metric ton shipped and a 2.0% decline in metric tons shipped. Customs adjusted gross profits decreased 10.7%, driven primarily by an 8.0% reduction in transaction volume. Operating expenses increased 2.4%, primarily due to \$23.6 million of restructuring expenses, which were partially offset by cost optimization efforts, including lower average employee headcount, and lower variable compensation. Third quarter average employee headcount decreased 13.3%. Income from operations decreased 95.9% to \$3.5 million, and adjusted operating margin declined 3,250 basis points to 2.1% in the quarter. Adjusted operating margin, excluding restructuring expenses, was 15.9% for the quarter.

All Other and Corporate Results

Total revenues and adjusted gross profits 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,		
	2023	2022	% change	2023	2022	% change
Total revenues	\$ 535,015	\$ 501,800	6.6 %	\$ 1,615,241	\$ 1,566,706	3.1 %
Adjusted gross profits ⁽¹⁾ :						
Robinson Fresh	\$ 31,083	\$ 27,677	12.3 %	\$ 100,123	\$ 93,163	7.5 %
Managed Services	29,427	29,595	(0.6)%	87,350	85,295	2.4 %
Other Surface Transportation	17,936	17,702	1.3 %	57,772	57,383	0.7 %

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained later in this release. The difference between adjusted gross profits and gross profits is not material.

Third quarter Robinson Fresh adjusted gross profits increased 12.3% to \$31.1 million, primarily driven by a 23.0% increase in case volume in retail and integrated supply chain solutions for foodservice customers. Managed Services adjusted gross profits decreased 0.6% in the quarter. Other Surface Transportation adjusted gross profits increased 1.3% to \$17.9 million, primarily due to an increase in Europe LTL adjusted gross profits.

Other Income Statement Items

The third quarter effective tax rate was 11.7%, down from 16.9% last year. The lower rate in the third quarter of this year was driven by lower income before taxes and incremental benefits from foreign tax credits. We now expect our 2023 full-year effective tax rate to be 14% to 15%.

Interest and other income/expense, net totaled \$20.7 million of expense, consisting primarily of \$21.8 million of interest expense, which increased \$1.0 million versus the third quarter of 2022 due to higher variable interest rates.

Diluted weighted average shares outstanding in the quarter were down 5.8% due to share repurchases over the past twelve months.

Cash Flow Generation and Capital Distribution

Cash generated from operations totaled \$205.2 million in the third quarter, compared to \$625.5 million of cash generated from operations in the third quarter of 2022. The \$420.2 million decrease was primarily related to a \$304.4 million decline in cash provided by changes in net operating working capital, due to a \$54.9 million sequential decrease in net operating working capital in the third quarter of 2023 compared to a \$359.3 million sequential decrease in the third quarter of 2022.

In the third quarter of 2023, cash returned to shareholders totaled \$75.8 million, with \$72.7 million in cash dividends and \$3.0 million in repurchases of common stock.

Capital expenditures totaled \$16.7 million in the quarter. Capital expenditures for 2023 are expected to be toward the lower end of the previously provided range of \$90 million to \$100 million.

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 \$30 billion in freight under management and 20 million shipments annually, we are one of the world's largest logistics platforms. Our global suite of services accelerates trade to seamlessly deliver the products and goods that drive the world's economy. With the combination of our multimodal transportation management system and expertise, we use our information advantage to deliver smarter solutions for our 100,000 customers and the more than 450,000 contract carriers on our platform. 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, factors such as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; fuel price increases or decreases, or fuel shortages; competition and growth rates within the global logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; risks associated with significant disruptions in the transportation industry; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; risks with reliance on technology to operate our business; cyber-security related risks; risks associated with operations outside of the United States; our ability to successfully integrate the operations of acquired companies with our historic operations; climate change related risks; risks associated with our indebtedness; interest rates related risks; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with the potential impact of changes in government regulations; risks associated with the changes to income tax regulations; risks associated with the produce industry, including food safety and contamination issues; the impact of war on the economy; changes to our capital structure; changes due to catastrophic events including pandemics such as COVID-19; risks associated with the usage of artificial intelligence technologies; 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 2023 Earnings Conference Call

Wednesday, November 1, 2023; 5:00 p.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

Adjusted Gross Profit by Service Line
(in thousands)

This table of summary results presents our service line adjusted gross profits on an enterprise basis. The service line adjusted gross profits in the table differ from the service line adjusted gross profits discussed within the segments as our segments may have revenues from multiple service lines.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Adjusted gross profits ⁽¹⁾ :						
Transportation						
Truckload	\$ 245,439	\$ 398,418	(38.4)%	\$ 795,240	\$ 1,214,465	(34.5)%
LTL	137,949	162,130	(14.9)%	413,771	482,740	(14.3)%
Ocean	104,116	160,122	(35.0)%	321,692	609,543	(47.2)%
Air	30,201	47,831	(36.9)%	95,246	166,136	(42.7)%
Customs	24,904	27,881	(10.7)%	73,366	83,196	(11.8)%
Other logistics services	64,838	65,441	(0.9)%	196,333	182,638	7.5 %
Total transportation	607,447	861,823	(29.5)%	1,895,648	2,738,718	(30.8)%
Sourcing	27,402	25,371	8.0 %	90,337	86,285	4.7 %
Total adjusted gross profits	\$ 634,849	\$ 887,194	(28.4)%	\$ 1,985,985	\$ 2,825,003	(29.7)%

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained later in this release. The difference between adjusted gross profits and gross profits is not material.

GAAP to Non-GAAP Reconciliation

(unaudited, in thousands)

Our adjusted gross profit is a non-GAAP financial measure. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers. We believe adjusted gross profit is a useful measure of our ability to source, add value, and sell services and products that are provided by third parties, and we consider adjusted gross profit to be a primary performance measurement. Accordingly, the discussion of our results of operations often focuses on the changes in our adjusted gross profit. The reconciliation of gross profit to adjusted gross profit is presented below (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Revenues:						
Transportation	\$ 4,029,407	\$ 5,724,364	(29.6)%	\$ 12,442,199	\$ 18,718,357	(33.5)%
Sourcing	311,623	291,012	7.1 %	932,357	911,447	2.3 %
Total revenues	4,341,030	6,015,376	(27.8)%	13,374,556	19,629,804	(31.9)%
Costs and expenses:						
Purchased transportation and related services	3,421,960	4,862,541	(29.6)%	10,546,551	15,979,639	(34.0)%
Purchased products sourced for resale	284,221	265,641	7.0 %	842,020	825,162	2.0 %
Direct internally developed software amortization	8,233	6,457	27.5 %	24,299	18,831	29.0 %
Total direct expenses	3,714,414	5,134,639	(27.7)%	11,412,870	16,823,632	(32.2)%
Gross profit	\$ 626,616	\$ 880,737	(28.9)%	\$ 1,961,686	\$ 2,806,172	(30.1)%
Plus: Direct internally developed software amortization	8,233	6,457	27.5 %	24,299	18,831	29.0 %
Adjusted gross profit	\$ 634,849	\$ 887,194	(28.4)%	\$ 1,985,985	\$ 2,825,003	(29.7)%

Our adjusted operating margin is a non-GAAP financial measure calculated as operating income divided by adjusted gross profit. Our adjusted operating margin - excluding restructuring is a similar non-GAAP financial measure as adjusted operating margin, but also excludes the impact of restructuring and related costs. We believe adjusted operating margin and adjusted operating margin - excluding restructuring are useful measures of our profitability in comparison to our adjusted gross profit, which we consider a primary performance metric as discussed above. The comparisons of operating margin to adjusted operating margin and adjusted operating margin - excluding restructuring are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Total revenues	\$ 4,341,030	\$ 6,015,376	(27.8) %	\$ 13,374,556	\$ 19,629,804	(31.9) %
Income from operations	113,522	287,609	(60.5) %	407,178	1,102,748	(63.1) %
Operating margin	2.6 %	4.8 %	(220) bps	3.0 %	5.6 %	(260) bps
Adjusted gross profit	\$ 634,849	\$ 887,194	(28.4) %	\$ 1,985,985	\$ 2,825,003	(29.7) %
Income from operations	113,522	287,609	(60.5) %	407,178	1,102,748	(63.1) %
Adjusted operating margin	17.9 %	32.4 %	(1,450) bps	20.5 %	39.0 %	(1,850) bps
Adjusted gross profit	\$ 634,849	\$ 887,194	(28.4) %	\$ 1,985,985	\$ 2,825,003	(29.7) %
Income from operations - excluding restructuring and gain on sale	137,985	287,609	(52.0) %	449,495	1,077,452	(58.3) %
Adjusted operating margin - excluding restructuring and gain on sale	21.7 %	32.4 %	(1,070) bps	22.6 %	38.1 %	(1,550) bps

GAAP to Non-GAAP Reconciliation
(unaudited, in thousands)

Our adjusted income (loss) from operations, adjusted operating margin - excluding restructuring, and adjusted net income per share (diluted) are non-GAAP financial measures. Adjusted income (loss) from operations and adjusted net income per share (diluted) is calculated as income (loss) from operations, adjusted operating margin - excluding restructuring, and net income per share (diluted) excluding the impact of restructuring and related costs. We believe that these measures provide useful information to investors and include them within our internal reporting to our chief operating decision maker. Accordingly, the discussion of our results of operations includes discussion on the changes in our adjusted income (loss) from operations, adjusted operating margin - excluding restructuring, and adjusted net income per share (diluted). The reconciliation of income (loss) from operations, adjusted operating margin - excluding restructuring, and net income per share (diluted) to adjusted income (loss) from operations and adjusted net income per share (diluted) is presented below (in thousands except per share data):

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended September 30, 2023				
Income (loss) from operations	\$ 112,121	\$ 3,491	\$ (2,090)	\$ 113,522
Severance	(64)	2,530	619	3,085
Other selling, general, and administrative expenses	4	21,079	362	21,445
Other personnel expenses	(9)	(17)	(41)	(67)
Total restructuring and related costs ⁽¹⁾	(69)	23,592	940	24,463
Income (loss) from operations - excluding restructuring	<u>\$ 112,052</u>	<u>\$ 27,083</u>	<u>\$ (1,150)</u>	<u>\$ 137,985</u>
Adjusted gross profit	\$ 386,510	\$ 169,893	\$ 78,446	\$ 634,849
Income (loss) from operations - excluding restructuring	112,052	27,083	(1,150)	137,985
Adjusted operating margin - excluding restructuring	29.0 %	15.9 %	N/M	21.7 %
Net income per share (diluted)				\$ 0.68
Restructuring and related costs, net of tax ⁽¹⁾				0.16
Adjusted net income per share (diluted)				<u>\$ 0.84</u>

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Nine Months Ended September 30, 2023				
Income (loss) from operations	\$ 364,002	\$ 63,254	\$ (20,078)	\$ 407,178
Severance	869	4,670	12,365	17,904
Other selling, general, and administrative expenses	8	21,242	1,324	22,574
Other personnel expenses	214	72	1,553	1,839
Total restructuring and related costs ⁽¹⁾	1,091	25,984	15,242	42,317
Income (loss) from operations - excluding restructuring	<u>\$ 365,093</u>	<u>\$ 89,238</u>	<u>\$ (4,836)</u>	<u>\$ 449,495</u>
Adjusted gross profit	\$ 1,213,697	\$ 527,043	\$ 245,245	\$ 1,985,985
Income (loss) from operations - excluding restructuring	365,093	89,238	(4,836)	449,495
Adjusted operating margin - excluding restructuring	30.1 %	16.9 %	N/M	22.6 %
Net income per share (diluted)				\$ 2.46
Restructuring and related costs, net of tax ⁽¹⁾				0.27
Adjusted net income per share (diluted)				<u>\$ 2.73</u>

⁽¹⁾ In the three months ended September 30, 2023, we incurred restructuring expenses of \$3.0 million related to workforce reductions and \$21.4 million of asset impairment and other charges. In the nine months ended September 30, 2023, we incurred restructuring expenses of \$19.7 million related to workforce reductions and \$22.6 million of asset impairment and other charges.

GAAP to Non-GAAP Reconciliation
(unaudited, in thousands)

Our adjusted income from operations and adjusted net income per share (diluted) are non-GAAP financial measures. Adjusted income from operations and adjusted net income per share (diluted) is calculated as income from operations and net income per share (diluted) excluding the impact of the gain on sale-leaseback of our Kansas City regional center. We believe that these measures provide useful information to investors and include them within our internal reporting to our chief operating decision maker. Accordingly, the discussion of our results of operations includes discussion on the changes in our adjusted income from operations and adjusted net income per share (diluted). The reconciliation of income from operations and net income per share (diluted) to adjusted income from operations and adjusted net income per share (diluted) is presented below (in thousands except per share data):

	Nine Months Ended September 30, 2022
Income from operations	\$ 1,102,748
Gain on sale of property and equipment ⁽¹⁾	(25,296)
Income from operations - excluding gain on sale	<u>\$ 1,077,452</u>
Net income per share (diluted)	\$ 6.50
Gain on sale of property and equipment ⁽¹⁾	(0.15)
Adjusted net income per share (diluted)	<u>\$ 6.35</u>

⁽¹⁾ The gain on sale of property and equipment related to the sale-leaseback of our Kansas City regional center is included within other selling, general, and administrative expenses in our condensed consolidated statements of income.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Revenues:						
Transportation	\$ 4,029,407	\$ 5,724,364	(29.6)%	\$ 12,442,199	\$ 18,718,357	(33.5)%
Sourcing	311,623	291,012	7.1 %	932,357	911,447	2.3 %
Total revenues	4,341,030	6,015,376	(27.8)%	13,374,556	19,629,804	(31.9)%
Costs and expenses:						
Purchased transportation and related services	3,421,960	4,862,541	(29.6)%	10,546,551	15,979,639	(34.0)%
Purchased products sourced for resale	284,221	265,641	7.0 %	842,020	825,162	2.0 %
Personnel expenses	343,532	437,545	(21.5)%	1,103,915	1,295,670	(14.8)%
Other selling, general, and administrative expenses	177,795	162,040	9.7 %	474,892	426,585	11.3 %
Total costs and expenses	4,227,508	5,727,767	(26.2)%	12,967,378	18,527,056	(30.0)%
Income from operations	113,522	287,609	(60.5)%	407,178	1,102,748	(63.1)%
Interest and other income/expense, net	(20,748)	(15,972)	29.9 %	(67,272)	(57,541)	16.9 %
Income before provision for income taxes	92,774	271,637	(65.8)%	339,906	1,045,207	(67.5)%
Provision for income taxes	10,825	45,839	(76.4)%	45,750	200,876	(77.2)%
Net income	\$ 81,949	\$ 225,798	(63.7)%	\$ 294,156	\$ 844,331	(65.2)%
Net income per share (basic)	\$ 0.69	\$ 1.81	(61.9)%	\$ 2.48	\$ 6.60	(62.4)%
Net income per share (diluted)	\$ 0.68	\$ 1.78	(61.8)%	\$ 2.46	\$ 6.50	(62.2)%
Weighted average shares outstanding (basic)	118,464	124,980	(5.2)%	118,532	127,944	(7.4)%
Weighted average shares outstanding (diluted)	119,751	127,190	(5.8)%	119,762	129,839	(7.8)%

Business Segment Information
(unaudited, in thousands, except average employee headcount)

Three Months Ended September 30, 2023	NAST	Global Forwarding	All Other and Corporate	Consolidated
Total revenues	\$ 3,086,970	\$ 719,045	\$ 535,015	\$ 4,341,030
Adjusted gross profits ⁽¹⁾	386,510	169,893	78,446	634,849
Income (loss) from operations	112,121	3,491	(2,090)	113,522
Depreciation and amortization	5,882	5,446	14,216	25,544
Total assets ⁽²⁾	3,162,720	1,081,262	1,073,685	5,317,667
Average employee headcount	6,278	5,082	4,217	15,577

Three Months Ended September 30, 2022	NAST	Global Forwarding	All Other and Corporate	Consolidated
Total revenues	\$ 4,002,461	\$ 1,511,115	\$ 501,800	\$ 6,015,376
Adjusted gross profits ⁽¹⁾	563,787	248,433	74,974	887,194
Income (loss) from operations	211,899	85,953	(10,243)	287,609
Depreciation and amortization	5,739	5,368	11,868	22,975
Total assets ⁽²⁾	3,624,333	2,266,923	904,274	6,795,530
Average employee headcount	7,493	5,861	4,691	18,045

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained above. The difference between adjusted gross profits and gross profits is not material.

⁽²⁾ All cash and cash equivalents are included in All Other and Corporate.

Business Segment Information
(unaudited, in thousands, except average employee headcount)

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Nine Months Ended September 30, 2023				
Total revenues	\$ 9,470,425	\$ 2,288,890	\$ 1,615,241	\$ 13,374,556
Adjusted gross profits ⁽¹⁾	1,213,697	527,043	245,245	1,985,985
Income (loss) from operations	364,002	63,254	(20,078)	407,178
Depreciation and amortization	17,389	16,410	42,100	75,899
Total assets ⁽²⁾	3,162,720	1,081,262	1,073,685	5,317,667
Average employee headcount	6,574	5,276	4,390	16,240

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Nine Months Ended September 30, 2022				
Total revenues	\$ 12,264,396	\$ 5,798,702	\$ 1,566,706	\$ 19,629,804
Adjusted gross profits ⁽¹⁾	1,694,438	894,724	235,841	2,825,003
Income from operations	670,752	421,148	10,848	1,102,748
Depreciation and amortization	18,101	16,394	34,228	68,723
Total assets ⁽²⁾	3,624,333	2,266,923	904,274	6,795,530
Average employee headcount	7,420	5,735	4,497	17,652

⁽¹⁾ Adjusted gross profits is a non-GAAP financial measure explained above. The difference between adjusted gross profits and gross profits is not material.

⁽²⁾ All cash and cash equivalents are included in All Other and Corporate.

Condensed Consolidated Balance Sheets
(unaudited, in thousands)

	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 174,733	\$ 217,482
Receivables, net of allowance for credit loss	2,442,297	2,991,753
Contract assets, net of allowance for credit loss	204,737	257,597
Prepaid expenses and other	137,476	122,406
Total current assets	<u>2,959,243</u>	<u>3,589,238</u>
Property and equipment, net of accumulated depreciation and amortization	150,858	159,432
Right-of-use lease assets	350,896	372,141
Intangible and other assets, net of accumulated amortization	1,856,670	1,833,753
Total assets	<u>\$ 5,317,667</u>	<u>\$ 5,954,564</u>
Liabilities and stockholders' investment		
Current liabilities:		
Accounts payable and outstanding checks	\$ 1,444,186	\$ 1,570,559
Accrued expenses:		
Compensation	134,778	242,605
Transportation expense	156,611	199,092
Income taxes	6,782	15,210
Other accrued liabilities	170,539	168,009
Current lease liabilities	73,681	73,722
Current portion of debt	662,966	1,053,655
Total current liabilities	<u>2,649,543</u>	<u>3,322,852</u>
Long-term debt	920,720	920,049
Noncurrent lease liabilities	294,751	313,742
Noncurrent income taxes payable	29,640	28,317
Deferred tax liabilities	14,656	14,256
Other long-term liabilities	3,773	1,926
Total liabilities	<u>3,913,083</u>	<u>4,601,142</u>
Total stockholders' investment	1,404,584	1,353,422
Total liabilities and stockholders' investment	<u>\$ 5,317,667</u>	<u>\$ 5,954,564</u>

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

	Nine Months Ended September 30,	
	2023	2022
Operating activities:		
Net income	\$ 294,156	\$ 844,331
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	75,899	68,723
Provision for credit losses	(4,032)	(2,407)
Stock-based compensation	37,309	78,346
Deferred income taxes	(35,269)	(76,362)
Excess tax benefit on stock-based compensation	(9,899)	(12,440)
Loss on disposal group held for sale	21,113	—
Other operating activities	3,740	(24,011)
Changes in operating elements, net of acquisitions:		
Receivables	525,761	66,536
Contract assets	52,810	90,481
Prepaid expenses and other	(7,632)	13,437
Accounts payable and outstanding checks	(122,312)	(109,493)
Accrued compensation	(106,943)	6,701
Accrued transportation expenses	(42,481)	(62,278)
Accrued income taxes	3,131	(24,202)
Other accrued liabilities	(2,636)	22,209
Other assets and liabilities	1,900	(2,782)
Net cash provided by operating activities	684,615	876,789
Investing activities:		
Purchases of property and equipment	(25,889)	(50,719)
Purchases and development of software	(42,086)	(49,935)
Proceeds from sale of property and equipment	1,324	63,208
Net cash used for investing activities	(66,651)	(37,446)
Financing activities:		
Proceeds from stock issued for employee benefit plans	46,061	93,415
Stock tendered for payment of withholding taxes	(23,754)	(26,597)
Repurchases of common stock	(63,884)	(1,023,578)
Cash dividends	(218,942)	(216,258)
Proceeds from long-term borrowings	—	200,000
Proceeds from short-term borrowings	2,778,750	3,674,000
Payments on short-term borrowings	(3,169,750)	(3,595,000)
Net cash used for financing activities	(651,519)	(894,018)
Effect of exchange rates on cash and cash equivalents	(6,708)	(15,206)
Net change in cash and cash equivalents, including cash classified within assets held for sale	(40,263)	(69,881)
Less: net increase in cash and cash equivalents within assets held for sale	(2,486)	—
Cash and cash equivalents, beginning of period	217,482	257,413
Cash and cash equivalents, end of period	\$ 174,733	\$ 187,532
	As of September 30,	
Operational Data:	2023	2022
Employees	15,391	17,945

Source: C.H. Robinson
CHRW-IR



C.H. ROBINSON

Dave Bozeman, President & CEO
Arun Rajan, Chief Operating Officer
Mike Zechmeister, Chief Financial Officer
Chuck Ives, Director of Investor Relations

Q3 2023

Earnings Presentation

November 1, 2023

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 factors such as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; fuel price increases or decreases, or fuel shortages; competition and growth rates within the global logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; risks associated with significant disruptions in the transportation industry; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; risks with reliance on technology to operate our business; cyber-security related risks; risks associated with operations outside of the United States; our ability to successfully integrate the operations of acquired companies with our historic operations; climate change related risks; risks associated with our indebtedness; interest rates related risks; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with the potential impact of changes in government regulations; risks associated with the changes to income tax regulations; risks associated with the produce industry, including food safety and contamination issues; the impact of war on the economy; changes to our capital structure; changes due to catastrophic events including pandemics such as COVID-19; risks associated with the usage of artificial intelligence technologies; 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.



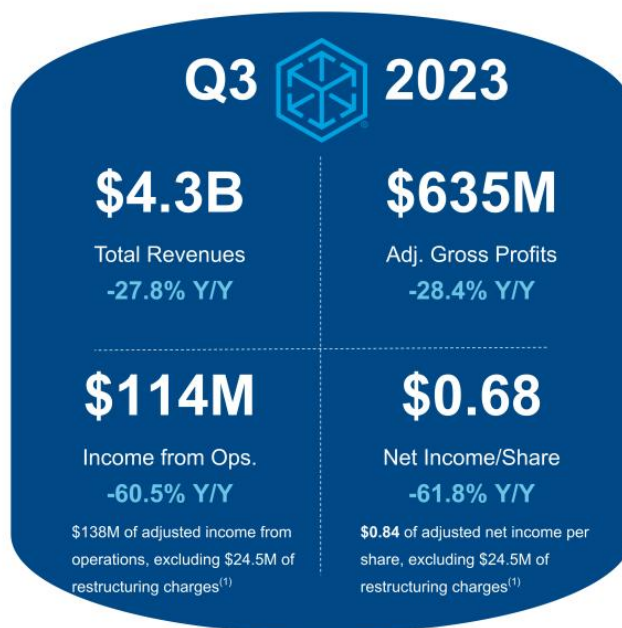
Thoughts from President & CEO, Dave Bozeman

- Customers value the quality, stability and reliability that we provide, and they prefer partners who have the financial strength to invest through cycles and the expertise to provide innovative tech-enabled solutions
- Focus on delivering quality and improvements to customers has been reflected in very positive customer feedback and high net promoter scores
- We are executing on our plans to streamline our processes, remove waste and decouple volume growth from headcount growth
- Cost reductions and productivity gains are ahead of our stated targets
- Accelerating clock speed and driving focus on concurrent workstreams that are addressing the highest leverage areas to eliminate productivity bottlenecks
- Utilizing generative AI, in conjunction with machine learning, to leverage our large data set as a force multiplier
- Strength of our people, scaled network, financial model and investments in improving efficiency position us well for the eventual freight market rebound



Q3 Highlights

- Global freight markets continue to be impacted by weak demand and excess capacity, resulting in a loose market and suppressed transportation rates
- Focused on providing superior service to our customers and carriers and continuing to streamline our processes by removing waste and manual touches
- Balance sheet continues to be strong, and we continue to invest in improving the customer and carrier experience and in decoupling volume growth from headcount growth
- Cost reductions and productivity improvements are ahead of plan
- 18% YTD improvement in shipments/person/day against a goal of 15% Y/Y improvement by Q4

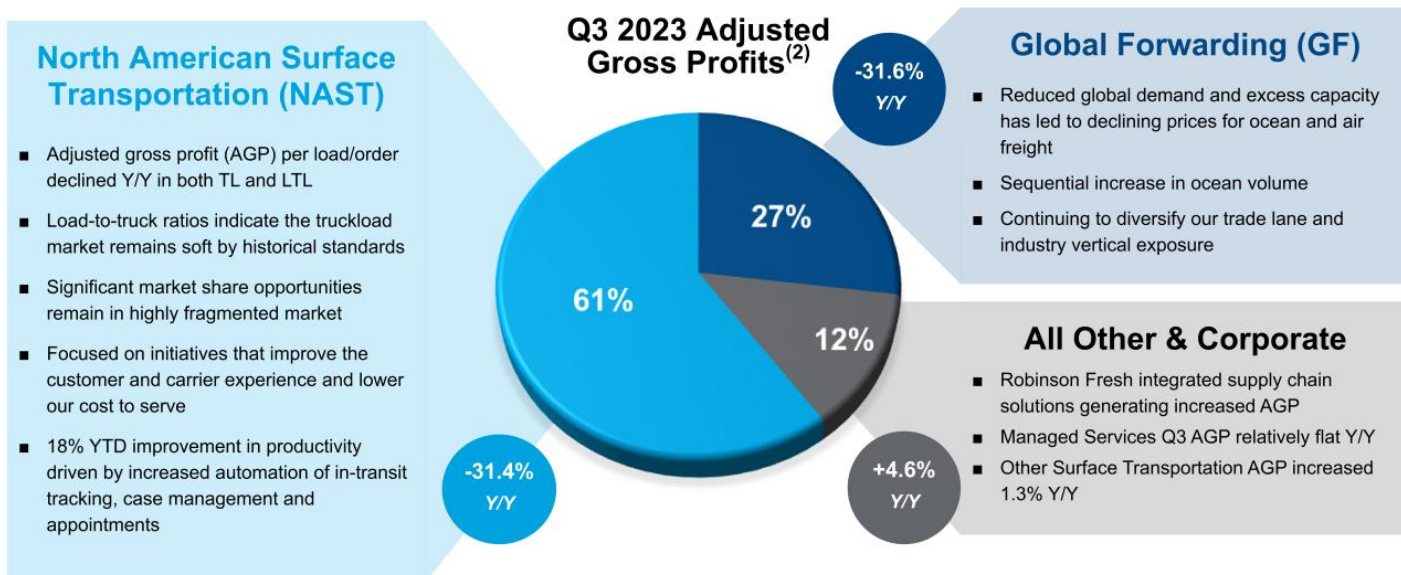


C.H. ROBINSON

1. Adjusted gross profits, adjusted income from operations - excluding restructuring charges and adjusted net income per share - excluding restructuring charges are non-GAAP financial measures. Refer to page 23 for further discussion and a GAAP to Non-GAAP reconciliation.

Complementary Global Suite of Services

Over half of total revenues came from customers to whom we provide both surface transportation and global forwarding services.⁽¹⁾



C.H. ROBINSON

1. Measured over trailing twelve months.

2. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.

NAST Q3'23 Results by Service

Third Quarter Highlights

- Truckload volume down 6.0% year-over-year⁽²⁾
- Truckload AGP per shipment decreased 36.5% due to declining profit per shipment on both contractual and transactional volume⁽²⁾
- LTL volume down 2.0% and AGP per order decreased 13.5%⁽²⁾
- Other AGP decreased primarily due to a decrease in Intermodal services
- Added 4,900 new carriers in Q3 vs. 11,100 in Q3 last year

Adjusted Gross Profit⁽¹⁾ (\$ in millions)

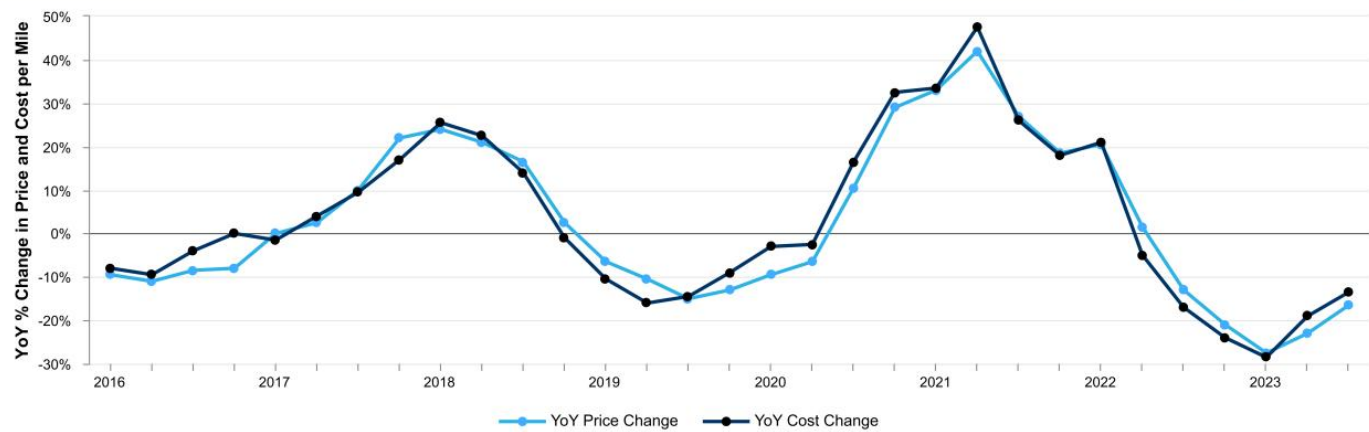
	3Q23	3Q22	% ▲
Truckload ("TL")	\$223.0	\$374.1	(40.4)%
Less than Truckload ("LTL")	\$136.4	\$161.0	(15.3)%
Other	\$27.2	\$28.7	(5.5)%
Total Adjusted Gross Profits	\$386.5	\$563.8	(31.4)%
Adjusted Gross Profit Margin %	12.5%	14.1%	(160 bps)



C.H. ROBINSON

1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.
2. Growth rates are rounded to the nearest 0.5 percent.

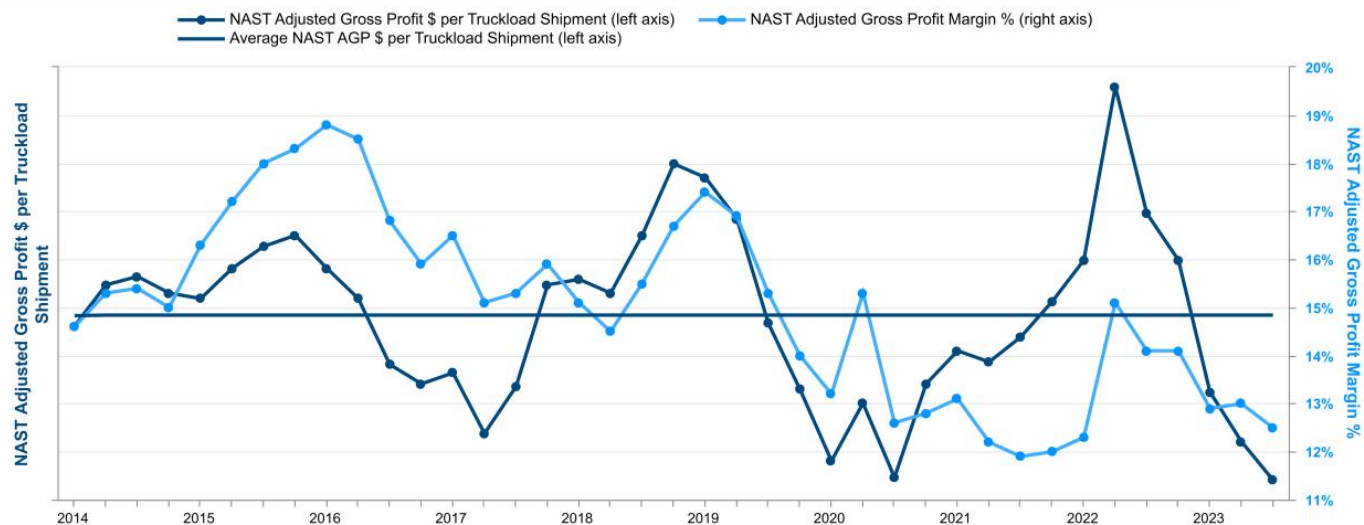
Truckload Price and Cost Change ⁽¹⁾⁽²⁾⁽³⁾



<div><div></div><div>70% / 30% truckload contractual / transactional volume mix in Q3</div></div> <div><div></div><div>Average routing guide depth of 1.2 in Managed Services business vs. 1.3 in Q3 last year</div></div>	Truckload	Q3
	Volume ⁽²⁾⁽⁴⁾	-6.0%
	Price/Mile ⁽¹⁾⁽²⁾⁽³⁾	-16.5%
	Cost/Mile ⁽¹⁾⁽²⁾⁽³⁾	-13.5%
	Adjusted Gross Profit ⁽⁴⁾	-40.4%

1. Price and cost change represents YoY change for North America truckload shipments across all segments.
2. Growth rates are rounded to the nearest 0.5 percent.
3. Pricing and cost measures exclude fuel surcharges and costs.
4. Truckload volume and adjusted gross profit growth represents YoY change for NAST truckload.

Truckload AGP \$ per Shipment Trend



- AGP \$ per Truckload Shipment reflects market conditions better than AGP Margin % ⁽¹⁾
- Within Q3, AGP \$ per Truckload was relatively flat through the quarter.

Global Forwarding Q3'23 Results by Service

Third Quarter Highlights

- Reduced global demand and excess capacity impacted ocean and air pricing and volumes on a year-over-year basis
- Ocean AGP decreased due to a 34.5% decrease in AGP per shipment and a 0.5% decline in shipments⁽²⁾
- Air AGP decreased due to a 35.5% decrease in AGP per metric ton shipped and a 2.0% decline in metric tons shipped⁽²⁾
- Customs AGP decreased primarily due to an 8.0% decline in volume⁽²⁾
- On a sequential basis, ocean volume increased 2.5%

Adjusted Gross Profit ⁽¹⁾ (\$ in millions)

	3Q23	3Q22	% ▲
Ocean	\$103.8	\$159.7	(35.0)%
Air	\$29.7	\$47.1	(36.8)%
Customs	\$24.9	\$27.9	(10.7)%
Other	\$11.5	\$13.7	(16.5)%
Total Adjusted Gross Profits	\$169.9	\$248.4	(31.6)%
<i>Adjusted Gross Profit Margin %</i>	<i>23.6%</i>	<i>16.4%</i>	<i>720 bps</i>



C.H. ROBINSON

1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.
2. Growth rates are rounded to the nearest 0.5 percent.

All Other & Corporate Q3'23 Results

Third Quarter Highlights

Robinson Fresh

- Increased AGP driven by a 23.0%⁽²⁾ increase in case volume, primarily in retail and integrated supply chain solutions for foodservice customers

Managed Services

- Total freight under management of \$1.5B in Q3 down Y/Y due to declining freight rates

Other Surface Transportation

- Increased AGP driven by Europe LTL services

Adjusted Gross Profit ⁽¹⁾ (\$ in millions)

	3Q23	3Q22	% ▲
Robinson Fresh	\$31.1	\$27.7	12.3%
Managed Services	\$29.4	\$29.6	(0.6)%
Other Surface Transportation	\$17.9	\$17.7	1.3%
Total	\$78.4	\$75.0	4.6%



C.H. ROBINSON

1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.
2. Growth rates are rounded to the nearest 0.5 percent.

Sustainable Profitable Growth Strategy

Increase Share

- Leverage integrated service model to grow market share and expand globally
- Industry-leading tech, people and processes to provide best-in-class service
- Expand modal capabilities



Grow Globally

- Expand Global Forwarding business as provider of choice for multinational customers
- Leverage scale to capitalize on secularly growing market and unique global footprint
- Grow capabilities and presence in key industry verticals, trade lanes and geographies



Scale Digitally

- Provide customers and carriers the digital products they value
- Leverage data, scale and information advantage
- Bring meaningful products, features and insights to both sides of the two-sided marketplace
- Increase digital execution of all touch points in the lifecycle of a load



Optimize Processes

- Digitize more internal tools and processes and drive down costs
- Free customer and carrier reps' capacity for higher-value touchpoints
- Drive more revenue synergy across business units
- Execute on cost savings program

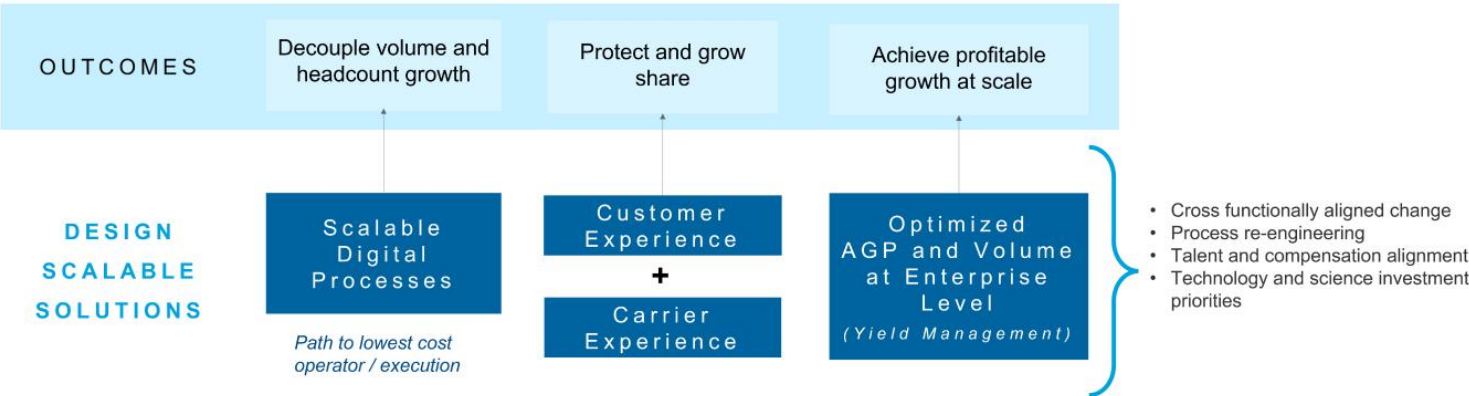


Spend Strategically

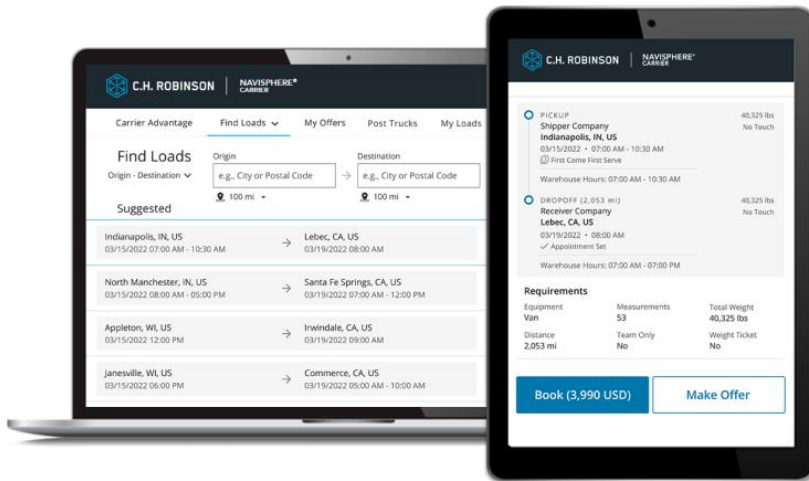
- Support organic growth by leveraging strong cash flow
- Modernize core for future integrations
- Complement with opportunistic M&A



Streamlining & Automating Processes to Drive Profitable Growth



New Carrier & Customer Experiences Driving Digital Adoption



- Improving customer outcomes with technology that supports our people and processes
- Shipments per person per day increased 18% YTD as of Q3 vs our goal of 15% year-over-year improvement by Q4
 - Accelerated the digital execution of critical touch points in the lifecycle of a load:
 - Reducing manual tasks per shipment
 - Reducing time per task

Pillars of Our Customer Promise

Best-in-class solutions delivered through a global network of experts you can rely on

- Diversified, **global suite of services™** - we can reliably meet all logistics services needs today and in the future
- An **information advantage driving smarter solutions™** and **better outcomes** through our experience, data and scale
- Solutions delivered through **people you can rely on™** as an extension of your team
- **Technology built by and for supply chain experts™** - tailored, market-leading solutions that drive better supply chain outcomes



Capital Allocation Priorities: Balanced and Opportunistic

Sustain & Drive Growth

- Prioritize high-return, close-in investments to drive organic growth
- Opportunistically use M&A to drive total shareholder return by advancing tools, services and global skillset

Minimize Risk

- Maintain \$600M-750M of liquidity (cash & borrowing availability)
- Stagger debt maturities to reduce refinancing risk

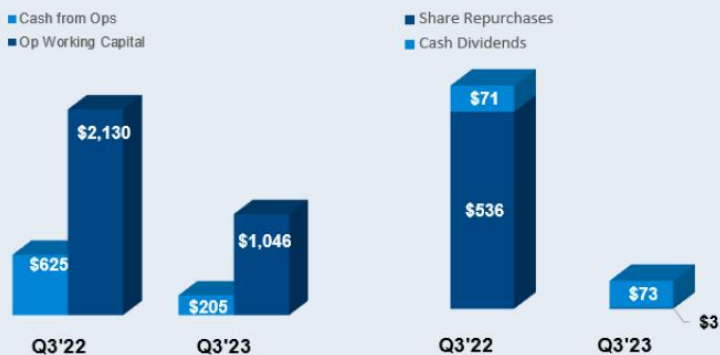
Optimize Balance Sheet

- Optimize Weighted Average Cost of Capital (WACC) by maintaining investment grade credit ratings
- Efficiently repatriate cash

Return Capital

- Grow dividends in alignment with long-term EBITDA
- Opportunistic approach to share buybacks
- 6.8M of share repurchase authorization remaining

Cash Flow from Operations & Capital Distribution (\$M)



- As the cost and price of purchased transportation (inclusive of fuel surcharges) has come down over the last five quarters, we've realized a benefit to net operating working capital and cash flow of \$1.4 billion.
- We'll continue to manage our capital structure to maintain our investment grade credit rating.

- \$76 million of cash returned to shareholders in Q3 2023
- Q3 2023 capital distribution equates to 92% of our Q3 net income
- 32,000 shares repurchased at an average price of \$93.93
- More than 25 years of annually increasing dividends, on a per share basis



C.H. ROBINSON

Appendix

Q3 2023 Transportation Results⁽¹⁾

\$ in thousands	Three Months Ended September 30			Nine Months Ended September 30		
	2023	2022	% Change	2023	2022	% Change
Total Revenues	\$4,029,407	\$5,724,364	(29.6)%	\$12,442,199	\$18,718,357	(33.5)%
Total Adjusted Gross Profits ⁽²⁾	\$607,447	\$861,823	(29.5)%	\$1,895,648	\$2,738,718	(30.8)%
Adjusted Gross Profit Margin %	15.1 %	15.1 %	0 bps	15.2 %	14.6 %	60 bps

Transportation Adjusted Gross Profit Margin %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%	15.3%	14.9%	13.5%	15.2%
Q2	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%	17.5%	13.8%	15.4%	15.5%
Q3	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%	14.4%	13.7%	15.1%	15.1%
Q4	15.9%	19.0%	17.2%	16.6%	17.7%	15.6%	14.3%	13.3%	15.5%	
Total	15.9%	17.9%	18.4%	16.6%	16.7%	17.3%	15.3%	13.8%	14.8%	



1. Includes results across all segments.
2. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.

Q3 2023 NAST Results

\$ in thousands	Three Months Ended September 30			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Total Revenues	\$3,086,970	\$4,002,461	(22.9)%	\$9,470,425	\$12,264,396	(22.8)%
Total Adjusted Gross Profits ⁽¹⁾	\$386,510	\$563,787	(31.4)%	\$1,213,697	\$1,694,438	(28.4)%
Adjusted Gross Profit Margin %	12.5 %	14.1 %	(160 bps)	12.8 %	13.8 %	(100 bps)
Income from Operations ⁽²⁾	\$112,121	\$211,899	(47.1)%	\$364,002	\$670,752	(45.7)%
Adjusted Operating Margin %	29.0 %	37.6 %	(860 bps)	30.0 %	39.6 %	(960 bps)
Depreciation and Amortization	\$5,882	\$5,739	2.5 %	\$17,389	\$18,101	(3.9)%
Total Assets	\$3,162,720	\$3,624,333	(12.7)%	\$3,162,720	\$3,624,333	(12.7)%
Average Headcount	6,278	7,493	(16.2)%	6,574	7,420	(11.4)%



C.H. ROBINSON

1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.

2. Includes an amount of \$0.1 million that primarily related to accrual adjustments for amounts settling for an amount different than originally estimated in the Three Months Ended September 30, 2023 and \$1.1 million of restructuring charges in the Nine Months Ended September 30, 2023 mainly related to workforce reductions.

Q3 2023 Global Forwarding Results

\$ in thousands	Three Months Ended September 30			Nine Months Ended September 30		
	2023	2022	% Change	2023	2022	% Change
Total Revenues	\$719,045	\$1,511,115	(52.4)%	\$2,288,890	\$5,798,702	(60.5)%
Total Adjusted Gross Profits ⁽¹⁾	\$169,893	\$248,433	(31.6)%	\$527,043	\$894,724	(41.1)%
Adjusted Gross Profit Margin %	23.6 %	16.4 %	720 bps	23.0 %	15.4 %	760 bps
Income from Operations ⁽²⁾	\$3,491	\$85,953	(95.9)%	\$63,254	\$421,148	(85.0)%
Adjusted Operating Margin %	2.1 %	34.6 %	(3,250 bps)	12.0 %	47.1 %	(3,510 bps)
Depreciation and Amortization	\$5,446	\$5,368	1.5 %	\$16,410	\$16,394	0.1 %
Total Assets	\$1,081,262	\$2,266,923	(52.3)%	\$1,081,262	\$2,266,923	(52.3)%
Average Headcount	5,082	5,861	(13.3)%	5,276	5,735	(8.0)%



C.H. ROBINSON

1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.

2. Includes \$23.6 million of restructuring charges in the Three Months Ended September 30, 2023 and \$26.0 million of restructuring charges in the Nine Months Ended September 30, 2023 mainly related to divesting our operations in Argentina.

Q3 2023 All Other and Corporate Results

\$ in thousands	Three Months Ended September 30			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Total Revenues	\$535,015	\$501,800	6.6 %	\$1,615,241	\$1,566,706	3.1 %
Total Adjusted Gross Profits ⁽¹⁾	\$78,446	\$74,974	4.6 %	\$245,245	\$235,841	4.0 %
Income (loss) from Operations ⁽²⁾	-\$2,090	-\$10,243	79.6 %	-\$20,078	\$10,848	N/M
Depreciation and Amortization	\$14,216	\$11,868	19.8 %	\$42,100	\$34,228	23.0 %
Total Assets	\$1,073,685	\$904,274	18.7 %	\$1,073,685	\$904,274	18.7 %
Average Headcount	4,217	4,691	(10.1)%	4,390	4,497	(2.4)%



1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.
2. Includes \$0.9 million of restructuring charges in the Three Months Ended September 30, 2023 and \$15.2 million of restructuring charges in the Nine Months Ended September 30, 2023 mainly related to workforce reductions. Includes a \$25.3 million gain on the sale and leaseback of a facility in Kansas City for the Nine Months Ended September 30, 2022.

Non-GAAP Reconciliations

Our adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers. Adjusted gross profit margin is calculated as adjusted gross profit divided by total revenues. We believe adjusted gross profit and adjusted gross profit margin are useful measures of our ability to source, add value, and sell services and products that are provided by third parties, and we consider adjusted gross profit to be a primary performance measurement. The reconciliation of gross profit to adjusted gross profit and gross profit margin to adjusted gross profit margin are presented below:

\$ in thousands	Three Months Ended September 30				Nine Months Ended September 30,			
	2023		2022		2023		2022	
Revenues:								
Transportation	\$4,029,407		\$5,724,364		\$12,442,199		\$18,718,357	
Sourcing	311,623		291,012		932,357		911,447	
Total Revenues	4,341,030		6,015,376		13,374,556		19,629,804	
Costs and expenses:								
Purchased transportation and related services	3,421,960		4,862,541		10,546,551		15,979,639	
Purchased produced sourced for resale	284,221		265,641		842,020		825,162	
Direct internally developed software amortization	8,233		6,457		24,299		18,831	
Total direct costs	3,714,414		5,134,639		11,412,870		16,823,632	
Gross profit & Gross profit margin	\$626,616	14.4 %	\$880,737	14.6 %	\$1,961,686	14.7 %	\$2,806,172	14.3 %
Plus: Direct internally developed software amortization	8,233		6,457		24,299		18,831	
Adjusted gross profit/Adjusted gross profit margin	\$634,849	14.6 %	\$887,194	14.7 %	\$1,985,985	14.8 %	\$2,825,003	14.4 %

Non-GAAP Reconciliations

Our adjusted operating margin is a non-GAAP financial measure calculated as operating income divided by adjusted gross profit. Our adjusted operating margin - excluding restructuring is a similar non-GAAP financial measure as adjusted operating margin, but also excludes the impact of restructuring and related costs. We believe adjusted operating margin and adjusted operating margin - excluding restructuring are useful measures of our profitability in comparison to our adjusted gross profit, which we consider a primary performance metric as discussed above. The comparisons of operating margin to adjusted operating margin and adjusted operating margin - excluding restructuring are presented below:

\$ in thousands	Three Months Ended September 30		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total Revenues	\$4,341,030	\$6,015,376	\$13,374,556	\$19,629,804
Income from operations	113,522	287,609	407,178	1,102,748
Operating margin	2.6 %	4.8 %	3.0 %	5.6 %
Adjusted gross profit	\$634,849	\$887,194	\$1,985,985	\$2,825,003
Income from operations	113,522	287,609	407,178	1,102,748
Adjusted operating margin	17.9 %	32.4 %	20.5 %	39.0 %
Adjusted gross profit	\$634,849	\$887,194	\$1,985,985	\$2,825,003
Income from operations - excluding restructuring and gain on sale ⁽¹⁾	137,985	287,609	449,495	1,077,452
Adjusted operating margin - excluding restructuring and gain on sale	21.7 %	32.4 %	22.6 %	38.1 %



1. In the Three Months Ended September 30, 2023, we incurred restructuring expenses of \$3.0 million related to workforce reductions and \$21.4 million of asset impairment and other charges. In the Nine Months Ended September 30, 2023, we incurred restructuring expenses of \$19.7 million related to workforce reductions and \$22.6 million of asset impairment and other charges. In the Nine Months Ended September 30, 2022, we incurred a \$25.3 million gain on the sale and leaseback of a facility in Kansas City.

Non-GAAP Reconciliations

Our adjusted income (loss) from operations, adjusted operating margin - excluding restructuring, and adjusted net income per share (diluted) are non-GAAP financial measures. Adjusted income (loss) from operations and adjusted net income per share (diluted) is calculated as income (loss) from operations, adjusted operating margin - excluding restructuring, and net income per share (diluted) excluding the impact of restructuring and related costs. We believe that these measures provide useful information to investors and include them within our internal reporting to our chief operating decision maker. Accordingly, the discussion of our results of operations includes discussion on the changes in our adjusted income (loss) from operations, adjusted operating margin - excluding restructuring, and adjusted net income per share (diluted). The reconciliation of income (loss) from operations, adjusted operating margin - excluding restructuring, and net income per share (diluted) to adjusted income (loss) from operations and adjusted net income per share (diluted) is presented below (in thousands except per share data):

	Three Months Ended September 30, 2023				Nine Months Ended September 30, 2023			
	NAST	Global Forwarding	All Other and Corporate	Consolidated	NAST	Global Forwarding	All Other and Corporate	Consolidated
Income (loss) from operations	\$112,121	\$3,491	-\$2,090	\$113,522	\$364,002	\$63,254	-\$20,078	\$407,178
Severance	-64	2,530	619	3,085	869	4,670	12,365	17,904
Other selling, general, and administrative expenses	4	21,079	362	21,445	8	21,242	1,324	22,574
Other personnel expenses	-9	-17	-41	-67	214	72	1,553	1,839
Total restructuring and related costs ⁽¹⁾	-69	23,592	940	24,463	1,091	25,984	15,242	42,317
Adjusted income (loss) from operations	\$112,052	\$27,083	-\$1,150	\$137,985	\$365,093	\$89,238	-\$4,836	\$449,495
Adjusted gross profit	\$386,510	\$169,893	\$78,446	\$634,849	\$1,213,697	\$527,043	\$245,245	\$1,985,985
Income (loss) from operations - excluding restructuring	112,052	27,083	-1,150	137,985	365,093	89,238	-4,836	449,495
Adjusted operating margin - excluding restructuring	29.0 %	15.9 %	N/M	21.7 %	30.1 %	16.9 %	N/M	22.6 %
Net income per share (diluted)				\$0.68				\$2.46
Restructuring and related costs, net of tax ⁽¹⁾				0.16				0.27
Adjusted net income per share (diluted)				\$0.84				\$2.73



1. In the Three Months Ended September 30, 2023, we incurred restructuring expenses of \$3.0 million related to workforce reductions and \$21.4 million of other charges. In the Nine Months Ended September 30, 2023, we incurred restructuring expenses of \$19.7 million related to workforce reductions and \$22.6 million of other charges.

Non-GAAP Reconciliations

Our adjusted income from operations and adjusted net income per share (diluted) are non-GAAP financial measures. Adjusted income from operations and adjusted net income per share (diluted) is calculated as income from operations and net income per share (diluted) excluding the impact of the gain on sale-leaseback of our Kansas City regional center. We believe that these measures provide useful information to investors and include them within our internal reporting to our chief operating decision maker. Accordingly, the discussion of our results of operations includes discussion on the changes in our adjusted income from operations and adjusted net income per share (diluted). The reconciliation of income from operations and net income per share (diluted) to adjusted income from operations and adjusted net income per share (diluted) is presented below (in thousands except per share data):

	Nine Months Ended September 30, 2022
Income from operations	\$1,102,748
Gain on sale of property and equipment ⁽¹⁾	-25,296
Income from operations - excluding gain on sale	\$1,077,452
Net income per share (diluted)	\$6.50
Gain on sale of property and equipment ⁽¹⁾	-0.15
Adjusted net income per share (diluted)	\$6.35



1. The gain on sale of property and equipment related to the sale-leaseback of our Kansas City regional center is included within other selling, general, and administrative expenses in our condensed consolidated statements of income.



C.H. ROBINSON

INVESTOR RELATIONS:

Chuck Ives

952-683-2508

chuck.ives@chrobinson.com

Thank you

