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

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**FORM 8-K**

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

Date of Report: May 1, 2018  
(Date of earliest event reported)

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**C.H. ROBINSON WORLDWIDE, INC.**  
(Exact name of registrant as specified in its charter)

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Commission File Number: 000-23189

Delaware  
(State or other jurisdiction of  
incorporation or organization)

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

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

55347-5088  
(Zip Code)

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

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

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

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

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. ☐

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**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 March 31, 2018 and its earnings conference call slides.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit Index**

- 99.1 [Press Release dated May 1, 2018 of C.H. Robinson Worldwide, Inc.](#)
  - 99.2 [Earnings conference call slides dated May 2, 2018](#)
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**SIGNATURE**

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

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Ben G. Campbell

Ben G. Campbell

Chief Legal Officer and Secretary

Date: May 1, 2018



C.H. ROBINSON

C.H. Robinson  
14701 Charlson Rd.  
Eden Prairie, MN 55347  
[www.chrobinson.com](http://www.chrobinson.com)

**FOR INQUIRIES, CONTACT:**

Robert Houghton, VP of Investor Relations and Treasury

Email: [robert.houghton@chrobinson.com](mailto:robert.houghton@chrobinson.com)

FOR IMMEDIATE RELEASE

**C.H. Robinson Reports 2018 First Quarter Results**

MINNEAPOLIS, MN, May 1, 2018 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (NASDAQ: CHRW) today reported financial results for the quarter ended March 31, 2018 .

- **Total revenues increased 14.9 percent to \$3.9 billion**
- **Net revenues increased 10.1 percent to \$625.9 million**
- **Aggregate transportation volume increase of 1.5 percent**
- **Income from operations increased 1.9 percent to \$191.6 million**
- **Diluted earnings per share (EPS) increased 17.4 percent to \$1.01**
- **Operating cash flow increased 116.4 percent to \$200.6 million**

"In a rapidly changing freight environment, we were able to deliver double-digit net revenue growth, expand our digital capabilities, make significant investments in our Global Forwarding business and deliver increased operating income," said John Wiehoff, Chairman and Chief Executive Officer of C.H. Robinson. "We delivered a significant improvement in operating cash flow and returned nearly \$135 million to shareholders, a 23 percent increase versus the first quarter of last year."

**First Quarter Results Summary**

- **Total revenues** increased 14.9 percent to \$3.9 billion , driven by growth across all transportation service lines.
- **Net revenues** increased 10.1 percent to \$625.9 million , driven primarily by growth in truckload, less than truckload ("LTL"), air, ocean and customs services.
- **Operating expenses** increased 14.1 percent to \$434.3 million . **Personnel expenses** increased 13.0 percent to \$328.3 million , driven primarily by a 5.7 percent increase in average headcount and higher variable compensation expense. **Selling, general and administrative ("SG&A") expenses** increased

17.7 percent to \$106.0 million , due primarily to a favorable \$8.75 million legal settlement in the prior year and increased bad debt, occupancy and equipment maintenance and depreciation expense in the current year.

- **Income from operations** totaled \$191.6 million , up 1.9 percent from last year. **Operating margin** of 30.6 percent declined 250 basis points.
- **Interest and other expenses** increased by \$1.4 million , driven primarily by increased debt levels and higher variable interest rates on short-term debt.
- The **effective tax rate** in the quarter was 21.3 percent compared to 31.7 percent last year, driven primarily by a \$17.1 million benefit from the Tax Cuts and Jobs Act of 2017.
- **Net income** totaled \$142.3 million , up 16.6 percent from a year ago. **Diluted EPS** of \$1.01 increased 17.4 percent .

### **North American Surface Transportation ("NAST") Results**

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

	Three Months Ended March 31,		
	2018	2017	% change
Total revenues <sup>(1)</sup>	\$ 2,663,011	\$ 2,259,252	17.9%
Net revenues	414,769	372,440	11.4%
Income from operations	174,078	155,877	11.7%

<sup>(1)</sup> Excludes intersegment revenues.

First quarter total revenues for C.H. Robinson's NAST segment totaled \$2.7 billion , an increase of 17.9 percent over the prior year, driven by increased pricing. Total NAST net revenues increased 11.4 percent in the quarter to \$414.8 million . Net revenues in truckload increased 10.1 percent driven by higher pricing. LTL net revenues increased 14.8 percent due to higher pricing and volumes. Intermodal net revenues decreased 13.8 percent driven by increased accessorial and dray costs. Excluding the impact of the change in fuel prices, our average North America truckload rate per mile charged to customers increased approximately 21 percent in the quarter, while our truckload transportation costs increased approximately 21.5 percent . NAST volume increased approximately 1 percent in the quarter, as a 7 percent decline in truckload volume was more than offset by LTL and intermodal volume growth of 8 percent and 3 percent , respectively. Operating expenses increased 11.1 percent in the quarter due to increased variable compensation and the favorable \$8.75 million legal settlement in the year-ago period. Income from operations increased 11.7 percent in the quarter, and operating margin expanded 10 basis points to 42.0 percent . NAST average headcount was approximately flat in the quarter.

### **Global Forwarding Results**

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

	Three Months Ended March 31,		
	2018	2017	% change
Total revenues <sup>(1)</sup>	\$ 553,754	\$ 468,788	18.1 %
Net revenues	123,037	106,546	15.5 %
Income from operations	8,221	16,206	(49.3)%

<sup>(1)</sup> Excludes intersegment revenues.

First quarter total revenues for the Global Forwarding segment increased 18.1 percent to \$553.8 million , driven by double-digit volume growth across all service lines. Net revenues increased 15.5 percent in the quarter to \$123.0 million . Ocean net revenues increased 8.3 percent . Net revenues in air increased 27.7 percent . Customs net revenues increased 28.5 percent . The acquisition of Milgram & Company added approximately 5 percentage points to the net revenue growth in the quarter. Income from operations declined 49.3 percent to \$8.2 million due to a 21.4 percent increase in average headcount, including investments to build scale in air freight, and technology investments across all service lines. Milgram added approximately 7.5 percentage points to the Global Forwarding average headcount. Operating margin declined 850 basis points to 6.7 percent in the quarter.

### **Robinson Fresh Results**

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

	Three Months Ended March 31,		
	2018	2017	% change
Total revenues <sup>(1)</sup>	\$ 550,469	\$ 550,445	0.0 %
Net revenues	53,870	56,837	(5.2)%
Income from operations	9,307	14,652	(36.5)%

<sup>(1)</sup> Excludes intersegment revenues.

First quarter total revenues for the Robinson Fresh segment were approximately flat compared to the prior year at \$550.5 million . Segment net revenues declined 5.2 percent to \$53.9 million in the quarter. Sourcing net revenues decreased 1.7 percent , driven by a strategic customer exiting the fresh produce business.

Transportation net revenues decreased 9.3 percent , primarily driven by truckload volume declines. Robinson Fresh income from operations declined 36.5 percent due to increased variable compensation and a write-off of a supplier advance, partially offset by a 5.6 percent reduction in average headcount. Operating margin declined 850 basis points to 17.3 percent in the quarter.

### **All Other and Corporate Results**

Net revenues for Managed Services and Other Surface Transportation are summarized as follows:

Net revenues	Three Months Ended March 31,		
	2018	2017	% change
Managed Services	\$ 18,317	\$ 17,193	6.5%
Other Surface Transportation	15,932	15,550	2.5%

First quarter Managed Services net revenues increased 6.5 percent to \$18.3 million , driven by new business. Other Surface Transportation net revenues increased 2.5 percent to \$15.9 million , primarily due to volume growth in Europe.

### **Other Income Statement Items**

The first quarter effective tax rate was 21.3 percent , down from 31.7 percent last year. The lower tax rate was primarily driven by the impact of the Tax Cuts and Jobs Act passed in December 2017. We continue to expect our full year effective tax rate to be 24 to 25 percent in 2018.

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

Interest and other expenses increased approximately \$1.4 million in the quarter, driven primarily by increased debt levels and higher variable interest rates on short-term debt. Changes in revaluation of foreign currency did not have a material impact on our first quarter results.

Diluted weighted average shares outstanding in the quarter were approximately flat, as share repurchases were offset by activity in our equity compensation plans.

**Cash Flow Generation and Capital Distribution**

Cash from operations totaled \$200.6 million, up 116.4 percent from the prior year, primarily due to improved collections and increased earnings from the year-ago period.

In the first quarter, \$134.7 million was returned to shareholders, with \$65.4 million in cash dividends and \$69.3 million in share repurchases. This represents an increase of 22.9 percent over the prior year.

Capital expenditures totaled \$15.5 million in the quarter. We continue to expect 2018 capital expenditures to be \$60 to \$70 million, with the majority dedicated to technology.

**Outlook**

“We expect demand to remain high as the benefits of U.S. tax reform strengthen a growing economy,” said John Wiehoff. “Given the driver shortage and electronic logging device mandate, we also expect industry capacity to remain tight. With these dynamics in place, we believe the current freight market fundamentals will continue throughout 2018.”

John continued, “We believe our large carrier network and proven ability to source capacity for our customers is as important as ever in this volatile market. We will leverage our digital transformation to expand the supply chain expertise we provide to our customers and carriers and drive operating efficiencies in our business to increase returns to our employees and shareholders. I am confident that we have the right people, processes and technology to continue to win in the marketplace.”



## About C.H. Robinson

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

*Except for the historical information contained herein, the matters set forth in this release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to such factors as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; competition and growth rates within the third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight, and changes in relationships with existing truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to successfully integrate the operations of acquired companies with our historic operations; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the potential impacts of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel prices and availability; risks of unexpected or unanticipated events or opportunities that might require additional capital expenditures; the impact of war on the economy; and other risks and uncertainties detailed in our Annual and Quarterly Reports.*

*Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update such statement to reflect events or circumstances arising after such date. All remarks made during our financial results conference call will be current at the time of the call, and we undertake no obligation to update the replay.*

### Conference Call Information:

C.H. Robinson Worldwide First Quarter 2018 Earnings Conference Call

Wednesday, May 2, 2018 ; 8:30 a.m. Eastern Time

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

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

International callers dial +1-201-689-7817

Callers should reference the conference ID, which is 13677149

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

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

	Three Months Ended March 31,		
	2018	2017	% change
Total revenues	\$ 3,925,327	\$ 3,415,125	14.9 %
Net revenues:			
Transportation			
Truckload	\$ 330,291	\$ 304,122	8.6 %
LTL	112,144	97,623	14.9 %
Intermodal	6,332	7,492	(15.5)%
Ocean	68,844	62,875	9.5 %
Air	28,883	21,817	32.4 %
Customs	20,655	16,078	28.5 %
Other logistics services	28,889	28,151	2.6 %
Total transportation	596,038	538,158	10.8 %
Sourcing	29,887	30,408	(1.7)%
Total net revenues	625,925	568,566	10.1 %
Operating expenses	434,340	380,608	14.1 %
Income from operations	191,585	187,958	1.9 %
Net income	\$ 142,297	\$ 122,080	16.6 %
Diluted EPS	\$ 1.01	\$ 0.86	17.4 %

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

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

	Three Months Ended March 31,	
	2018	2017
Revenues:		
Transportation	\$ 3,637,640	\$ 3,102,043
Sourcing	287,687	313,082
Total revenues	3,925,327	3,415,125
Costs and expenses:		
Purchased transportation and related services	3,041,602	2,563,885
Purchased products sourced for resale	257,800	282,674
Personnel expenses	328,297	290,504
Other selling, general, and administrative expenses	106,043	90,104
Total costs and expenses	3,733,742	3,227,167
Income from operations	191,585	187,958
Interest and other expense	(10,700)	(9,302)
Income before provision for income taxes	180,885	178,656
Provisions for income taxes	38,588	56,576
Net income	\$ 142,297	\$ 122,080
Net income per share (basic)	\$ 1.02	\$ 0.86
Net income per share (diluted)	\$ 1.01	\$ 0.86
Weighted average shares outstanding (basic)	140,032	141,484
Weighted average shares outstanding (diluted)	141,270	141,858

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

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended March 31, 2018						
Revenues	\$ 2,663,011	\$ 553,754	\$ 550,469	\$ 158,093	\$ —	\$ 3,925,327
Intersegment revenues <sup>(1)</sup>	123,545	9,364	48,346	6,299	(187,554)	—
Total revenues	\$ 2,786,556	\$ 563,118	\$ 598,815	\$ 164,392	\$ (187,554)	\$ 3,925,327
Net revenues	\$ 414,769	\$ 123,037	\$ 53,870	\$ 34,249	\$ —	\$ 625,925
Operating income	\$ 174,078	\$ 8,221	\$ 9,307	\$ (21)	\$ —	\$ 191,585
Depreciation and amortization	\$ 6,133	\$ 8,909	\$ 1,173	\$ 8,026	\$ —	\$ 24,241
Total Assets	\$ 2,383,229	\$ 805,184	\$ 412,415	\$ 706,948	\$ —	\$ 4,307,776
Average headcount	6,855	4,767	907	2,559	—	15,088

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended March 31, 2017						
Revenues	\$ 2,259,252	\$ 468,788	\$ 550,445	\$ 136,640	\$ —	\$ 3,415,125
Intersegment revenues <sup>(1)</sup>	101,154	8,143	33,340	6,878	(149,515)	—
Total revenues	\$ 2,360,406	\$ 476,931	\$ 583,785	\$ 143,518	\$ (149,515)	\$ 3,415,125
Net revenues	\$ 372,440	\$ 106,546	\$ 56,837	\$ 32,743	\$ —	\$ 568,566
Operating income	\$ 155,877	\$ 16,206	\$ 14,652	\$ 1,223	\$ —	\$ 187,958
Depreciation and amortization	\$ 5,590	\$ 8,020	\$ 1,146	\$ 7,675	\$ —	\$ 22,431
Total Assets	\$ 2,126,900	\$ 699,139	\$ 409,972	\$ 539,733	\$ —	\$ 3,775,744
Average headcount	6,844	3,926	961	2,548	—	14,279

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

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

	March 31, 2018	December 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 349,782	\$ 333,890
Receivables, net	2,019,333	2,113,930
Contract assets	161,028	—
Other current assets	60,870	63,116
<b>Total current assets</b>	<b>2,591,013</b>	<b>2,510,936</b>
Property and equipment, net	230,609	230,326
Intangible and other assets	1,486,154	1,494,572
<b>Total assets</b>	<b>\$ 4,307,776</b>	<b>\$ 4,235,834</b>
<b>Liabilities and stockholders' investment</b>		
Current liabilities:		
Accounts payable and outstanding checks	\$ 1,064,961	\$ 1,096,664
Accrued expenses:		
Transportation expense	111,920	—
Compensation	69,723	105,316
Income taxes	42,781	12,240
Other accrued liabilities	54,025	58,229
Current portion of debt	651,000	715,000
<b>Total current liabilities</b>	<b>1,994,410</b>	<b>1,987,449</b>
Long term debt	750,000	750,000
Noncurrent income taxes payable	25,215	26,684
Deferred tax liability	52,883	45,355
Other long-term liabilities	596	601
<b>Total liabilities</b>	<b>2,823,104</b>	<b>2,810,089</b>
Total stockholders' investment	1,484,672	1,425,745
<b>Total liabilities and stockholders' investment</b>	<b>\$ 4,307,776</b>	<b>\$ 4,235,834</b>

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

	Three Months Ended March 31,	
	2018	2017
Operating activities:		
Net income	\$ 142,297	\$ 122,080
Stock-based compensation	18,134	12,318
Depreciation and amortization	24,241	22,431
Provision for doubtful accounts	6,630	3,618
Deferred income taxes	(26)	(2,048)
Excess tax benefit on stock-based compensation	(6,224)	(9,344)
Other	323	485
Changes in operating elements, net of acquisitions:		
Receivables	(10,056)	(95,204)
Contract assets	(13,264)	—
Prepaid expenses and other	6,327	(6,049)
Other non-current assets	1,093	(1,016)
Accounts payable and outstanding checks	21,797	47,201
Accrued transportation expenses	17,109	—
Accrued compensation and profit-sharing contribution	(37,867)	(37,864)
Accrued income taxes	35,184	51,949
Other accrued liabilities	(5,128)	(15,861)
Net cash provided by operating activities	200,570	92,696
Investing activities:		
Purchases of property and equipment	(11,719)	(13,537)
Purchases and development of software	(3,744)	(3,183)
Acquisitions, net of cash	—	(1,780)
Other	(726)	56
Net cash used for investing activities	(16,189)	(18,444)
Financing activities:		
Borrowings on line of credit	2,119,000	2,450,000
Repayments on line of credit	(2,183,000)	(2,450,000)
Net repurchases of common stock	(41,294)	(32,131)
Cash dividends	(65,382)	(64,597)
Net cash used for financing activities	(170,676)	(96,728)
Effect of exchange rates on cash	2,187	4,604
Net change in cash and cash equivalents	15,892	(17,872)
Cash and cash equivalents, beginning of period	333,890	247,666
Cash and cash equivalents, end of period	\$ 349,782	\$ 229,794

	As of March 31,	
	2018	2017
Operational Data:		
Employees	15,101	14,432

Source: C.H. Robinson  
CHRW-IR



# Earnings Conference Call – First Quarter 2018

May 2, 2018

John Wiehoff, Chairman & CEO  
Andrew Clarke, CFO  
Robert Biesterfeld, COO & President of NAST  
Robert Houghton, VP of Investor Relations



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**C.H. ROBINSON**

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## Safe Harbor Statement

Except for the historical information contained herein, the matters set forth in this presentation and the accompanying earnings release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to such factors as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; competition and growth rates within the third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight, and changes in relationships with existing truck, rail, ocean and air carriers; changes in our customer base due to possible consolidation among our customers; our ability to integrate the operations of acquired companies with our historic operations successfully; risks associated with litigation and insurance coverage; risks associated with operations outside of the U.S.; risks associated with the potential impacts of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel prices and availability; changes to our share repurchase activity; risk of unexpected or unanticipated events or opportunities that might require additional capital expenditures; the impact of war on the economy; and other risks and uncertainties detailed in our Annual and Quarterly Reports.





## Q1 2018 – Key Themes

- Created Chief Operating Officer role to drive operating efficiencies and accelerate digital transformation
- Strong demand and tight capacity driving robust freight market
- Double-digit increase in truckload cost and price
- Acceleration in spot market freight opportunities
- Emphasis on award management



# Results Q1 2018

*in thousands, except per share amounts and headcount*

Three Months Ended March 31

	2018	2017	% Change
Total Revenues	\$3,925,327	\$3,415,125	14.9%
Total Net Revenues	\$625,925	\$568,566	10.1%
Net Revenue Margin %	15.9%	16.6%	(70 bps)
Personnel Expenses	\$328,297	\$290,504	13.0%
Selling, General, and Admin	\$106,043	\$90,104	17.7%
Income from Operations	\$191,585	\$187,958	1.9%
Operating Margin %	30.6%	33.1%	(250 bps)
Depreciation and Amortization	\$24,241	\$22,431	8.1%
Net Income	\$142,297	\$122,080	16.6%
Earnings Per Share (Diluted)	\$1.01	\$0.86	17.4%
Average Headcount	15,088	14,279	5.7%

- Total revenues increase driven by higher pricing, volume and fuel costs
- Operating expenses growth driven by increases in headcount, variable compensation and bad debt expense. Prior year period included a \$8.75M favorable legal settlement.
- Net income and earnings per share increases include favorable impact of U.S. corporate tax reform



**C.H. ROBINSON**

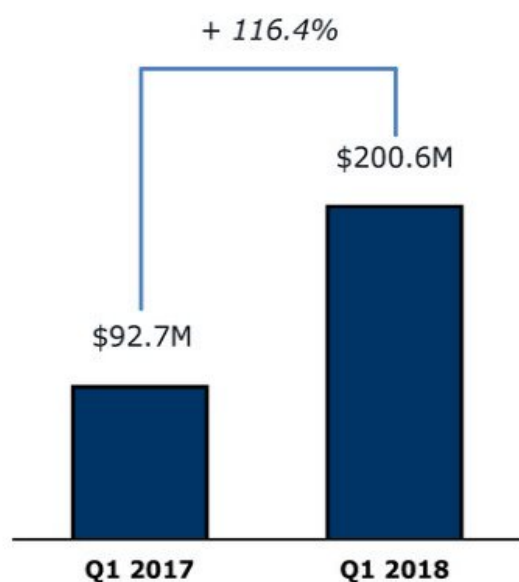
## Q1 2018 Other Income Statement Items

- Q1 effective tax rate of 21.3% vs. 31.7% last year
- Adopted new revenue recognition accounting policy in 2018 Q1
- Interest expense increase due to higher debt levels and an increase in variable interest rates
- Weighted average diluted shares outstanding is approximately flat



# Q1 2018 Cash Flow and Capital Distribution

## Q1 Operating Cash Flow



- \$107.9 million increase in cash flow driven by improved working capital
- \$134.7 million of net income returned to shareholders
  - \$65.4 million cash dividends
    - Dividend payout ratio of 45.9%
  - \$69.3 million in share repurchases
    - 750,130 shares repurchased in the first quarter at an average price of \$92.37 per share
- \$15.5 million in capital expenditures



# Q1 2018 Balance Sheet

*in thousands*

	March 31, 2018	December 31, 2017	% Change
Accounts Receivable, Net	\$2,019,333	\$2,113,930	
Contract Assets <sup>(1)</sup>	\$161,028	—	
Accounts Payable and O/S Checks	\$1,064,961	\$1,096,664	
Accrued Transportation Expense <sup>(1)</sup>	\$111,920	—	
<b>Net Operating Working Capital<sup>(2)</sup></b>	<b>\$1,003,480</b>	<b>\$1,017,266</b>	<b>(1.4%)</b>

- Total debt balance \$1.40 billion
  - \$500 million long-term debt, 4.28% average coupon
  - \$651 million drawn on credit facility, 2.83% average rate
  - \$250 million accounts receivable securitization debt facility, 2.37% average rate

(1) Balance sheet as of March 31, 2018, includes contract assets and accrued transportation expense as the result of an accounting policy change that recognizes revenues for in-transit shipments.

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



**C.H. ROBINSON**

# Inaugural Bond Offering

- Inaugural public debt offering on April 9, 2018
  - \$600 million of 10-year senior unsecured notes due April 2028
  - 4.2% fixed rate
- Investment grade rated by both S&P and Moody's
- Proceeds used to repay outstanding balance on credit facility
- Provides additional capital structure flexibility



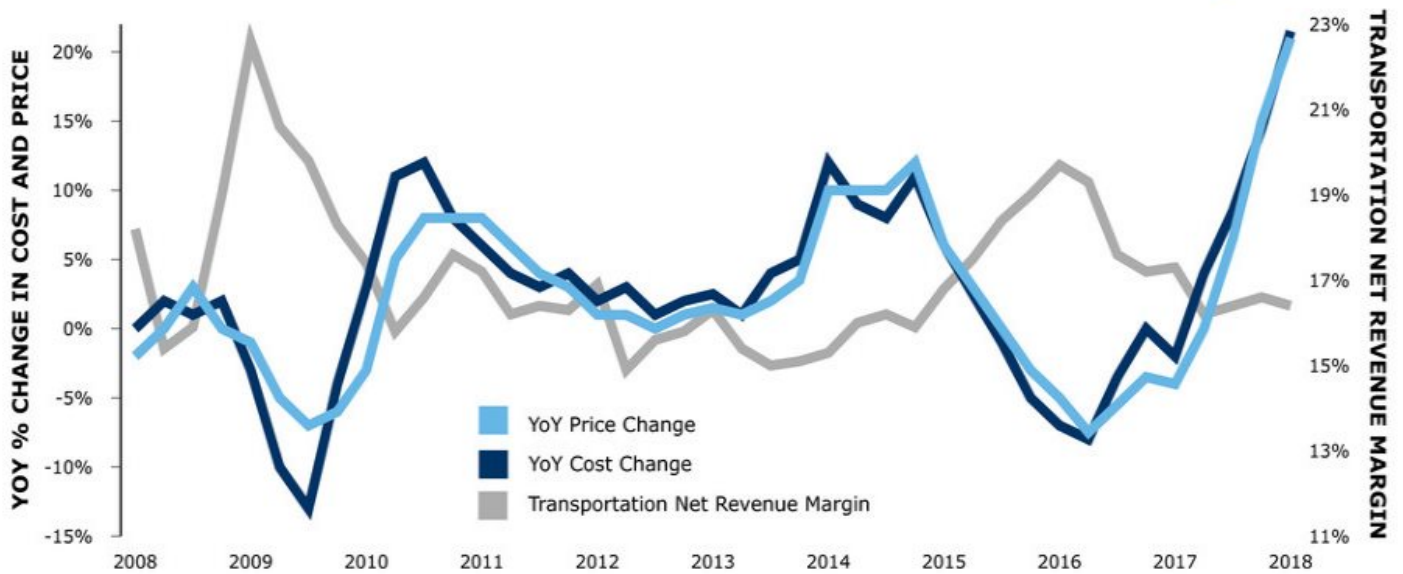
## Second Quarter Trends – April

- April to date total company net revenue per day has increased approximately 11 percent when compared to April 2017
- Truckload volume has declined approximately 6 percent on a year-over-year basis in April





# North America Truckload Cost and Price Change<sup>(1)</sup>



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

North America Truckload		Q1
Volume		(7.0%)
Price		21.0%
Cost		21.5%
Net Revenue Margin		↓

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





# Q1 2018 NAST Results by Service Line

## Truckload, Less Than Truckload and Intermodal

*in thousands*

Three Months Ended March 31

Net Revenues	2018	2017	% Change
Truckload	\$294,757	\$267,605	10.1%
LTL	\$107,348	\$93,517	14.8%
Intermodal	\$6,182	\$7,175	(13.8%)
Other	\$6,482	\$4,143	56.5%
<b>Total</b>	<b>\$414,769</b>	<b>\$372,440</b>	<b>11.4%</b>

- Double-digit price increases in most service lines
- Aggregate volume increase of 1 percent
- Volume increases in LTL and intermodal
- Added 4,200 new carriers in the quarter

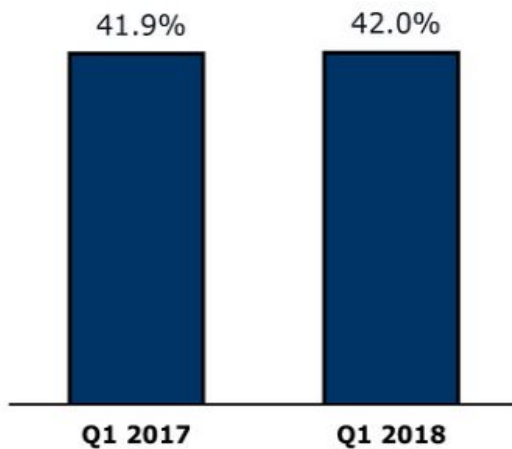
	Truckload <sup>(1)</sup>	LTL <sup>(1)</sup>	Intermodal <sup>(1)</sup>
Pricing <sup>(2)</sup>	21.0%	↑	↑
Cost <sup>(2)</sup>	21.5%	↑	↑
Volume	(7.0%)	8.0%	3.0%
Net Revenue Margin	↓	↓	↓



# Q1 2018 NAST Operating Margin

## Q1 Operating Margin

+ 10 bps



- Prior year period includes \$8.75 million favorable legal settlement
- Technology investments driving labor productivity
- Selective office consolidation
- Flat headcount



# Q1 2018 Global Forwarding Results by Service Line

## Ocean, Air and Customs

*in thousands*

Three Months Ended March 31

Net Revenues	2018	2017	% Change
Ocean	\$68,694	\$63,419	8.3%
Air	\$26,037	\$20,396	27.7%
Customs	\$20,655	\$16,077	28.5%
Other	\$7,651	\$6,654	15.0%
<b>Total</b>	<b>\$123,037</b>	<b>\$106,546</b>	<b>15.5%</b>

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

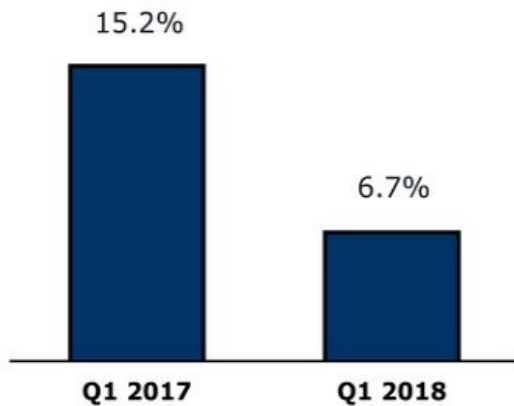
- Double-digit volume increases in all service lines
- Milgram & Company acquisition net revenue impact to Global Forwarding:
  - Ocean +3 pts
  - Air +2 pts
  - Customs +21 pts



# Q1 2018 Global Forwarding Operating Margin

## Q1 Operating Margin

(850 bps)



- Investments in headcount, technology and leased warehouses
- 21.4 percent headcount increase
  - Milgram headcount impact of 7.5 percentage points to Global Forwarding
- Margin improvement plan underway
  - Technology deployment
  - Process automation



# Q1 2018 Robinson Fresh Results

## Transportation and Sourcing

*in thousands*

Three Months Ended March 31

Sourcing	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$287,687	\$313,082	(8.1%)
Net Revenues	\$29,887	\$30,408	(1.7%)
Net Revenue Margin %	10.4%	9.7%	70 bps

Transportation	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$262,782	\$237,363	10.7%
Truckload	\$18,029	\$21,369	(15.6%)
Other	\$5,954	\$5,060	17.7%
Net Revenues	\$23,983	\$26,429	(9.3%)
Net Revenue Margin %	9.1%	11.1%	(200 bps)

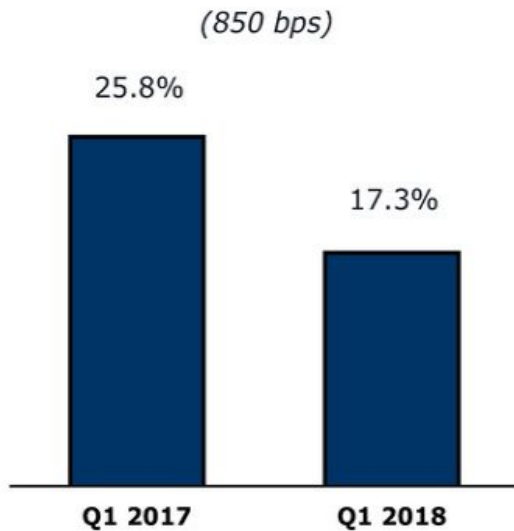
- Sourcing net revenue decline due to strategic customer exiting fresh produce
- Sourcing case volume flat
- Truckload net revenue decline driven by lower volume
- Truckload volume decline of 9 percent

*(1) Does not include intersegment revenues.*



# Q1 2018 Robinson Fresh Operating Margin

## Q1 Operating Margin



- Increased variable compensation expenses
- Write-off of a supplier advance
- Operating expense reduction initiatives underway
  - Headcount reduction
  - Service center closure
  - Operating expense controls



# Q1 2018 All Other and Corporate Results

## Managed Services and Other Surface Transportation

*in thousands*

Three Months Ended March 31

Net Revenues	2018	2017	% Change
Managed Services	\$18,317	\$17,193	6.5%
Other Surface Transportation	\$15,932	\$15,550	2.5%
<b>Total</b>	<b>\$34,249</b>	<b>\$32,743</b>	<b>4.6%</b>

### Managed Services

- \$1 billion in freight under management in Q1 (19 percent increase versus first quarter of 2017)
- 40 bps of operating margin expansion

### Europe Surface Transportation

- Volume growth in truckload and LTL





## Final Comments

- Expect current freight market fundamentals to continue
  - Strong demand
  - Tight capacity
  - Increased costs and pricing
- Continued investment in people, processes and technology
  - Digital transformation
  - Increased insights and capabilities
  - Improved efficiency







# Appendix



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# Q1 2018 Transportation Results<sup>(1)</sup>

*in thousands*

Three Months Ended March 31

Transportation	2018	2017	% Change
Total Revenues	\$3,637,640	\$3,102,043	17.3%
Total Net Revenues	\$596,038	\$538,158	10.8%
Net Revenue Margin %	16.4%	17.3%	(90 bps)

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

*(1) Includes results across all segments.*



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# Q1 2018 NAST Results

*in thousands, except headcount*

Three Months Ended March 31

	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$2,663,011	\$2,259,252	17.9%
Total Net Revenues	\$414,769	\$372,440	11.4%
Net Revenue Margin %	15.6%	16.5%	(90 bps)
Income from Operations	\$174,078	\$155,877	11.7%
Operating Margin %	42.0%	41.9%	10 bps
Depreciation and Amortization	\$6,133	\$5,590	9.7%
Total Assets	\$2,383,229	\$2,126,900	12.1%
Average Headcount	6,855	6,844	0.2%

*(1) Does not include intersegment revenues.*



# Q1 2018 Global Forwarding Results

*in thousands, except headcount*

Three Months Ended March 31

	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$553,754	\$468,788	18.1%
Total Net Revenues	\$123,037	\$106,546	15.5%
Net Revenue Margin %	22.2%	22.7%	(50 bps)
Income from Operations	\$8,221	\$16,206	(49.3%)
Operating Margin %	6.7%	15.2%	(850 bps)
Depreciation and Amortization	\$8,909	\$8,020	11.1%
Total Assets	\$805,184	\$699,139	15.2%
Average Headcount	4,767	3,926	21.4%

*(1) Does not include intersegment revenues.*



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# Q1 2018 Robinson Fresh Results

*in thousands, except headcount*

Three Months Ended March 31

	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$550,469	\$550,445	0.0%
Total Net Revenues	\$53,870	\$56,837	(5.2%)
Net Revenue Margin %	9.8%	10.3%	(50 bps)
Income from Operations	\$9,307	\$14,652	(36.5%)
Operating Margin %	17.3%	25.8%	(850 bps)
Depreciation and Amortization	\$1,173	\$1,146	2.4%
Total Assets	\$412,415	\$409,972	0.6%
Average Headcount	907	961	(5.6%)

*(1) Does not include intersegment revenues.*



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# Q1 2018 All Other and Corporate Results

*in thousands, except headcount*

Three Months Ended March 31

	2018	2017	% Change
Total Revenues <sup>(1)</sup>	\$158,093	\$136,640	15.7%
Total Net Revenues	\$34,249	\$32,743	4.6%
Income from Operations	(\$21)	\$1,223	NM
Depreciation and Amortization	\$8,026	\$7,675	4.6%
Total Assets	\$706,948	\$539,733	31.0%
Average Headcount	2,559	2,548	0.4%

*(1) Does not include intersegment revenues.*



**C.H. ROBINSON**



**C.H. ROBINSON**

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