
**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: January 30, 2018
(Date of earliest event reported)

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

Commission File Number: 000-23189

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

55347-5088
(Zip Code)

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

The following information is being "furnished" in accordance with the General Instruction B.2 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Furnished herewith as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the text of C.H. Robinson Worldwide, Inc.'s announcement regarding its financial results for the quarter ended December 31, 2017 and its earnings conference call slides.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Index

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

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

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Ben G. Campbell

Ben G. Campbell

Chief Legal Officer and Secretary

Date: January 30, 2018

C.H. Robinson Worldwide, Inc.
14701 Charlson Road
Eden Prairie, Minnesota 55347

Andrew Clarke, Chief Financial Officer (952) 683-3474
Tim Gagnon, Vice President (952) 683-5007

FOR IMMEDIATE RELEASE

C.H. ROBINSON REPORTS FOURTH QUARTER RESULTS

MINNEAPOLIS, January 30, 2018 - C.H. Robinson Worldwide, Inc. ("C.H. Robinson") (NASDAQ: CHRW), today reported financial results for the quarter ended December 31, 2017 . 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 segment service line net revenues discussed below as our segments have revenues from multiple service lines. Summarized financial results are set forth in the following table (dollars in thousands, except per share data).

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	% change	2017	2016	% change
Total revenues	\$ 3,959,786	\$ 3,414,975	16.0 %	\$ 14,869,380	\$ 13,144,413	13.1 %
Net revenues:						
Transportation						
Truckload	\$ 342,134	\$ 296,740	15.3 %	\$ 1,229,999	\$ 1,257,191	-2.2 %
LTL	105,306	94,299	11.7 %	407,012	381,817	6.6 %
Intermodal	5,867	7,521	-22.0 %	29,145	33,482	-13.0 %
Ocean	73,135	69,033	5.9 %	290,630	244,276	19.0 %
Air	27,595	23,743	16.2 %	100,761	82,167	22.6 %
Customs	21,142	15,860	33.3 %	70,952	50,509	40.5 %
Other logistics services	29,554	28,404	4.0 %	117,117	105,369	11.1 %
Total transportation	604,733	535,600	12.9 %	2,245,616	2,154,811	4.2 %
Sourcing	27,116	25,916	4.6 %	122,434	122,717	-0.2 %
Total net revenues	631,849	561,516	12.5 %	2,368,050	2,277,528	4.0 %
Operating expenses	420,973	367,951	14.4 %	1,592,931	1,439,997	10.6 %
Income from operations	210,876	193,565	8.9 %	775,119	837,531	-7.5 %
Net income	\$ 152,556	\$ 122,303	24.7 %	\$ 504,893	\$ 513,384	-1.7 %
Diluted EPS	\$ 1.08	\$ 0.86	25.6 %	\$ 3.57	\$ 3.59	-0.6 %

Our total revenues increased 16.0 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 . The increase in total revenues was driven by increased customer pricing, volume, and fuel costs in most of our transportation services. Our total net revenues increased 12.5 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 .

For the fourth quarter of 2017 , our total operating expenses increased 14.4 percent compared to the fourth quarter of 2016 . Personnel expenses increased 19.7 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 . The increase in personnel expenses was the result of an increase in average headcount of 6.8 percent and an increase in variable compensation in the fourth quarter of 2017 compared to the fourth quarter of 2016 . Other selling, general, and administrative expenses increased 1.6 percent .

Interest and other expenses increased approximately \$14.4 million in the fourth quarter of 2017 compared to the fourth quarter of 2016 . Interest expense increased due to a higher average debt balance and higher interest rates during the fourth quarter of 2017 compared to the fourth quarter of 2016 . The higher average debt balance is a result of borrowings for the acquisition of Milgram and increased working capital needs. Additionally, in the fourth quarter of 2016, we had approximately \$4 million in currency gains, primarily due to a stronger U.S. dollar.

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The provision for income taxes decreased 40.1 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 . During the fourth quarter of 2017 , the provision for income taxes decreased by \$19.7 million due to the benefit of deductions under Section 199 of the Internal Revenue Code and \$12.1 million due to the impact of the Tax Cuts and Jobs Act (“Tax Reform”), which was signed into law on December 22, 2017. The \$12.1 million benefit resulting from Tax Reform was primarily the result of the revaluation of deferred tax assets and liabilities due to the decrease in the corporate Federal income tax rate from 35 percent to 21 percent and was partially offset by the impact of certain transition taxes and other impacts of Tax Reform.

Results by Segment

Our three reportable segments are: North American Surface Transportation (“NAST”), Global Forwarding, and Robinson Fresh. The balance of our business is reported as “All Other and Corporate.” All Other and Corporate includes our non-reportable segments, including Managed Services and Other Surface Transportation.

NAST provides freight transportation services across North America through a network of offices in the United States, Canada, and Mexico. The primary services provided by NAST include truckload, less than truckload (“LTL”), and intermodal. Summarized financial results of our NAST segment are as follows (dollars in thousands):

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	% change	2017	2016	% change
Total revenues ⁽¹⁾	\$ 2,618,587	\$ 2,281,435	14.8%	\$ 9,728,810	\$ 8,737,716	11.3 %
Net revenues	415,315	363,281	14.3%	1,525,064	1,524,355	0.0 %
Income from operations	180,557	157,631	14.5%	628,110	674,436	-6.9 %

⁽¹⁾ Excludes intersegment revenues.

NAST total revenues increased 14.8 percent to \$2.6 billion in the fourth quarter of 2017 from \$2.3 billion in the fourth quarter of 2016 . This increase was driven by pricing increases in all services. NAST net revenues increased 14.3 percent to \$415.3 million in the fourth quarter of 2017 compared to \$363.3 million in the fourth quarter of 2016 , primarily from an increase in truckload net revenues.

NAST truckload net revenues increased 16.6 percent to \$304.5 million in the fourth quarter of 2017 compared to \$261.1 million in the fourth quarter of 2016 , while truckload volumes declined 3 percent . NAST truckload net revenue margin was flat in the fourth quarter of 2017 compared to the fourth quarter of 2016 .

NAST accounted for approximately 94 percent of our total North America truckload net revenues in the fourth quarter of 2017 and 93 percent in the fourth quarter of 2016 . The majority of the remaining North American truckload net revenues is included in Robinson Fresh. Excluding the estimated impacts of the change in fuel prices, our average North America truckload rate per mile charged to our customers increased approximately 15 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 . Our truckload transportation costs increased approximately 14.5 percent , excluding the estimated impacts of the change in fuel prices.

NAST LTL net revenues increased 10.9 percent to \$100.5 million in the fourth quarter of 2017 compared to \$90.6 million in the fourth quarter of 2016 . NAST LTL volumes increased approximately 10 percent in the fourth quarter of 2017 compared to the fourth quarter of 2016 , and net revenue margin decreased.

NAST intermodal net revenues decreased 34.4 percent to \$4.7 million in the fourth quarter of 2017 compared to \$7.1 million in the fourth quarter of 2016 . NAST intermodal net revenues and net revenue margin decreased while volume increased in the fourth quarter of 2017 compared to the fourth quarter of 2016 due to higher costs on owned and leased containers.

NAST operating expenses increased 14.2 percent in the fourth quarter of 2017 to \$234.8 million compared to \$205.7 million in the fourth quarter of 2016 . This increase was due to increases in personnel expenses. The increase in personnel expenses is related to an increase in variable compensation in the fourth quarter of 2017 and an increase in average headcount of 1.0 percent compared to the fourth quarter of 2016 . The operating expenses of NAST and all other segments include allocated corporate expenses.

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Global Forwarding provides global logistics services through an international network of offices in North America, Asia, Europe, Australia, New Zealand, and South America and also contracts with independent agents worldwide. The primary services provided by Global Forwarding include ocean freight services, air freight services, and customs brokerage. Summarized financial results of our Global Forwarding segment are as follows (dollars in thousands):

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	% change	2017	2016	% change
Total revenues ⁽¹⁾	\$ 591,245	\$ 475,971	24.2 %	\$ 2,140,987	\$ 1,574,686	36.0%
Net revenues	127,869	114,079	12.1 %	485,280	397,537	22.1%
Income from operations	16,836	24,631	-31.6 %	91,842	80,931	13.5%

⁽¹⁾ Excludes intersegment revenues.

Global Forwarding total revenues increased 24.2 percent in the fourth quarter of 2017 to \$591.2 million from \$476.0 million in the fourth quarter of 2016 . Global Forwarding net revenues increased 12.1 percent to \$127.9 million in the fourth quarter of 2017 compared to \$114.1 million in the fourth quarter of 2016 . The acquisition of Milgram accounted for approximately five percentage points of the net revenue growth in Global Forwarding.

Ocean net revenues increased 5.5 percent to \$73.1 million in the fourth quarter of 2017 compared to \$69.3 million in the fourth quarter of 2016 . Air net revenues increased 16.7 percent to \$25.7 million in the fourth quarter of 2017 compared to \$22.0 million in the fourth quarter of 2016 . Customs net revenues increased 33.3 percent to \$21.1 million in the fourth quarter of 2017 compared to \$15.9 million in the fourth quarter of 2016 . These increases were primarily due to volume increases, including those from acquisition.

Global Forwarding operating expenses increased 24.1 percent in the fourth quarter of 2017 to \$111.0 million from \$89.4 million in the fourth quarter of 2016 . This increase was due to increases in both personnel and selling, general, and administrative expenses. The personnel expense increase was driven by an average headcount increase of 19.0 percent . The acquisition of Milgram added approximately 7.5 percent to Global Forwarding average headcount. The selling, general, and administrative expense increase was primarily driven by the addition of Milgram.

Robinson Fresh provides sourcing services under the name of Robinson Fresh. Our sourcing services primarily include the buying, selling, and marketing of fresh fruits, vegetables, and other perishable items. Robinson Fresh sources products from around the world and has a physical presence in North America, Europe, Asia, and South America. This segment often provides the logistics and transportation of the products it sells, in addition to temperature controlled transportation services for its customers. Summarized financial results of our Robinson Fresh segment are as follows (dollars in thousands):

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	% change	2017	2016	% change
Total revenues ⁽¹⁾	\$ 594,646	\$ 529,449	12.3 %	\$ 2,415,740	\$ 2,344,131	3.1 %
Net revenues	54,123	51,753	4.6 %	226,059	234,794	-3.7 %
Income from operations	12,887	12,980	-0.7 %	53,374	75,757	-29.5 %

⁽¹⁾ Excludes intersegment revenues.

Robinson Fresh total revenues increased 12.3 percent to \$594.6 million in the fourth quarter of 2017 from \$529.4 million in the fourth quarter of 2016 . Robinson Fresh net revenues increased 4.6 percent to \$54.1 million in the fourth quarter of 2017 compared to \$51.8 million in the fourth quarter of 2016 as a result of increases in sourcing and transportation net revenues.

Robinson Fresh sourcing net revenues increased 4.6 percent to \$27.1 million from \$25.9 million in the fourth quarter of 2017 compared to the fourth quarter of 2016 . This increase was due to an increase in net revenue margin and a case volume increase of one percent compared to the fourth quarter of 2016 .

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Robinson Fresh transportation net revenues increased 4.5 percent to \$27.0 million in the fourth quarter of 2017 compared to \$25.8 million in the fourth quarter of 2016 , primarily due to an increase in other transportation revenue, partially offset by a decrease in truckload net revenues. Robinson Fresh transportation net revenue margin decreased in the fourth quarter of 2017 compared to the fourth quarter of 2016 .

Robinson Fresh operating expenses increased 6.4 percent in the fourth quarter of 2017 to \$41.2 million from \$38.8 million in the fourth quarter of 2016 . This was primarily due to an increase in salaries and variable compensation, partially offset by a decline in selling, general, and administrative expenses.

All Other and Corporate includes our Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues. It also includes any unallocated corporate expenses. Managed Services provides Transportation Management Service, or Managed TMS. Europe Surface Transportation provides services similar to NAST across the European continent. Net revenues for Managed Services and Other Surface Transportation are summarized as follows:

Net revenues	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	% change	2017	2016	% change
Managed Services	\$ 18,322	\$ 17,667	3.7%	\$ 72,166	\$ 64,701	11.5%
Other Surface Transportation	16,220	14,736	10.1%	59,481	56,141	5.9%

Managed Services net revenues increased 3.7 percent in the fourth quarter of 2017 to \$18.3 million compared to \$17.7 million the fourth quarter of 2016 . This increase was a result of new business. Other surface transportation net revenues increased 10.1 percent in the fourth quarter of 2017 to \$16.2 million compared to \$14.7 million in the fourth quarter of 2016 . This increase is primarily the result of increased volumes, partially offset by margin compression in the surface transportation business in Europe.

About C.H. Robinson

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

Except for the historical information contained herein, the matters set forth in this release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to such factors as changes in economic conditions, including uncertain consumer demand; 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.

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Conference Call Information:

C.H. Robinson Worldwide Fourth Quarter 2017 Earnings Conference Call

Wednesday, January 31, 2017; 8:30 a.m. Eastern Time

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.

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

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

International callers dial +1-201-689-7817

Callers should reference the conference ID, which is 13674982

An audio replay will be available at <http://investor.chrobinson.com>.

Telephone audio replay available until 11:30 a.m. Eastern Time on February 7, 2018: 877-660-6853;

passcode: 13674982#

International callers dial +1-201-612-7415

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Revenues:				
Transportation	\$ 3,647,167	\$ 3,110,978	\$ 13,502,906	\$ 11,704,745
Sourcing	312,619	303,997	1,366,474	1,439,668
Total revenues	3,959,786	3,414,975	14,869,380	13,144,413
Costs and expenses:				
Purchased transportation and related services	3,042,434	2,575,378	11,257,290	9,549,934
Purchased products sourced for resale	285,503	278,081	1,244,040	1,316,951
Personnel expenses	311,599	260,305	1,179,527	1,064,936
Other selling, general, and administrative expenses	109,374	107,646	413,404	375,061
Total costs and expenses	3,748,910	3,221,410	14,094,261	12,306,882
Income from operations	210,876	193,565	775,119	837,531
Interest and other expense	(17,502)	(3,118)	(46,656)	(25,581)
Income before provision for income taxes	193,374	190,447	728,463	811,950
Provisions for income taxes	40,818	68,144	223,570	298,566
Net income	\$ 152,556	\$ 122,303	\$ 504,893	\$ 513,384
Net income per share (basic)	\$ 1.09	\$ 0.86	\$ 3.59	\$ 3.60
Net income per share (diluted)	\$ 1.08	\$ 0.86	\$ 3.57	\$ 3.59
Weighted average shares outstanding (basic)	139,572	141,711	140,610	142,706
Weighted average shares outstanding (diluted)	140,724	142,164	141,382	142,991

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BUSINESS SEGMENT INFORMATION
(unaudited, dollars in thousands)

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended December 31, 2017						
Revenues	\$ 2,618,587	\$ 591,245	\$ 594,646	\$ 155,308	\$ —	\$ 3,959,786
Intersegment revenues ⁽¹⁾	133,197	6,742	51,011	4,398	(195,348)	—
Total revenues	\$ 2,751,784	\$ 597,987	\$ 645,657	\$ 159,706	\$ (195,348)	\$ 3,959,786
Net revenues	\$ 415,315	\$ 127,869	\$ 54,123	\$ 34,542	\$ —	\$ 631,849
Operating income	\$ 180,557	\$ 16,836	\$ 12,887	\$ 596	\$ —	\$ 210,876
Depreciation and amortization	\$ 6,126	\$ 8,734	\$ 1,196	\$ 7,581	\$ —	\$ 23,637
Total Assets	\$ 2,277,252	\$ 821,182	\$ 434,080	\$ 703,320	\$ —	\$ 4,235,834
Average headcount	6,878	4,683	935	2,540	—	15,036

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended December 31, 2016						
Revenues	\$ 2,281,435	\$ 475,971	\$ 529,449	\$ 128,120	\$ —	\$ 3,414,975
Intersegment revenues ⁽¹⁾	86,898	6,726	36,203	1,569	(131,396)	—
Total revenues	\$ 2,368,333	\$ 482,697	\$ 565,652	\$ 129,689	\$ (131,396)	\$ 3,414,975
Net revenues	\$ 363,281	\$ 114,079	\$ 51,753	\$ 32,403	\$ —	\$ 561,516
Operating income	\$ 157,631	\$ 24,631	\$ 12,980	\$ (1,677)	\$ —	\$ 193,565
Depreciation and amortization	\$ 5,575	\$ 7,868	\$ 1,192	\$ 7,318	\$ —	\$ 21,953
Total Assets	\$ 2,088,611	\$ 703,741	\$ 376,654	\$ 518,752	\$ —	\$ 3,687,758
Average headcount	6,809	3,934	951	2,380	—	14,074

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

(more)

BUSINESS SEGMENT INFORMATION
(unaudited, dollars in thousands)

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Twelve Months Ended December 31, 2017						
Revenues	\$ 9,728,810	\$ 2,140,987	\$ 2,415,740	\$ 583,843	\$ —	\$ 14,869,380
Intersegment revenues ⁽¹⁾	462,390	30,198	167,292	18,174	(678,054)	—
Total revenues	\$ 10,191,200	\$ 2,171,185	\$ 2,583,032	\$ 602,017	\$ (678,054)	\$ 14,869,380
Net revenues	\$ 1,525,064	\$ 485,280	\$ 226,059	\$ 131,647	—	\$ 2,368,050
Operating income	\$ 628,110	\$ 91,842	\$ 53,374	\$ 1,793	—	\$ 775,119
Depreciation and amortization	\$ 23,230	\$ 33,308	\$ 4,730	\$ 31,709	—	\$ 92,977
Total Assets	\$ 2,277,252	\$ 821,182	\$ 434,080	\$ 703,320	—	\$ 4,235,834
Average headcount	6,907	4,310	957	2,513	—	14,687

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Twelve Months Ended December 31, 2016						
Revenues	\$ 8,737,716	\$ 1,574,686	\$ 2,344,131	\$ 487,880	\$ —	\$ 13,144,413
Intersegment revenues ⁽¹⁾	298,438	30,311	119,403	2,211	(450,363)	—
Total revenues	\$ 9,036,154	\$ 1,604,997	\$ 2,463,534	\$ 490,091	\$ (450,363)	\$ 13,144,413
Net revenues	\$ 1,524,355	\$ 397,537	\$ 234,794	\$ 120,842	\$ —	\$ 2,277,528
Operating income	\$ 674,436	\$ 80,931	\$ 75,757	\$ 6,407	—	\$ 837,531
Depreciation and amortization	\$ 22,126	\$ 23,099	\$ 3,782	\$ 25,662	—	\$ 74,669
Total Assets	\$ 2,088,611	\$ 703,741	\$ 376,654	\$ 518,752	—	\$ 3,687,758
Average headcount	6,773	3,673	942	2,282	—	13,670

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

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CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	December 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 333,890	\$ 247,666
Receivables, net	2,113,930	1,711,191
Other current assets	63,116	49,245
Total current assets	2,510,936	2,008,102
Property and equipment, net	230,326	232,953
Intangible and other assets	1,494,572	1,446,703
Total assets	\$ 4,235,834	\$ 3,687,758
Liabilities and stockholders' investment		
Current liabilities:		
Accounts payable and outstanding checks	\$ 1,096,664	\$ 921,788
Accrued compensation	105,316	98,107
Accrued income taxes	12,240	15,472
Other accrued expenses	58,229	70,351
Current portion of debt	715,000	740,000
Total current liabilities	1,987,449	1,845,718
Long term debt	750,000	500,000
Noncurrent income taxes payable	26,684	18,849
Deferred tax liability	45,355	65,122
Other long-term liabilities	601	222
Total liabilities	2,810,089	2,429,911
Total stockholders' investment	1,425,745	1,257,847
Total liabilities and stockholders' investment	\$ 4,235,834	\$ 3,687,758

(more)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands, except operational data)

	Twelve Months Ended December 31,	
	2017	2016
Operating activities:		
Net income	\$ 504,893	\$ 513,384
Stock-based compensation	41,805	37,565
Depreciation and amortization	92,977	74,669
Provision for doubtful accounts	13,489	5,136
Deferred income taxes	(28,731)	15,009
Excess tax benefit on stock-based compensation	(13,657)	(18,462)
Other	4,491	1,907
Changes in operating elements, net of acquisitions:		
Receivables	(364,181)	(173,211)
Prepaid expenses and other	(9,173)	(6,378)
Other non-current assets	(19,099)	(3,934)
Accounts payable and outstanding checks	144,041	115,917
Accrued compensation and profit-sharing contribution	7,209	(47,570)
Accrued income taxes	19,452	19,921
Other accrued liabilities	(13,015)	(4,545)
Net cash provided by operating activities	380,501	529,408
Investing activities:		
Purchases of property and equipment	(40,122)	(73,452)
Purchases and development of software	(17,823)	(17,985)
Acquisitions, net of cash	(49,068)	(220,203)
Other	(521)	(1,348)
Net cash used for investing activities	(107,534)	(312,988)
Financing activities:		
Borrowings on accounts receivable securitization facility	250,000	—
Borrowings on line of credit	8,784,000	6,600,000
Repayments on line of credit	(8,809,000)	(6,310,000)
Net repurchases of common stock	(165,412)	(190,332)
Excess tax benefit on stock-based compensation	—	18,462
Cash dividends	(258,222)	(245,430)
Net cash used for financing activities	(198,634)	(127,300)
Effect of exchange rates on cash	11,891	(9,683)
Net change in cash and cash equivalents	86,224	79,437
Cash and cash equivalents, beginning of period	247,666	168,229
Cash and cash equivalents, end of period	\$ 333,890	\$ 247,666

Operational Data:	As of December 31,	
	2017	2016
Employees	15,074	14,125

Source: C.H. Robinson

###



Earnings Conference Call – Fourth Quarter 2017

January 31, 2018

John Wiehoff, Chairman & CEO
Andrew Clarke, CFO
Tim Gagnon, Vice President



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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.



Results Q4 2017

in thousands, except per share amounts and headcount

Three Months Ended December 31

Twelve Months Ended December 31

	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,959,786	\$3,414,975	16.0%	\$14,869,380	\$13,144,413	13.1%
Total Net Revenues	\$631,849	\$561,516	12.5%	\$2,368,050	\$2,277,528	4.0%
Net Revenue Margin %	16.0%	16.4%	(40 bps)	15.9%	17.3%	(140 bps)
Income from Operations	\$210,876	\$193,565	8.9%	\$775,119	\$837,531	(7.5%)
Operating Margin %	33.4%	34.5%	(110 bps)	32.7%	36.8%	(410 bps)
Net Income	\$152,556	\$122,303	24.7%	\$504,893	\$513,384	(1.7%)
Earnings Per Share (Diluted)	\$1.08	\$0.86	25.6%	\$3.57	\$3.59	(0.6%)
Weighted Average Shares Outstanding (Diluted)	140,724	142,164	(1.0%)	141,382	142,991	(1.1%)
Depreciation and Amortization	\$23,637	\$21,953	7.7%	\$92,977	\$74,669	24.5%
Total Assets	\$4,235,834	\$3,687,758	14.9%	\$4,235,834	\$3,687,758	14.9%
Average Headcount	15,036	14,074	6.8%	14,687	13,670	7.4%
Ending Headcount	15,074	14,125	6.7%	15,074	14,125	6.7%

- Total revenues increased as a result of increased pricing, volume, and fuel costs in most of our transportation services in the fourth quarter of 2017 when compared to the fourth quarter of 2016.
- Realized one-time tax reduction of approximately \$31.8 million in the fourth quarter primarily due to a domestic manufacturing deduction and revaluation of deferred net tax liabilities.
- Headcount increased in the fourth quarter when compared to last year's fourth quarter as a result of the Milgram acquisition and other talent investments across the business.



Summarized Income Statement

in thousands

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,959,786	\$3,414,975	16.0%	\$14,869,380	\$13,144,413	13.1%
Total Net Revenues	\$631,849	\$561,516	12.5%	\$2,368,050	\$2,277,528	4.0%
Personnel Expenses	\$311,599	\$260,305	19.7%	\$1,179,527	\$1,064,936	10.8%
Selling, General, and Admin	\$109,374	\$107,646	1.6%	\$413,404	\$375,061	10.2%
Total Operating Expenses	\$420,973	\$367,951	14.4%	\$1,592,931	\$1,439,997	10.6%
Income from Operations	\$210,876	\$193,565	8.9%	\$775,119	\$837,531	(7.5%)
% of Net Revenue	33.4%	34.5%	(110 bps)	32.7%	36.8%	(410 bps)
Net Income	\$152,556	\$122,303	24.7%	\$504,893	\$513,384	(1.7%)

- Personnel expenses increased as a result of headcount additions and an increase in variable compensation in the fourth quarter of 2017 when compared to the fourth quarter of 2016.
- SG&A expenses increased as a result of higher warehousing, occupancy, equipment rental and depreciation offset by lower claims expenses in the fourth quarter of 2017 when compared to the fourth quarter of 2016.
- The effective tax rate was 21.1 percent in the fourth quarter. We expect the 2018 effective tax rate to be 24 – 25 percent.



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Other Financial Information

in thousands

Three Months Ended December 31

Twelve Months Ended December 31

Cash Flow Data	2017	2016	% Change	2017	2016	% Change
Net Cash Provided by Operating Activities	\$162,152	\$152,580	6.3%	\$380,501	\$529,408	(28.1%)
Capital Expenditures	\$11,527	\$20,326	(43.3%)	\$57,945	\$91,437	(36.6%)

Balance Sheet Data	December 31, 2017
Cash & Cash Equivalents	\$333,890
Current Assets	\$2,510,936
Total Assets	\$4,235,834
Debt	\$1,465,000
Stockholders' Investment	\$1,425,745

- Total debt balance \$1.47 billion
 - \$500 million long-term debt, 4.28% average coupon
 - \$715 million drawn on revolver, 2.69% current rate as of December 31, 2017
 - \$250 million accounts receivable securitization debt facility, 2.21% as of December 31, 2017



Capital Distribution

in thousands

	2012 (a)	2013	2014	2015	2016	2017
Net Income	\$447,007	\$415,904	\$449,711	\$509,699	\$513,384	\$504,893
Capital Distribution						
Cash Dividends Paid	\$219,313	\$220,257	\$215,008	\$235,615	\$245,430	\$258,222
Share Repurchases	\$255,849	(b) \$807,449	\$176,645	\$241,231	\$209,603	\$203,542
Subtotal	\$475,162	\$1,027,706	\$391,653	\$476,846	\$455,033	\$461,764
Percent of Net Income						
Cash Dividends Paid	49.1%	53.0%	47.8%	46.2%	47.8%	51.1%
Share Repurchases	57.2%	194.1%	39.3%	47.3%	40.8%	40.3%
Subtotal	106.3%	247.1%	87.1%	93.6%	88.6%	91.5%

- Capital returned to shareholders during the quarter
 - \$65.5 million cash dividends
 - \$52.8 million in cash for share repurchase activity
 - 672,401 shares repurchased in the fourth quarter
 - Average price of \$78.53 for the shares repurchased in the fourth quarter
- Target is to return approximately 90% of net income to shareholders annually.

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

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



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Net Revenue by Service Line Q4 2017

in thousands

Net Revenue by Service Line	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Truckload	\$342,134	\$296,740	15.3%	\$1,229,999	\$1,257,191	(2.2%)
LTL	\$105,306	\$94,299	11.7%	\$407,012	\$381,817	6.6%
Intermodal	\$5,867	\$7,521	(22.0%)	\$29,145	\$33,482	(13.0%)
Ocean	\$73,135	\$69,033	5.9%	\$290,630	\$244,276	19.0%
Air	\$27,595	\$23,743	16.2%	\$100,761	\$82,167	22.6%
Customs	\$21,142	\$15,860	33.3%	\$70,952	\$50,509	40.5%
Other Logistics Services	\$29,554	\$28,404	4.0%	\$117,117	\$105,369	11.1%
Sourcing	\$27,116	\$25,916	4.6%	\$122,434	\$122,717	(0.2%)
Total	\$631,849	\$561,516	12.5%	\$2,368,050	\$2,277,528	4.0%

- Net revenues by service line for the enterprise (all segments).



Transportation Results Q4 2017⁽¹⁾

in thousands

Transportation	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,647,167	\$3,110,978	17.2%	\$13,502,906	\$11,704,745	15.4%
Total Net Revenues	\$604,733	\$535,600	12.9%	\$2,245,616	\$2,154,811	4.2%
Net Revenue Margin %	16.6%	17.2%	(60 bps)	16.6%	18.4%	(180 bps)

Transportation Net Revenue Margin %	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Q1	18.2%	22.6%	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%
Q2	15.4%	20.6%	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%
Q3	15.9%	19.8%	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%
Q4	19.0%	18.3%	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%
Total	17.0%	20.2%	16.8%	16.5%	15.8%	15.4%	15.9%	17.9%	18.4%	16.6%

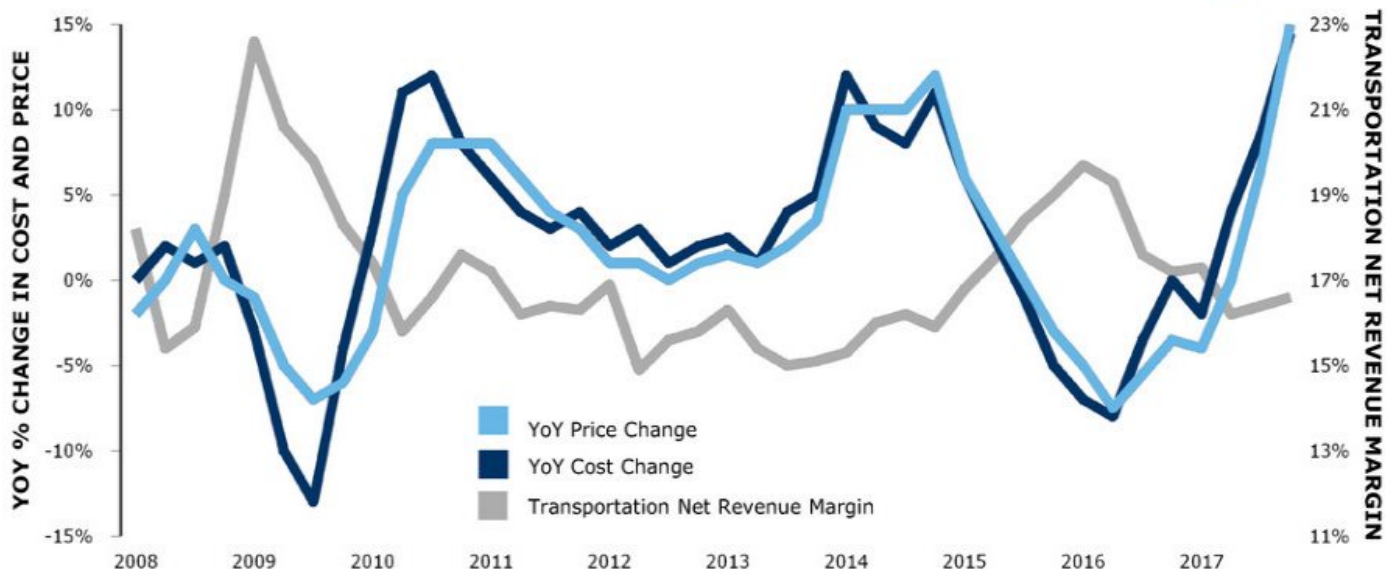
- Transportation net revenue margin decline in the fourth quarter of 2017 when compared to the fourth quarter of 2016 was primarily the result of lower net revenue margins in Global Forwarding.

(1) Includes results across all segments.



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North America Truckload Cost and Price Change⁽¹⁾



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

North America Truckload	Q4	YTD
Volume	(1.5%)	4.5%
Price	15.0%	4.5%
Cost	14.5%	6.5%
Net Revenue Margin	↔	↓

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



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North American Surface Transportation ("NAST") Results Q4 2017

in thousands, except headcount

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$2,618,587	\$2,281,435	14.8%	\$9,728,810	\$8,737,716	11.3%
Total Net Revenues	\$415,315	\$363,281	14.3%	\$1,525,064	\$1,524,355	0.0%
Net Revenue Margin %	15.9%	15.9%	0 bps	15.7%	17.4%	(170 bps)
Income from Operations	\$180,557	\$157,631	14.5%	\$628,110	\$674,436	(6.9%)
Operating Margin %	43.5%	43.4%	10 bps	41.2%	44.2%	(300 bps)
Depreciation and Amortization	\$6,126	\$5,575	9.9%	\$23,230	\$22,126	5.0%
Total Assets	\$2,277,252	\$2,088,611	9.0%	\$2,277,252	\$2,088,611	9.0%
Average Headcount	6,878	6,809	1.0%	6,907	6,773	2.0%

- Net revenues increased primarily as a result of increased pricing in the truckload service line and 10 percent volume growth in the less than truckload service line when compared to the fourth quarter of 2016.
- NAST operating expenses increased 14.2 percent in the fourth quarter of 2017 when compared to the fourth quarter of 2016. This increase was primarily due to increased personnel expenses.
- NAST headcount increased 1.0 percent when compared to the fourth quarter of 2016 and was down 120 employees sequentially from the third quarter of 2017.

(1) Does not include intersegment revenues.



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NAST Results by Service Line Q4 2017

Truckload, Less Than Truckload, and Intermodal

in thousands

Net Revenues	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Truckload	\$304,525	\$261,065	16.6%	\$1,088,790	\$1,108,287	(1.8%)
LTL	\$100,529	\$90,629	10.9%	\$388,816	\$366,137	6.2%
Intermodal	\$4,679	\$7,138	(34.4%)	\$26,732	\$31,308	(14.6%)
Other	\$5,582	\$4,449	25.5%	\$20,726	\$18,623	11.3%
Total	\$415,315	\$363,281	14.3%	\$1,525,064	\$1,524,355	0.0%

Truckload ⁽¹⁾			LTL ⁽¹⁾			Intermodal ⁽¹⁾		
	Quarter	YTD		Quarter	YTD		Quarter	YTD
Pricing ⁽²⁾	15.0%	4.5%	Pricing ⁽²⁾	↑	↑	Pricing ⁽²⁾	↑	↑
Cost ⁽²⁾	14.5%	6.5%	Volume	10.0%	8.0%	Volume	7.0%	12.0%
Volume	(3%)	4.5%	Net Revenue Margin	↓	↓	Net Revenue Margin	↓	↓
Net Revenue Margin	↔	↓						

- TL** • Net revenues increase in the fourth quarter was a result of improved pricing when compared to the fourth quarter of 2016.
- LTL** • Net revenues increase in the fourth quarter was a result of 10 percent volume growth.
- IMDL** • Net revenues decreased in the fourth quarter as a result of lower intermodal margins partially offset by an increase in volume.



Global Forwarding Results Q4 2017

in thousands, except headcount

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$591,245	\$475,971	24.2%	\$2,140,987	\$1,574,686	36.0%
Total Net Revenues	\$127,869	\$114,079	12.1%	\$485,280	\$397,537	22.1%
Net Revenue Margin %	21.6%	24.0%	(240 bps)	22.7%	25.2%	(250 bps)
Income from Operations	\$16,836	\$24,631	(31.6%)	\$91,842	\$80,931	13.5%
Operating Margin %	13.2%	21.6%	(840 bps)	18.9%	20.4%	(150 bps)
Depreciation and Amortization	\$8,734	\$7,868	11.0%	\$33,308	\$23,099	44.2%
Total Assets	\$821,182	\$703,741	16.7%	\$821,182	\$703,741	16.7%
Average Headcount	4,683	3,934	19.0%	4,310	3,673	17.3%

- Net revenues increase in the fourth quarter was the result of growth across all service lines.
- Global Forwarding operating expenses increased 24.1 percent when compared to the fourth quarter of 2016.
- The acquisition of Milgram added approximately 5 percentage points to net revenue and 7.5 percentage points to average headcount when compared to the fourth quarter of 2016.

(1) Does not include intersegment revenues.



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Global Forwarding Results by Service Line Q4 2017

Ocean, Air, and Customs

in thousands

Net Revenues	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Ocean	\$73,069	\$69,270	5.5%	\$290,837	\$244,177	19.1%
Air	\$25,668	\$21,997	16.7%	\$94,518	\$76,139	24.1%
Customs	\$21,145	\$15,859	33.3%	\$70,949	\$50,497	40.5%
Other	\$7,987	\$6,953	14.9%	\$28,976	\$26,724	8.4%
Total	\$127,869	\$114,079	12.1%	\$485,280	\$397,537	22.1%

Ocean	Quarter	YTD
Pricing	↑	↑
Volume	↑	↑
Net Revenue Margin	↓	↓

Air	Quarter	YTD
Pricing	↑	↑
Volume	↑	↑
Net Revenue Margin	↓	↓

- Achieved organic volume growth in each of the global forwarding services in the fourth quarter of 2017 when compared to the fourth quarter of 2016.
- Milgram & Company acquisition added approximately 3 percentage points to ocean net revenues, 2 percentage points to air net revenues and 22 percentage points to customs net revenues.



Robinson Fresh Results Q4 2017

in thousands, except headcount

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$594,646	\$529,449	12.3%	\$2,415,740	\$2,344,131	3.1%
Total Net Revenues	\$54,123	\$51,753	4.6%	\$226,059	\$234,794	(3.7%)
Net Revenue Margin %	9.1%	9.8%	(70 bps)	9.4%	10.0%	(60 bps)
Income from Operations	\$12,887	\$12,980	(0.7%)	\$53,374	\$75,757	(29.5%)
Operating Margin %	23.8%	25.1%	(130 bps)	23.6%	32.3%	(870 bps)
Depreciation and Amortization	\$1,196	\$1,192	0.3%	\$4,730	\$3,782	25.1%
Total Assets	\$434,080	\$376,654	15.2%	\$434,080	\$376,654	15.2%
Average Headcount	935	951	(1.7%)	957	942	1.6%

- Robinson Fresh results include revenues from sourcing and transportation services.
- Net revenues increase was the result of increases in both sourcing and transportation net revenues when compared to the fourth quarter of 2016.
- Robinson Fresh operating expenses increased 6.4 percent when compared to the fourth quarter of 2016. The increase was the result of an increase in personnel expenses partially offset by a decrease in SG&A.

(1) Does not include intersegment revenues.



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Robinson Fresh Results Q4 2017

Sourcing

in thousands

Sourcing	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$312,619	\$303,997	2.8%	\$1,366,474	\$1,439,668	(5.1%)
Net Revenues	\$27,116	\$25,916	4.6%	\$122,434	\$122,717	(0.2%)
Net Revenue Margin %	8.7%	8.5%	20 bps	9.0%	8.5%	50 bps

- Sourcing total revenues increase was the result of higher sourcing commodity pricing and case volume increase of 1 percent compared to the fourth quarter of 2016.
- Sourcing net revenues increased when compared to last year's fourth quarter due to higher net revenue per case.

(1) Does not include intersegment revenues.



Robinson Fresh Results Q4 2017

Transportation

in thousands

	Three Months Ended December 31			Twelve Months Ended December 31		
Transportation	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$282,027	\$225,452	25.1%	\$1,049,266	\$904,463	16.0%
Net Revenues	\$27,007	\$25,837	4.5%	\$103,625	\$112,077	(7.5%)
Net Revenue Margin %	9.6%	11.5%	(190 bps)	9.9%	12.4%	(250 bps)
Net Revenues	2017	2016	% Change	2017	2016	% Change
Truckload	\$19,848	\$20,485	(3.1%)	\$79,932	\$91,016	(12.2%)
Other	\$7,159	\$5,352	33.8%	\$23,693	\$21,061	12.5%
Total	\$27,007	\$25,837	4.5%	\$103,625	\$112,077	(7.5%)

Truckload ⁽²⁾	Quarter	YTD
Pricing ⁽³⁾	15.0%	4.5%
Cost ⁽³⁾	14.5%	6.5%
Volume	18.0%	17.0%
Net Revenue Margin	↓	↓

- Transportation net revenues increase was driven by other transportation services and higher margins in transactional business when compared to the fourth quarter of 2016.

(1) Does not include intersegment revenues.

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

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



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All Other and Corporate Results Q4 2017

in thousands, except headcount

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$155,308	\$128,120	21.2%	\$583,843	\$487,880	19.7%
Total Net Revenues	\$34,542	\$32,403	6.6%	\$131,647	\$120,842	8.9%
Income from Operations	\$596	(\$1,677)	NM	\$1,793	\$6,407	NM
Depreciation and Amortization	\$7,581	\$7,318	3.6%	\$31,709	\$25,662	23.6%
Total Assets	\$703,320	\$518,752	35.6%	\$703,320	\$518,752	35.6%
Average Headcount	2,540	2,380	6.7%	2,513	2,282	10.1%

- Results represent business from Managed Services, Other Surface Transportation outside of North America, and other miscellaneous operations.
- Headcount includes personnel from shared services, Managed Services, Other Surface Transportation, and other miscellaneous operations.

(1) Does not include intersegment revenues.



All Other and Corporate Results by Service Line Q4 2017

Managed Services and Other Surface Transportation

in thousands

Net Revenues	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Managed Services	\$18,322	\$17,667	3.7%	\$72,166	\$64,701	11.5%
Other Surface Transportation	\$16,220	\$14,736	10.1%	\$59,481	\$56,141	5.9%
Total	\$34,542	\$32,403	6.6%	\$131,647	\$120,842	8.9%

- Managed Services net revenues growth was driven by new business.
- Other Surface Transportation includes surface transportation outside of North America.
- Other Surface Transportation net revenues increase was primarily the result of volume growth partially offset by margin compression in the Surface Transportation business in Europe.



Final Comments

- January to date total company net revenue per day has increased approximately 5 percent when compared to January 2017.
- Truckload volume has decreased approximately 7 percent on a year-over-year basis in January.
- 2018 outlook
 - Capacity and price volatility will likely continue in 2018
 - Tax reform will be a positive factor in our business
 - We will win globally through people, process and technology



Appendix A: 2012 Summarized Adjusted Income Statement

in thousands, except per share amounts

	2012 Actual	Non-Recurring Acquisition Impacts	Non-Recurring Divestiture Impacts	Adjusted
Total Net Revenues	\$1,717,571			\$1,717,571
Personnel Expenses ⁽¹⁾	766,006	(385)	(34,207)	731,414
Other Operating Expenses ⁽²⁾	276,245	(10,225)	(379)	265,641
Total Operating Expenses	1,042,251	(10,610)	(34,586)	997,055
Income from Operations	675,320	10,610	34,586	720,516
Investment & Other Income ⁽³⁾	283,142		(281,551)	1,591
Income before Taxes	958,462	10,610	(246,965)	722,107
Provision for Income Taxes	364,658	2,745	(92,303)	275,100
Net Income	\$593,804	\$7,865	(\$154,662)	\$447,007
Net Income Per Share (Diluted)	\$3.67			\$2.76
Weighted Average Shares (Diluted)	161,946	185 ⁽⁴⁾	92 ⁽⁵⁾	161,669

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

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



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C.H. ROBINSON
