
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended September 30, 2017
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period From to

Commission File Number: 000-23189

C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>		

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2017, the number of shares outstanding of the registrant's Common Stock, par value \$.10 per share, was 139,405,298.

C.H. ROBINSON WORLDWIDE, INC.
TABLE OF CONTENTS

PART I. Financial Information

Item 1.	Financial Statements (Unaudited)	3
	Condensed Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016	3
	Condensed Consolidated Statements of Operations and Comprehensive Income for the Three Months and Nine Months Ended September 30, 2017 and 2016	4
	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2017 and 2016	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	29
Item 4.	Controls and Procedures	29

PART II. Other Information

Item 1.	Legal Proceedings	30
Item 1A.	Risk Factors	30
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3.	Defaults on Senior Securities	30
Item 4.	Mine Safety Disclosures	31
Item 5.	Other Information	31
Item 6.	Exhibits	31

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Balance Sheets

(In thousands, except per share data)

	September 30, 2017	December 31, 2016
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 297,307	\$ 247,666
Receivables, net of allowance for doubtful accounts of \$44,364 and \$39,543	2,104,314	1,711,191
Prepaid expenses and other	53,225	49,245
Total current assets	2,454,846	2,008,102
Property and equipment, net	232,905	232,953
Goodwill	1,275,550	1,232,796
Other intangible assets, net	160,595	167,525
Deferred tax asset	5,917	2,250
Other assets	45,775	44,132
Total assets	\$ 4,175,588	\$ 3,687,758
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	\$ 1,033,726	\$ 839,736
Outstanding checks	70,334	82,052
Accrued expenses:		
Compensation	92,005	98,107
Income taxes	11,477	15,472
Other accrued liabilities	59,760	70,351
Current portion of debt	719,000	740,000
Total current liabilities	1,986,302	1,845,718
Long-term debt	750,000	500,000
Noncurrent income taxes payable	17,774	18,849
Deferred tax liabilities	66,396	65,122
Other long-term liabilities	241	222
Total liabilities	2,820,713	2,429,911
Stockholders' investment:		
Preferred stock, \$.10 par value, 20,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$.10 par value, 480,000 shares authorized; 179,003 and 179,006 shares issued, 139,871 and 141,258 outstanding	13,987	14,126
Additional paid-in capital	427,032	419,280
Retained earnings	3,349,994	3,190,578
Accumulated other comprehensive loss	(22,880)	(61,442)
Treasury stock at cost (39,132 and 37,748 shares)	(2,413,258)	(2,304,695)
Total stockholders' investment	1,354,875	1,257,847
Total liabilities and stockholders' investment	\$ 4,175,588	\$ 3,687,758

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	2017	2016	2017	2016
Revenues:				
Transportation	\$ 3,433,701	\$ 2,998,583	\$ 9,855,739	\$ 8,593,767
Sourcing	350,750	357,171	1,053,855	1,135,671
Total revenues	3,784,451	3,355,754	10,909,594	9,729,438
Costs and expenses:				
Purchased transportation and related services	2,869,616	2,469,939	8,214,856	6,974,556
Purchased products sourced for resale	320,989	327,353	958,537	1,038,870
Personnel expenses	293,204	256,883	867,928	804,631
Other selling, general, and administrative expenses	106,177	90,312	304,030	267,415
Total costs and expenses	3,589,986	3,144,487	10,345,351	9,085,472
Income from operations	194,465	211,267	564,243	643,966
Interest and other expense	(10,484)	(7,426)	(29,154)	(22,463)
Income before provision for income taxes	183,981	203,841	535,089	621,503
Provision for income taxes	64,795	74,813	182,752	230,422
Net income	119,186	129,028	352,337	391,081
Other comprehensive gain	14,426	518	38,562	491
Comprehensive income	\$ 133,612	\$ 129,546	\$ 390,899	\$ 391,572
Basic net income per share	\$ 0.85	\$ 0.90	\$ 2.50	\$ 2.73
Diluted net income per share	\$ 0.85	\$ 0.90	\$ 2.49	\$ 2.73
Basic weighted average shares outstanding	140,422	142,611	140,962	143,040
Dilutive effect of outstanding stock awards	600	272	441	205
Diluted weighted average shares outstanding	141,022	142,883	141,403	143,245
Cash dividends declared per share	\$ 0.45	\$ 0.43	\$ 1.35	\$ 1.29

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(In thousands)	Nine Months Ended September 30,	
	2017	2016
OPERATING ACTIVITIES		
Net income	\$ 352,337	\$ 391,081
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69,340	52,716
Provision for doubtful accounts	11,176	2,738
Stock-based compensation	24,509	30,626
Deferred income taxes	(6,779)	21,832
Excess tax benefit on stock-based compensation	(11,908)	(17,207)
Loss on sale/disposal of assets	1,352	566
Changes in operating elements (net of acquisitions):		
Receivables	(377,280)	(137,813)
Prepaid expenses and other	677	(12,148)
Other non-current assets	(2,220)	(2,793)
Accounts payable and outstanding checks	166,152	93,510
Accrued compensation	(6,102)	(50,105)
Accrued income taxes	7,873	14,048
Other accrued liabilities	(10,778)	(10,223)
Net cash provided by operating activities	218,349	376,828
INVESTING ACTIVITIES		
Purchases of property and equipment	(32,132)	(56,125)
Purchases and development of software	(14,286)	(14,986)
Acquisitions, net of cash acquired	(48,446)	(220,203)
Other	204	(735)
Net cash used for investing activities	(94,660)	(292,049)
FINANCING ACTIVITIES		
Proceeds from stock issued for employee benefit plans	23,270	16,003
Stock tendered for payment of withholding taxes	(20,746)	(36,220)
Repurchase of common stock	(129,991)	(109,085)
Cash dividends	(192,765)	(191,129)
Excess tax benefit on stock-based compensation	—	17,207
Proceeds from long-term borrowings	250,000	—
Proceeds from short-term borrowings	6,448,000	4,415,000
Payments on short-term borrowings	(6,469,000)	(4,140,000)
Net cash used for financing activities	(91,232)	(28,224)
Effect of exchange rates on cash	17,184	(335)
Net increase in cash and cash equivalents	49,641	56,220
Cash and cash equivalents, beginning of period	247,666	168,229
Cash and cash equivalents, end of period	\$ 297,307	\$ 224,449
Noncash transactions from investing and financing activities:		
Accrued share repurchases held in other accrued liabilities	\$ 4,000	\$ 2,985
Accrued purchases of property and equipment	800	4,332

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL

Basis of Presentation - C.H. Robinson Worldwide, Inc. and our subsidiaries (“the company,” “we,” “us,” or “our”) are a global provider of transportation services and logistics solutions operating through a network of offices located in North America, Europe, Asia, Australia, New Zealand, and South America. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and our majority owned and controlled subsidiaries. Our minority interests in subsidiaries are not significant. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

Our reportable segments are North American Surface Transportation (“NAST”), Global Forwarding, Robinson Fresh, and All Other and Corporate. The All Other and Corporate segment includes Managed Services, Other Surface Transportation outside of North America, and other miscellaneous revenues and unallocated corporate expenses. We group offices primarily by services they provide. For financial information concerning our reportable segments, refer to Note 9.

The condensed consolidated financial statements, which are unaudited, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

Consistent with SEC rules and regulations, we have condensed or omitted certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States. You should read the condensed consolidated financial statements and related notes in conjunction with the consolidated financial statements and notes in our Annual Report on Form 10-K for the year ended December 31, 2016.

Recently Issued Accounting Standards - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*, and in August 2015 issued ASU 2015-14, which amended the standard as to effective date. The new comprehensive revenue recognition standard will supersede all existing revenue recognition guidance under U.S. GAAP. The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. We plan to adopt this new standard on January 1, 2018 under the modified retrospective transition method with a cumulative adjustment to retained earnings instead of retrospectively adjusting prior periods.

We anticipate the adoption of this standard will change the timing of revenue recognition for most of our transportation business from at delivery to over the transit period as our performance obligation is completed. Due to the short transit period of many of our performance obligations, we do not expect this change to have a material impact on our results of operations, financial position, or cash flows once implemented. We are in the final stages of implementing the necessary system, process, and internal control changes that will allow us to quantify the impact. The new standard will expand our existing revenue recognition disclosures upon adoption. In addition, we have identified certain customer contracts in our sourcing business that will change from a principal to an agent relationship under the new standard. This will cause the revenue associated with these contracts to be recognized at the net amount we charge our customers.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update requires a lessee to recognize on the balance sheet a liability to make lease payments and a corresponding right-of-use asset. The guidance also requires certain qualitative and quantitative disclosures about the amount, timing, and uncertainty of cash flows arising from leases. This update is effective for annual and interim periods beginning after December 15, 2018, which will require us to adopt these provisions in the first quarter of 2019 using a modified retrospective approach. Early adoption is permitted, although we do not plan to adopt early. We have obligations under lease agreements for facilities and equipment, which are classified as operating leases under the existing lease standard. While we are still evaluating the impact ASU 2016-02 will have on our consolidated results of operations, financial condition, and cash flows, our financial statements will reflect an increase in both assets and liabilities due to the requirement to recognize right-of-use assets and lease liabilities on the consolidated balance sheets for our facility and equipment leases.

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation* (Topic 718). This update was issued as part of the FASB's simplification initiative and affects all entities that issue share-based payment awards to their employees. The amendments in this update cover such areas as the recognition of excess tax benefits and deficiencies, the classification of those excess tax benefits on the statement of cash flows, and accounting policy election for forfeitures, the amount an employer can withhold to cover income taxes and still qualify for equity classification, and the classification of those taxes paid on the statement of cash flows. This update is effective for annual and interim periods beginning after December 15, 2016. During the first quarter of 2017, we adopted ASU 2016-09, *Compensation - Stock Compensation* (Topic 718). The adoption of ASU 2016-09 prospectively impacts the recording of income taxes related to share-based payment awards in our consolidated statement of financial position and results of operations, as well as the operating and financing cash flows on the consolidated statements of cash flows. The magnitude of such impacts are dependent on our future grants of stock-based compensation, our future stock price in relation to the fair value of awards on grant date, and the exercise behavior of our option holders. We prospectively adopted these provisions in the first quarter of 2017. Prior periods have not been restated. This adoption resulted in a decrease in our provision for income taxes for the three and nine months ended September 30, 2017 of \$1.3 million and \$11.9 million, respectively.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This update simplifies the accounting for goodwill impairments by eliminating step two from the goodwill impairment test. Instead, if the carrying amount of a reporting unit exceeds its fair value, any impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The ASU is effective for annual and any interim impairment tests for periods beginning after December 15, 2019. Early adoption is permitted for interim and annual goodwill impairment tests performed after January 1, 2017. We have not yet selected a transition date, although we do not expect the adoption of this guidance to have any impact on our consolidated financial statements as the fair value of our reporting units is substantially in excess of their respective carrying values.

In May 2017, the FASB issued ASU 2017-09, *Compensation - Stock Compensation* (Topic 718): *Scope of Modification Accounting*. This update amends the scope of modification accounting for share-based payment arrangements. The ASU provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under Topic 718. The ASU is effective for annual and interim periods beginning after December 15, 2017, with early adoption permitted. The amendments in this update will be applied prospectively to awards modified on or after the adoption date. The future impact of ASU 2017-09 will be dependent on the nature of future stock award modifications.

NOTE 2. GOODWILL AND OTHER INTANGIBLE ASSETS

The change in carrying amount of goodwill is as follows (in thousands):

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Total
December 31, 2016 balance	\$ 907,230	\$ 159,050	\$ 139,558	\$ 26,958	\$ 1,232,796
Acquisitions	3,673	24,902	—	—	28,575
Translation	10,320	1,970	1,583	306	14,179
September 30, 2017	<u>\$ 921,223</u>	<u>\$ 185,922</u>	<u>\$ 141,141</u>	<u>\$ 27,264</u>	<u>\$ 1,275,550</u>

We evaluate our reporting units on a continual basis and, if necessary, reassign goodwill using a relative fair value allocation approach. Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit.

Identifiable intangible assets consisted of the following (in thousands):

	September 30, 2017			December 31, 2016		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Finite-lived intangibles						
Customer relationships	\$ 262,534	\$ (112,552)	\$ 149,982	\$ 244,036	\$ (87,199)	\$ 156,837
Non-competition agreements	500	(362)	138	500	(287)	213
Total finite-lived intangibles	263,034	(112,914)	150,120	244,536	(87,486)	157,050
Indefinite-lived intangibles						
Trademarks	10,475	—	10,475	10,475	—	10,475
Total intangibles	\$ 273,509	\$ (112,914)	\$ 160,595	\$ 255,011	\$ (87,486)	\$ 167,525

Amortization expense for other intangible assets is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Amortization expense	\$ 9,157	\$ 6,094	\$ 26,875	\$ 18,282

Definite-lived intangible assets, by reportable segment, as of September 30, 2017 , will be amortized over their remaining lives as follows (in thousands):

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Total
Remainder of 2017	\$ 1,955	\$ 7,267	\$ —	\$ 168	\$ 9,390
2018	7,820	29,217	—	—	37,037
2019	7,820	29,217	—	—	37,037
2020	260	26,513	—	—	26,773
2021	260	12,992	—	—	13,252
Thereafter	706	25,925	—	—	26,631
Total					\$ 150,120

NOTE 3. FAIR VALUE MEASUREMENT

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

We had no Level 3 assets or liabilities as of and during the periods ended September 30, 2017 , and December 31, 2016 . There were no transfers between levels during the period.

NOTE 4. FINANCING ARRANGEMENTS

Senior Unsecured Revolving Credit Facility

We have a senior unsecured revolving credit facility (the "Credit Agreement") with total availability of \$900 million which expires in December 2019. As of September 30, 2017, and December 31, 2016, we had \$719 million and \$740 million, respectively, in borrowings outstanding under the Credit Agreement, which is classified as a current liability on the condensed consolidated balance sheets. As of September 30, 2017, we had remaining borrowing availability of \$181 million. The recorded amount of borrowings outstanding approximates fair value because of the short maturity period of the debt; therefore, we consider these borrowings to be a Level 2 financial liability.

Borrowings under the Credit Agreement generally bear interest at a variable rate determined by a pricing schedule or the base rate (which is the highest of (a) the administrative agent's prime rate, (b) the federal funds rate plus 0.50 percent, or (c) the sum of one-month LIBOR plus a specified margin). As of September 30, 2017, the variable rate equaled LIBOR plus 1.13 percent. In addition, there is a commitment fee on the average daily undrawn stated amount under each letter of credit issued under the facility. The weighted average interest rate incurred on borrowings during the three and nine months ended September 30, 2017, was approximately 2.4 percent and 2.2 percent, respectively. At September 30, 2017, the interest rate incurred on borrowings was approximately 2.4 percent. The weighted average interest rate incurred on borrowings during each of the three and nine months ended September 30, 2016, was approximately 1.4 percent and 1.5 percent, respectively. At September 30, 2016, the interest rate incurred on borrowing was approximately 1.5 percent.

The Credit Agreement contains various restrictions and covenants. Among other requirements, we may not permit our leverage ratio, determined as of the end of each of our fiscal quarters, of (i) Consolidated Funded Indebtedness to (ii) EBITDA (earnings before interest, taxes, depreciation, and amortization), to exceed 3.00 to 1.00.

The Credit Agreement also contains customary events of default. If an event of default under the Credit Agreement occurs and is continuing, then the administrative agent may declare any outstanding obligations under the Credit Agreement to be immediately due and payable. In addition, if we become the subject of voluntary or involuntary proceedings under any bankruptcy, insolvency, or similar law, then any outstanding obligations under the Credit Agreement will automatically become immediately due and payable.

Note Purchase Agreement

On August 23, 2013, we entered into a Note Purchase Agreement with certain institutional investors (the "Purchasers") named therein (the "Note Purchase Agreement"). Pursuant to the Note Purchase Agreement, the Purchasers purchased, on August 27, 2013, (i) \$175,000,000 aggregate principal amount of the company's 3.97 percent Senior Notes, Series A, due August 27, 2023 (the "Series A Notes"), (ii) \$150,000,000 aggregate principal amount of the company's 4.26 percent Senior Notes, Series B, due August 27, 2028 (the "Series B Notes"), and (iii) \$175,000,000 aggregate principal amount of the company's 4.60 percent Senior Notes, Series C, due August 27, 2033 (the "Series C Notes" and, together with the Series A Notes and the Series B Notes, the "Notes"). Interest on the Notes is payable semi-annually in arrears. We applied the proceeds of the sale of the Notes for share repurchases.

The Note Purchase Agreement contains customary provisions for transactions of this type, including representations and warranties regarding the company and its subsidiaries and various covenants, including covenants that require us to maintain specified financial ratios. The Note Purchase Agreement includes the following financial covenants: we will not permit our leverage ratio, determined as of the end of each of our fiscal quarters, of (i) Consolidated Funded Indebtedness to (ii) EBITDA (earnings before interest, taxes, depreciation, and amortization), to exceed 3.00 to 1.00; we will not permit the interest coverage ratio, as of the end of each of our fiscal quarters and for the twelve-month period then ending, of (i) Consolidated EBIT (earnings before income taxes) to (ii) Consolidated Interest Expense to be less than 2.00 to 1.00; and we will not permit, as of the end of each of our fiscal quarters, Consolidated Priority Debt to exceed 15 percent of Consolidated Total Assets.

The Note Purchase Agreement provides for customary events of default, generally with corresponding grace periods, including, without limitation, payment defaults with respect to the Notes, covenant defaults, cross-defaults to other agreements evidencing indebtedness of the company or its subsidiaries, certain judgments against the company or its subsidiaries, and events of bankruptcy involving the company or its material subsidiaries. The occurrence of an event of default would permit certain Purchasers to declare certain Notes then outstanding to be immediately due and payable.

Under the terms of the Note Purchase Agreement, the Notes are redeemable, in whole or in part, at 100 percent of the principal amount being redeemed together with a "make-whole amount" (as defined in the Note Purchase Agreement), and accrued and unpaid interest with respect to each Note. The obligations of the company under the Note Purchase Agreement and the Notes

are guaranteed by C.H. Robinson Company, a Delaware corporation and a wholly-owned subsidiary of the company, and by C.H. Robinson Company, Inc., a Minnesota corporation and an indirect wholly-owned subsidiary of the company.

The Notes were issued by the company to the initial purchasers in a private placement in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”). The Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The fair value of long-term debt under the Notes Purchase Agreement approximated \$537.4 million at September 30, 2017 . We estimate the fair value of our long-term debt primarily using an expected present value technique, which is based on observable market inputs using interest rates currently available to companies of similar credit standing for similar terms and remaining maturities, and considering our own risk. If our long-term debt was recorded at fair value, it would be classified as Level 2.

U.S. Trade Accounts Receivable Securitization

On April 26, 2017, we entered into a receivables purchase agreement and related transaction documents with The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Wells Fargo Bank, National Association to provide a receivables securitization facility (the “Receivables Securitization Facility”). The Receivables Securitization Facility is based on the securitization of our U.S. trade accounts receivable and provides funding of up to \$250 million . The borrowings outstanding under the Receivables Securitization Facility were \$250 million as of September 30, 2017 and are classified as long-term debt on the condensed consolidated balance sheets. The borrowings under the Receivables Securitization Facility were used to pay down amounts previously outstanding on the Credit Agreement. The interest rate on borrowings under the Receivables Securitization Facility is based on the asset-backed commercial paper rate plus a margin or 30 day LIBOR plus a margin for a combined rate of 2.0 percent for the three months ended September 30, 2017 and 1.9 percent for the nine months ended September 30, 2017 . The Receivables Securitization Facility expires on April 26, 2019 unless extended by the parties. There is a commitment fee we are required to pay on any unused portion of the facility.

The Receivables Securitization Facility contains various customary affirmative and negative covenants, and it also contains customary default and termination provisions which provide for acceleration of amounts owed under the Receivables Securitization Facility upon the occurrence of certain specified events including, but not limited to, the failure to pay yield, fees, and other amounts due, defaults on certain other indebtedness, failure to discharge certain judgments, insolvency events, change in control, and exceeding certain financial ratios designed to capture events negatively affecting the overall credit quality of the receivables.

As of September 30, 2017 , we were in compliance with all of the covenants under the Credit Agreement, Note Purchase Agreement, and Receivables Securitization Facility.

The recorded amount of borrowings outstanding on the Receivables Securitization Facility approximates fair value because it can be redeemed on short notice and the interest rate floats, therefore, we consider these borrowings to be a Level 2 financial liability.

NOTE 5. INCOME TAXES

C.H. Robinson Worldwide, Inc. and its 80 percent (or more) owned U.S. subsidiaries file a consolidated federal return. We file unitary or separate state returns based on state filing requirements. With few exceptions, we are no longer subject to audits of U.S. federal, state and local, or non-U.S. income tax returns before 2010. During the first quarter of 2017, we adopted ASU 2016-09, *Compensation - Stock Compensation* (Topic 718). This adoption resulted in a decrease in our provision for income taxes for the three and nine months ended September 30, 2017 of \$1.3 million and \$11.9 million , respectively. We have asserted that we will indefinitely reinvest earnings of foreign subsidiaries to support expansion of our international business. If we repatriated all foreign earnings, the estimated effect on income taxes payable would be an increase of approximately \$29.0 million as of September 30, 2017 .

Our effective tax rate for the three months ended September 30, 2017 and 2016 was 35.2 percent and 36.7 percent , respectively, and our effective tax rate for the nine months ended September 30, 2017 and 2016 was 34.2 percent and 37.1 percent , respectively. The effective income tax rate for the three months ended September 30, 2017 was higher than the statutory federal income tax rate due to state income taxes, net of federal benefit. The effective income tax rate for the nine months ended September 30, 2017 was lower than the statutory federal income tax rate due to the adoption of ASU 2016-09.

NOTE 6. STOCK AWARD PLANS

Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense as it vests. A summary of our total compensation expense recognized in our condensed consolidated statements of operations and comprehensive income for stock-based compensation is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Stock options	\$ 1,715	\$ 603	\$ 5,341	\$ 5,818
Stock awards	5,427	3,747	17,149	22,768
Company expense on ESPP discount	525	491	2,019	2,040
Total stock-based compensation expense	\$ 7,667	\$ 4,841	\$ 24,509	\$ 30,626

On May 12, 2016, our shareholders approved an amendment to and restatement of our 2013 Equity Incentive Plan, which allows us to grant certain stock awards, including stock options at fair market value and performance shares and restricted stock units, to our key employees and outside directors. A maximum of 13,041,803 shares can be granted under this plan. Approximately 4,928,988 shares were available for stock awards under the plan as of September 30, 2017. Shares subject to awards that expire or are canceled without delivery of shares or that are settled in cash generally become available again for issuance under the plan.

Stock Options - We have awarded time-based and performance-based stock options to certain key employees. These options are subject to certain vesting requirements over a five -year period based on the company's earnings growth. Any options remaining unvested at the end of the five -year vesting period are forfeited to the company. Although participants can exercise options via a stock swap exercise, we do not issue reloads (restoration options) on the grants.

The fair value of these options is established based on the market price on the date of grant, discounted for post-vesting holding restrictions, calculated using the Black-Scholes option pricing model. Changes in measured stock price volatility and interest rates are the primary reasons for changes in the discount. These grants are being expensed based on the terms of the awards. As of September 30, 2017, unrecognized compensation expense related to stock options was \$51.0 million. The amount of future expense to be recognized will be based on the passage of time, the company's earnings growth, and certain other conditions.

Full Value Awards - We have awarded performance shares and restricted stock units to certain key employees and non-employee directors. These awards are subject to certain vesting requirements over a five -year period, based on the company's earnings growth. The awards also contain restrictions on the awardees' ability to sell or transfer vested awards for a specified period of time. The fair value of these awards is established based on the market price on the date of grant, discounted for post-vesting holding restrictions. The discounts on outstanding grants vary from 15 percent to 22 percent and are calculated using the Black-Scholes option pricing model-protective put method. Changes in measured stock price volatility and interest rates are the primary reasons for changes in the discount. These grants are being expensed based on the terms of the awards.

We have also awarded restricted shares and restricted stock units to certain key employees that vest primarily based on their continued employment. The value of these awards is established by the market price on the date of the grant and is being expensed over the vesting period of the award.

We have also issued to certain key employees and non-employee directors restricted stock units which are fully vested upon issuance. These units contain restrictions on the awardees' ability to sell or transfer vested units for a specified period of time. The fair value of these units is established using the same method discussed above. These grants have been expensed during the year they were earned.

As of September 30, 2017, there was unrecognized compensation expense of \$119.3 million related to previously granted full value awards. The amount of future expense to be recognized will be based on the passage of time, the company's earnings growth, and certain other conditions.

Employee Stock Purchase Plan - Our 1997 Employee Stock Purchase Plan ("ESPP") allows our employees to contribute up to \$10,000 of their annual cash compensation to purchase company stock. Purchase price is determined using the closing price on the last day of each quarter discounted by 15 percent . Shares vest immediately. The following is a summary of the employee stock purchase plan activity (dollar amounts in thousands):

Three Months Ended September 30, 2017				
Shares purchased by employees		Aggregate cost to employees		Expense recognized by the company
45,986	\$	2,975	\$	525

NOTE 7. LITIGATION

We are not subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations, including 17 contingent auto liability cases. For some legal proceedings, we have accrued an amount that reflects the aggregate liability deemed probable and estimable, but this amount is not material to our condensed consolidated financial position, results of operations, or cash flows. Because of the preliminary nature of many of these proceedings, the difficulty in ascertaining the applicable facts relating to many of these proceedings, the inconsistent treatment of claims made in many of these proceedings, and the difficulty of predicting the settlement value of many of these proceedings, we are often unable to estimate an amount or range of any reasonably possible additional losses. However, based upon our historical experience, the resolution of these proceedings is not expected to have a material effect on our consolidated financial position, results of operations, or cash flows.

NOTE 8. ACQUISITIONS

On August 31, 2017, we acquired the outstanding shares of Milgram & Company Ltd. ("Milgram") for the purpose of expanding our global presence and bringing additional capabilities and expertise to our portfolio. Total purchase consideration, net of cash acquired, was \$46.7 million, which was paid in cash. We used advances under the Credit Agreement to fund part of the cash consideration.

Identifiable intangible assets and estimated useful lives are as follows (dollars in thousands):

	Estimated Life (years)	
Customer relationships	7	\$ 14,004

The Milgram goodwill is a result of acquiring and retaining the Milgram existing workforce and expected synergies from integrating its business into ours. Purchase accounting is considered preliminary, subject to revision primarily related to certain potential post-closing and working capital adjustments, as final information was not available as of September 30, 2017. The goodwill is not deductible for tax purposes. The results of operations of Milgram have been included in our consolidated financial statements since September 1, 2017.

On September 30, 2016, we acquired all of the outstanding stock of APC Logistics ("APC"). Total purchase consideration was \$229.4 million, which was paid in cash. We used advances under the Credit Agreement to fund part of the cash consideration. The following is a summary of the allocation of purchase price consideration to the estimated fair value of net assets for the acquisition of APC (in thousands):

Cash	\$ 10,181
Receivables	37,190
Inventory and other current assets	2,609
Property and equipment	1,696
Identifiable intangible assets	78,842
Goodwill	132,797
Other noncurrent assets	70
Long term deferred tax asset	814
Total assets	264,199
Accounts payable	(22,147)
Accrued expenses	(12,700)
Estimated net assets acquired	\$ 229,352

Identifiable intangible assets and estimated useful lives are as follows (dollars in thousands):

	Estimated Life (years)	
Customer relationships	7	\$ 78,842

The APC goodwill is a result of acquiring and retaining the APC existing workforce and expected synergies from integrating their business into ours. The goodwill is not deductible for tax purposes. The results of operations of APC have been included in our consolidated financial statements since October 1, 2016. Pro forma financial information for prior periods is not presented because we believe the acquisition to be not material to our consolidated results. During the first quarter of 2017, we paid \$1.8 million resulting from a working capital adjustment due to the sellers per the terms of the agreement.

NOTE 9. SEGMENT REPORTING

Our reportable segments are based on our method of internal reporting, which generally segregates the segments by service line and the primary services they provide to our customers. Beginning with the fourth quarter of 2016, based on certain internal reporting changes, we identified three reportable segments as follows:

- **North American 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, LTL, and intermodal.
- **Global Forwarding** -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, airfreight services, and customs brokerage.
- **Robinson Fresh** -Robinson Fresh provides sourcing services under the trade 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 they sell, in addition to temperature controlled transportation services for its customers.
- **All Other and Corporate** -All Other and Corporate includes our Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues and unallocated corporate expenses. Managed Services provides Transportation Management Services, or Managed TMS[®]. Other Surface Transportation revenues are primarily earned by Europe Surface Transportation. Europe Surface Transportation provides services similar to NAST across Europe.

The internal reporting of segments is defined, based in part, on the reporting and review process used by our chief operating decision maker, our Chief Executive Officer. The accounting policies of our reporting segments are the same as those described in the summary of significant accounting policies in our Annual Report on Form 10-K for the year ended December 31, 2016. Segment information for prior years has been retroactively recast to align with current year presentation. Segment information as of, and for the three and nine months ended September 30, 2017 and 2016, is as follows (dollars in thousands):

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended September 30, 2017						
Revenues	\$ 2,469,420	\$ 552,134	\$ 613,646	\$ 149,251	\$ —	\$ 3,784,451
Intersegment revenues ⁽¹⁾	115,796	7,873	43,272	3,228	(170,169)	—
Total Revenues	\$ 2,585,216	\$ 560,007	\$ 656,918	\$ 152,479	\$ (170,169)	\$ 3,784,451
Net Revenues	\$ 377,403	\$ 129,842	\$ 54,253	\$ 32,348	\$ —	\$ 593,846
Income from Operations	151,392	31,125	11,586	362	—	194,465
Depreciation and amortization	5,808	8,455	1,190	8,510	—	23,963
Total assets ⁽²⁾	2,297,980	840,762	413,520	623,326	—	4,175,588
Average headcount	6,998	4,301	970	2,634	—	14,903

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended September 30, 2016						
Revenues	\$ 2,252,187	\$ 390,830	\$ 590,385	\$ 122,352	\$ —	\$ 3,355,754
Intersegment revenues ⁽¹⁾	79,728	8,742	32,255	100	(120,825)	—
Total Revenues	\$ 2,331,915	\$ 399,572	\$ 622,640	\$ 122,452	\$ (120,825)	\$ 3,355,754
Net Revenues	\$ 378,073	\$ 93,368	\$ 57,036	\$ 29,985	\$ —	\$ 558,462
Income from Operations	171,733	17,047	17,733	4,754	—	211,267
Depreciation and amortization	5,547	5,073	983	6,054	—	17,657
Total assets ⁽²⁾	2,115,467	625,267	405,832	517,496	—	3,664,062
Average headcount ⁽³⁾	6,869	3,559	956	2,322	—	13,706

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

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

(3) Average headcount does not include employees from APC added on September 30, 2016.

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Nine Months Ended September 30, 2017						
Revenues	\$ 7,110,223	\$ 1,549,742	\$ 1,821,094	\$ 428,535	\$ —	\$ 10,909,594
Intersegment revenues ⁽¹⁾	329,193	23,456	116,281	13,776	(482,706)	—
Total Revenues	\$ 7,439,416	\$ 1,573,198	\$ 1,937,375	\$ 442,311	\$ (482,706)	\$ 10,909,594
Net Revenues	\$ 1,109,749	\$ 357,411	\$ 171,936	\$ 97,105	\$ —	\$ 1,736,201
Income from Operations	447,553	75,006	40,487	1,197	—	564,243
Depreciation and amortization	17,104	24,574	3,534	24,128	—	69,340
Total assets ⁽²⁾	2,297,980	840,762	413,520	623,326	—	4,175,588
Average headcount	6,921	4,113	966	2,590	—	14,590

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Nine Months Ended September 30, 2016						
Revenues	\$ 6,456,281	\$ 1,098,715	\$ 1,814,682	\$ 359,760	\$ —	\$ 9,729,438
Intersegment revenues ⁽¹⁾	211,540	23,585	83,200	642	(318,967)	—
Total Revenues	\$ 6,667,821	\$ 1,122,300	\$ 1,897,882	\$ 360,402	\$ (318,967)	\$ 9,729,438
Net Revenues	\$ 1,161,074	\$ 283,458	\$ 183,041	\$ 88,439	\$ —	\$ 1,716,012
Income from Operations	516,805	56,300	62,777	8,084	—	643,966
Depreciation and amortization	16,551	15,231	2,590	18,344	—	52,716
Total assets ⁽²⁾	2,115,467	625,267	405,832	517,496	—	3,664,062
Average headcount ⁽³⁾	6,767	3,523	939	2,249	—	13,478

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

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

(3) Average headcount does not include employees from APC added on September 30, 2016.

NOTE 10. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss is included in Stockholders' investment on our condensed consolidated balance sheets. The recorded balance, at September 30, 2017, and December 31, 2016, was \$22.9 million and \$61.4 million, respectively. Accumulated other comprehensive loss is comprised solely of foreign currency translation adjustments at September 30, 2017 and December 31, 2016.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and related notes.

FORWARD-LOOKING INFORMATION

Our quarterly report on Form 10-Q, including this discussion and analysis of our financial condition and results of operations and our disclosures about market risk, contains certain “forward-looking statements.” These statements represent our expectations, beliefs, intentions, or strategies concerning future events that, by their nature, involve risks and uncertainties. Forward-looking statements include, among others, statements about our future performance, the continuation of historical trends, the sufficiency of our sources of capital for future needs, the effects of acquisitions or dispositions, the expected impact of recently issued accounting pronouncements, and the outcome or effects of litigation. Risks that could cause actual results to differ materially from our current expectations include changes in economic conditions; changes in market demand and pressures on the pricing for our services; competition and growth rates within the third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers, or for other reasons; our ability to successfully integrate the operations of acquired companies with our historic operations; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with operations outside of the 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 price increases or decreases, or fuel shortages; cyber-security related risks; the impact of war on the economy; changes to our capital structure; risk of unanticipated events or opportunities that might require additional capital expenditures or alter the timing of such expenditures; and other risks and uncertainties detailed in our Annual and Quarterly Reports. Therefore, actual results may differ materially from our expectations based on these and other risks and uncertainties, including those described in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on March 1, 2017.

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.

OVERVIEW

Our company. We are a global provider of transportation services and logistics solutions, operating through a network of offices in North America, Europe, Asia, Australia, New Zealand, and South America. As a third party logistics provider, we enter into contractual relationships with a wide variety of transportation companies, and utilize those relationships to efficiently and cost effectively transport our customers’ freight. We have contractual relationships with approximately 107,000 transportation companies, including motor carriers, railroads (primarily intermodal service providers), air freight, and ocean carriers. Depending on the needs of our customer and their supply chain requirements, we select and hire the appropriate transportation for each shipment. Our model enables us to be flexible, provide solutions that optimize service for our customers, and minimize our asset utilization risk.

In addition to transportation and logistics services, we also provide sourcing services. Our sourcing business consists of buying, selling, and marketing fresh produce. We purchase fresh produce through our network of produce suppliers and sell it to grocery retailers, restaurants, foodservice distributors, and produce wholesalers. In some cases, we also arrange the transportation of the produce we sell through our relationships with specialized transportation companies. Transportation revenues generated by Robinson Fresh are included in our transportation service line, but are included in Robinson Fresh.

Our reportable segments are North American Surface Transportation (“NAST”), Global Forwarding, Robinson Fresh, and All Other and Corporate. The All Other and Corporate segment includes Managed Services, Other Surface Transportation outside of North America, and other miscellaneous revenues and unallocated corporate expenses. We group offices primarily by services they provide. For financial information concerning our reportable segments and geographic regions, refer to Note 9 of our consolidated financial statements.

On August 31, 2017, we acquired Milgram & Company Ltd. (“Milgram”), a provider of freight forwarding, customs brokerage, and surface transportation primarily in Canada. The acquisition strengthens our global forwarding and customs brokerage offerings in Canada.

Our business model. We are primarily a service company. We add value and expertise in the procurement and execution of transportation and logistics, including sourcing of produce products for our customers. Our total revenues represent the total dollar value of services and goods we sell to our customers. Our net revenues are our total revenues less purchased transportation and related services, including contracted motor carrier, rail, ocean, air, and other costs, and the purchase price and services related to the products we source. Our net revenues are the primary indicator of our ability to source, add value, and sell services and products that are provided by third parties, and we consider them to be our primary performance measurement. Accordingly, the discussion of our results of operations below focuses on the changes in our net revenues.

We keep our business model as variable as possible to allow us to be flexible and adapt to changing economic and industry conditions. We sell transportation services and produce to our customers with varied pricing arrangements. Some prices are committed to for a period of time, subject to certain terms and conditions, and some prices are set on a spot market basis. We buy most of our truckload transportation capacity and produce on a spot market basis. Consequently, our net revenue per transaction tends to increase in times when there is excess supply and decrease in times when demand is strong relative to supply.

We design our personnel and other operating expenses to be variable. Compensation is tied to productivity and performance. Each office is responsible for its hiring and headcount decisions, based on the needs of their office and to balance personnel resources with business requirements.

Our office network. Our office network is a competitive advantage. Building local customer and contract carrier relationships has been an important part of our success, and our worldwide network of offices supports our core strategy of serving customers locally, nationally, and globally. Our network offices help us penetrate local markets, provide face-to-face service when needed, and recruit contract carriers. Our network also gives us knowledge of local market conditions, which is important in the transportation industry because it is market driven and very dynamic.

Our people. Because we are a service company, our continued success is dependent on our ability to continue to hire and retain talented, productive people, and to properly align our headcount and personnel expense with our business. Our headcount increased by 191 employees during the third quarter of 2017, primarily related to the acquisition of Milgram. Most network management compensation is dependent on the profitability of their particular office. We believe this makes our employees more service-oriented and focused on driving growth and maximizing office productivity. All of our managers and certain other employees who have significant responsibilities are eligible to receive equity awards because we believe these awards are an effective tool for creating long-term ownership and alignment between employees and our shareholders.

Our customers. In 2016, we worked with more than 113,000 active customers. We work with a wide variety of companies, ranging in size from Fortune 100 companies to small family businesses, in many different industries. Our customer base is very diverse and unconcentrated. In 2016, our top 100 customers represented approximately 30 percent of our total revenues and approximately 26 percent of our net revenues. Our largest customer was approximately two percent of our total revenues.

Our contracted carriers. Our contracted carrier base includes motor carriers, railroads (primarily intermodal service providers), air freight, and ocean carriers. In 2016, we worked with approximately 71,000 transportation providers worldwide, up from approximately 68,000 in 2015. Motor carriers that had fewer than 100 tractors transported approximately 81 percent of our truckload shipments in 2016. In our transportation business, no single contracted carrier represents more than approximately 1.6 percent of our contracted carrier capacity.

RESULTS OF OPERATIONS

The following table summarizes our total revenues by services and products (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% change	2017	2016	% change
Transportation	\$ 3,433,701	\$ 2,998,583	14.5 %	\$ 9,855,739	\$ 8,593,767	14.7 %
Sourcing	350,750	357,171	-1.8 %	1,053,855	1,135,671	-7.2 %
Total	\$ 3,784,451	\$ 3,355,754	12.8 %	\$ 10,909,594	\$ 9,729,438	12.1 %

The following table illustrates our net revenue margins by services and products:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Transportation	16.4%	17.6%	16.6%	18.8%
Sourcing	8.5%	8.3%	9.0%	8.5%
Total	15.7%	16.6%	15.9%	17.6%

The following table summarizes our net revenues by service line. The service line net revenues in the table differ from the segment service line revenues discussed below as our segments have revenues from multiple service lines (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% change	2017	2016	% change
Transportation						
Truckload	\$ 301,025	\$ 309,027	-2.6 %	\$ 887,865	\$ 960,451	-7.6 %
LTL ⁽¹⁾	101,870	96,447	5.6 %	301,706	287,518	4.9 %
Intermodal	7,478	7,676	-2.6 %	23,278	25,961	-10.3 %
Ocean	81,182	56,506	43.7 %	217,495	175,243	24.1 %
Air	25,529	19,897	28.3 %	73,166	58,424	25.2 %
Customs	17,421	12,320	41.4 %	49,810	34,649	43.8 %
Other Logistics Services	29,580	26,771	10.5 %	87,563	76,965	13.8 %
Total Transportation	564,085	528,644	6.7 %	1,640,883	1,619,211	1.3 %
Sourcing	29,761	29,818	-0.2 %	95,318	96,801	-1.5 %
Total	\$ 593,846	\$ 558,462	6.3 %	\$ 1,736,201	\$ 1,716,012	1.2 %

(1) Less than truckload ("LTL").

The following table represents certain statements of operations data, shown as percentages of our net revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Operating expenses:				
Personnel expenses	49.4 %	46.0 %	50.0 %	46.9 %
Other selling, general, and administrative expenses	17.9 %	16.2 %	17.5 %	15.6 %
Total operating expenses	67.3 %	62.2 %	67.5 %	62.5 %
Income from operations	32.7 %	37.8 %	32.5 %	37.5 %
Interest and other expense	(1.8)%	(1.3)%	(1.7)%	(1.3)%
Income before provision for income taxes	31.0 %	36.5 %	30.8 %	36.2 %
Provision for income taxes	10.9 %	13.4 %	10.5 %	13.4 %
Net income	20.1 %	23.1 %	20.3 %	22.8 %

The following table summarizes our results by reportable segment (dollars in thousands):

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Three Months Ended September 30, 2017						
Revenues	\$ 2,469,420	\$ 552,134	\$ 613,646	\$ 149,251	\$ —	\$ 3,784,451
Intersegment revenues	115,796	7,873	43,272	3,228	(170,169)	—
Total Revenues	\$ 2,585,216	\$ 560,007	\$ 656,918	\$ 152,479	\$ (170,169)	\$ 3,784,451
Net Revenues	\$ 377,403	\$ 129,842	\$ 54,253	\$ 32,348	\$ —	\$ 593,846
Income from Operations	151,392	31,125	11,586	362	—	194,465
Three Months Ended September 30, 2016						
Revenues	\$ 2,252,187	\$ 390,830	\$ 590,385	\$ 122,352	\$ —	\$ 3,355,754
Intersegment revenues	79,728	8,742	32,255	100	(120,825)	—
Total Revenues	\$ 2,331,915	\$ 399,572	\$ 622,640	\$ 122,452	\$ (120,825)	\$ 3,355,754
Net Revenues	\$ 378,073	\$ 93,368	\$ 57,036	\$ 29,985	\$ —	\$ 558,462
Income from Operations	171,733	17,047	17,733	4,754	—	211,267

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Nine Months Ended September 30, 2017						
Revenues	\$ 7,110,223	\$ 1,549,742	\$ 1,821,094	\$ 428,535	\$ —	\$ 10,909,594
Intersegment revenues	329,193	23,456	116,281	13,776	(482,706)	—
Total Revenues	\$ 7,439,416	\$ 1,573,198	\$ 1,937,375	\$ 442,311	\$ (482,706)	\$ 10,909,594
Net Revenues	\$ 1,109,749	\$ 357,411	\$ 171,936	\$ 97,105	\$ —	\$ 1,736,201
Income from Operations	447,553	75,006	40,487	1,197	—	564,243
Nine Months Ended September 30, 2016						
Revenues	\$ 6,456,281	\$ 1,098,715	\$ 1,814,682	\$ 359,760	\$ —	\$ 9,729,438
Intersegment revenues	211,540	23,585	83,200	642	(318,967)	—
Total Revenues	\$ 6,667,821	\$ 1,122,300	\$ 1,897,882	\$ 360,402	\$ (318,967)	\$ 9,729,438
Net Revenues	\$ 1,161,074	\$ 283,458	\$ 183,041	\$ 88,439	\$ —	\$ 1,716,012
Income from Operations	516,805	56,300	62,777	8,084	—	643,966

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Total revenues and direct costs. Our consolidated total revenues increased 12.8 percent in the third quarter of 2017 compared to the third quarter of 2016 . Total transportation revenues increased 14.5 percent in the third quarter of 2017 compared to the third quarter of 2016 . The increase was driven by increased pricing and volume growth in nearly all of our transportation services. Total purchased transportation and related services increased 16.2 percent in the third quarter of 2017 compared to the third quarter of 2016 . The increase was due to increased cost of transportation, including fuel, and volume growth in nearly all of our transportation services. Our sourcing revenue decreased 1.8 percent to \$350.8 million in the third quarter of 2017 from \$357.2 million in the third quarter of 2016 . Purchased products sourced for resale decreased 1.9 percent in the third quarter of 2017 to \$321.0 million from \$327.4 million in the third quarter of 2016 . These decreases were due to decreased case volumes and lower pricing resulting from lower commodity costs. The hurricanes that impacted the southern United States had an impact on volumes and pricing during the third quarter of 2017. We estimate the impact on volumes was positive on our NAST division and negative on Robinson Fresh. The storms also impacted pricing in the North American truckload market due to the storm disruption.

Net revenues. Total transportation net revenues increased 6.7 percent to \$564.1 million in the third quarter of 2017 from \$528.6 million in the third quarter of 2016 . Our transportation net revenue margin decreased to 16.4 percent in the third quarter of 2017 from 17.6 percent in the third quarter of 2016 primarily due to the cost of transportation increasing more than customer pricing, including fuel, in nearly all transportation services. Sourcing net revenues were flat at \$29.8 million in the third quarter of 2017 compared to the third quarter of 2016 . Our sourcing net revenue margin was 8.5 percent in the third quarter of 2017 and 8.3 percent in the third quarter of 2016 .

Operating expenses. Operating expenses increased 15.0 percent to \$399.4 million in the third quarter of 2017 from \$347.2 million in the third quarter of 2016 . Operating expenses as a percentage of net revenues increased to 67.3 percent in the third quarter of 2017 from 62.2 percent in the third quarter of 2016 .

For the third quarter , personnel expenses increased 14.1 percent to \$293.2 million in 2017 from \$256.9 million in 2016 . The increase in personnel expense was due to an increase of 8.7 percent in average headcount and an increase in variable compensation in the third quarter of 2017 compared to the third quarter of 2016 .

For the third quarter of 2017 , other selling, general, and administrative expenses increased 17.6 percent to \$106.2 million in 2017 from \$90.3 million in the third quarter of 2016 . This increase was driven by costs related to the addition of the APC and Milgram businesses, and increases in the provision for bad debt, claims expenses, and warehouse costs.

Income from operations. Income from operations decreased 8.0 percent to \$194.5 million in the third quarter of 2017 from \$211.3 million in the third quarter of 2016 . This decrease was primarily driven by declines in income from operations in NAST and Robinson Fresh, partially offset by an increase in income from operations in Global Forwarding. Income from operations as a percentage of net revenues decreased to 32.7 percent in the third quarter of 2017 from 37.8 percent in the third quarter of 2016 .

Interest and other expense. Interest and other expense was \$10.5 million in the third quarter of 2017 compared to \$7.4 million in the third quarter of 2016 . The increase was due primarily to a higher average debt balance and higher interest rates during the quarter ended September 30, 2017 , compared to the same period ended September 30, 2016 . Increased borrowings were related to the acquisition of Milgram and increased working capital needs.

Provision for income taxes. Our effective income tax rate was 35.2 percent for the third quarter of 2017 and 36.7 percent for the third quarter of 2016 . During the third quarter of 2017, the provision for income taxes decreased by \$2.7 million due to tax credits associated with foreign earnings deemed to be subject to U.S. taxation. During the first quarter of 2017, we adopted ASU 2016-09, *Compensation - Stock Compensation* (Topic 718). The adoption of ASU 2016-09 prospectively impacts the recording of income taxes related to share-based payment awards in our consolidated financial position and results of operations, as well as the operating and financing cash flows on the consolidated statements of cash flow. This adoption resulted in a decrease in our provision for income taxes of \$1.3 million the third quarter of 2017.

Net income. Net income decreased 7.6 percent to \$119.2 million in the third quarter of 2017 from \$129.0 million in the third quarter of 2016 . Basic and diluted net income per share decreased 5.6 percent to \$0.85 from \$0.90 in the third quarter of 2017 compared to the third quarter of 2016 .

SEGMENT RESULTS OF OPERATIONS

Three Months Ended September 30, 2017 , Compared to Three Months Ended September 30, 2016

North American Surface Transportation. NAST total revenues, including intersegment revenues, increased 10.9 percent to \$2.6 billion in the third quarter of 2017 from \$2.3 billion in the third quarter of 2016 . This increase was driven by pricing and volume increases in most services. NAST cost of transportation and related services increased 13.0 percent to \$2.2 billion in the third quarter of 2017 from \$2.0 billion in the third quarter of 2016 . This increase was driven by an increase in costs of transportation and a volume increase in most services. NAST net revenues decreased 0.2 percent to \$377.4 million in the third quarter of 2017 from \$378.1 million in the third quarter of 2016 . This decrease was driven by a decline in truckload net revenues, discussed below.

NAST truckload net revenues decreased 2.1 percent to \$266.6 million in the third quarter of 2017 from \$272.4 million in the third quarter of 2016 . NAST truckload volumes were flat in the third quarter of 2017 compared to the third quarter of 2016 . NAST truckload net revenue margin decreased in the third quarter of 2017 compared to the third quarter of 2016 , due primarily to higher transportation costs, including fuel costs.

NAST truckload net revenues accounted for approximately 93 percent of our total North American truckload net revenues in the third quarter of 2017 and approximately 92 percent in the third quarter of 2016 . The majority of the remaining North American truckload net revenues are included in Robinson Fresh. Excluding the estimated impacts of the increase in fuel costs, our average truckload rate per mile charged to our customers increased 6.5 percent in the third quarter of 2017 compared to the third quarter of 2016 . Our truckload transportation costs increased approximately 8.5 percent , excluding the estimated increase in fuel costs. While rapidly rising prices does often create incremental spot market activity, it can also create more margin compression on committed pricing arrangements. We experienced both of these impacts in our third quarter results. The pricing trends and required adjustments to market conditions that we discussed at length last quarter continued and were accelerated by the hurricane impacts.

NAST LTL net revenues increased 4.8 percent to \$97.6 million in the third quarter of 2017 from \$93.1 million in the third quarter of 2016 . This increase was primarily due to a volume increase of 6.5 percent in the third quarter of 2017 compared to the third quarter of 2016 , partially offset by a decrease in net revenue margin resulting from increased purchased transportation costs.

NAST intermodal net revenues decreased 1.4 percent to \$7.1 million in the third quarter of 2017 from \$7.2 million in the third quarter of 2016 . NAST intermodal net revenues and net revenue margin decreased while volume increased in the third quarter of 2017 compared to the third quarter of 2016 due to lower-margin contractual volume growth, partially offset by a decrease in transactional business.

NAST operating expenses increased 9.5 percent in the third quarter of 2017 to \$226.0 million compared to \$206.3 million in the third quarter of 2016 . This increase was due to increases in selling, general, and administrative expenses and an increase in personnel expenses. The increase in selling, general, and administrative expenses is primarily due to an increase in the provision for bad debt and claims expense. The increase in personnel expense is related to an increase in average headcount of 1.9 percent . The operating expenses of NAST and all other segments include allocated corporate expenses.

NAST income from operations decreased 11.8 percent to \$151.4 million in the third quarter of 2017 from \$171.7 million in the third quarter of 2016 . This was primarily due to a decline in net revenues caused by an increase in transportation costs.

Global Forwarding. Global Forwarding total revenues, including intersegment revenues, increased 40.2 percent to \$560.0 million in the third quarter of 2017 compared to \$399.6 million in the third quarter of 2016 . Global Forwarding costs of transportation and related services increased 40.5 percent to \$430.2 million in the third quarter of 2017 from \$306.2 million in the third quarter of 2016 . Global Forwarding net revenues increased 39.1 percent to \$129.8 million in the third quarter of 2017 compared to \$93.4 million in the third quarter of 2016 . The acquisitions of APC and Milgram accounted for approximately 18 percentage points of the net revenue growth in Global Forwarding.

Global Forwarding ocean transportation net revenues increased 44.0 percent to \$81.1 million in the third quarter of 2017 from \$56.3 million in the third quarter of 2016 . This was primarily related to volume increases, including those from acquisitions. Ocean transportation volumes increased approximately 22 percent and customer rates also increased in the third quarter of 2017 compared to the same period of 2016 .

Global Forwarding air transportation net revenues increased 32.7 percent to \$24.0 million in the third quarter of 2017 from \$18.1 million in the third quarter of 2016 . This was primarily related to volume increases, including those from acquisitions. Air transportation volumes increased approximately 28 percent and customer rates also increased in the third quarter of 2017 compared to the same period of 2016 .

Global Forwarding customs net revenues increased 41.4 percent to \$17.4 million in the third quarter of 2017 from \$12.3 million in 2016 . The increase was primarily due to increased transaction volumes, primarily related to acquisitions. Customs transaction volumes increased approximately 52 percent in the third quarter of 2017 compared to the same period of 2016 .

Global Forwarding operating expenses increased 29.3 percent in the third quarter of 2017 to \$98.7 million from \$76.3 million in the third 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 20.8 percent . The acquisitions of APC and Milgram added approximately 18 percent to the Global Forwarding average headcount. The selling, general, and administrative expense increase was primarily driven by the acquisition amortization related to APC and Milgram.

Global Forwarding income from operations increased 82.6 percent to \$31.1 million in the third quarter of 2017 from \$17.0 million in the third quarter of 2016 . This was primarily due to an increase in net revenues.

Robinson Fresh. Robinson Fresh total revenues, including intersegment revenues, increased 5.5 percent to \$656.9 million in the third quarter of 2017 from \$622.6 million in the third quarter of 2016 . Robinson Fresh costs of transportation and related services and purchased products sourced for resale increased 6.6 percent to \$602.7 million in the third quarter of 2017 from \$565.6 million in the third quarter of 2016 . Robinson Fresh net revenues decreased 4.9 percent to \$54.3 million in the third quarter of 2017 from \$57.0 million in the third quarter of 2016 , primarily as a result of declines in transportation net revenues. The hurricanes in both Texas and Florida had a negative impact on Robinson Fresh cases volumes and net revenue in the third quarter. We have service center facilities in both of these locations that were shut down for seven to ten days as a result of the storms.

Robinson Fresh net revenues from sourcing services were flat at \$29.8 million in the third quarter of 2017 compared to the third quarter of 2016 . A slight increase in net revenue margin was offset by a case volume decrease of one percent compared to the third quarter of 2016 .

Robinson Fresh net revenues from transportation services decreased 10.0 percent to \$24.5 million in the third quarter of 2017 compared to \$27.2 million in the third quarter of 2016 , primarily due to a decrease in truckload net revenue. Robinson Fresh transportation net revenue margin decreased in the third quarter of 2017 compared to the third quarter of 2016. Robinson Fresh transportation volumes increased 13 percent in the third quarter of 2017 compared to the third quarter of 2016 .

Robinson Fresh operating expenses increased 8.6 percent in the third quarter of 2017 to \$42.7 million from \$39.3 million in the third quarter of 2016 . This was primarily due to an increase in warehousing expenses related to expanding facilities and an increase in average headcount of 1.5 percent .

Robinson Fresh income from operations decreased 34.7 percent to \$11.6 million in the third quarter of 2017 from \$17.7 million in the third quarter of 2016 . This was primarily due to an increase in operating expenses and a decrease in transportation services net revenues.

All Other and Corporate. All Other and Corporate includes our Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues and unallocated corporate expenses. Managed Services provides Transportation Management Services, or Managed TMS. Europe Surface Transportation provides services similar to NAST across Europe.

Managed Services net revenues increased 10.8 percent in the third quarter of 2017 to \$18.5 million compared to \$16.7 million in the third quarter of 2016 . This increase was a result of new business with new and existing customers. Other Surface Transportation net revenues increased 4.2 percent in the third quarter of 2017 to \$13.9 million compared to \$13.3 million in the third quarter of 2016 . This increase is primarily the result of increased volumes, partially offset by margin compression in the surface transportation business in Europe.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Total revenues and direct costs. Our consolidated total revenues increased 12.1 percent in the nine months ended September 30, 2017 , compared to the nine months ended September 30, 2016 . Total transportation revenues increased 14.7 percent to \$9.9 billion in the nine months ended September 30, 2017 , from \$8.6 billion in the nine months ended September 30, 2016 . The increase in total transportation revenues was driven by increased pricing and volumes in nearly all of our transportation services. Total purchased transportation and related services increased 17.8 percent in the nine months ended September 30, 2017 , to \$8.2 billion from \$7.0 billion in the nine months ended September 30, 2016 . The increase was due to increased volumes in all of our transportation services, and by increased costs of transportation, including fuel. Sourcing revenue decreased 7.2 percent in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . Purchased products sourced for resale decreased 7.7 percent in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . These decreases were primarily due to lower pricing and commodity costs.

Net revenues. Total transportation net revenues increased 1.3 percent to \$1.64 billion in the nine months ended September 30, 2017 from \$1.62 billion in the nine months ended September 30, 2016 . Our transportation net revenue margin decreased to 16.6 percent in the nine months ended September 30, 2017 from 18.8 percent in the nine months ended September 30, 2016 , primarily due to the cost of transportation increasing more than customer pricing, including fuel, in nearly all transportation services. Sourcing net revenues decreased 1.5 percent to \$95.3 million in the nine months ended September 30, 2017 from \$96.8 million in the nine months ended September 30, 2016 . This decrease was primarily the result of lower net revenue per case, as volumes were flat. Our sourcing net revenue margin increased in the nine months ended September 30, 2017 to 9.0 percent from 8.5 percent in the nine months ended September 30, 2016 .

Operating expenses. Operating expenses increased 9.3 percent in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . Operating expenses as a percentage of net revenues increased to 67.5 percent in the nine months ended September 30, 2017 , from 62.5 percent in the nine months ended September 30, 2016 .

Personnel expenses increased 7.9 percent to \$867.9 million in the nine months ended September 30, 2017 , from \$804.6 million in the nine months ended September 30, 2016 . For the nine months ended September 30, 2017 , our average headcount increased 8.3 percent compared to the same period ended September 30, 2016 , including 650 employees added through acquisitions. The increase in personnel expense was less than the increase in average headcount due to decreased expenses related to variable incentive plans.

Other selling, general, and administrative expenses increased 13.7 percent to \$304.0 million in the nine months ended September 30, 2017 from \$267.4 million in the nine months ended September 30, 2016 . This increase was primarily driven by costs related to the addition of the APC and Milgram businesses, the provision for bad debt, and warehouse costs.

Income from operations. Income from operations decreased 12.4 percent to \$564.2 million in the nine months ended September 30, 2017 , from \$644.0 million in the nine months ended September 30, 2016 . Income from operations as a percentage of net revenues decreased to 32.5 percent in the nine months ended September 30, 2017 , from 37.5 percent in the nine months ended September 30, 2016 .

Interest and other expense. Interest and other expense increased to \$29.2 million in the nine months ended September 30, 2017 , from \$22.5 million in the nine months ended September 30, 2016 . The change was due primarily to a higher average debt balance and higher interest rates on our short-term debt during the nine months ended September 30, 2017 , compared to the same period ended September 30, 2016 .

Provision for income taxes. Our effective income tax rate was 34.2 percent for the nine months ended September 30, 2017, and 37.1 percent for the nine months ended September 30, 2016. During the first quarter of 2017, we adopted ASU 2016-09, *Compensation - Stock Compensation* (Topic 718). The adoption of ASU 2016-09 prospectively impacts the recording of income taxes related to share-based payment awards in our consolidated statement of financial position and results of operations, as well as the operating and financing cash flows on the consolidated statements of cash flow. This adoption resulted in a decrease in our provision for income taxes of \$11.9 million the nine months ended September 30, 2017. The effective income tax rate for the nine months ended September 30, 2017 was lower than the statutory federal income tax rate due to the adoption of ASU 2016-09.

Net income. Net income decreased 9.9 percent to \$352.3 million in the nine months ended September 30, 2017, from \$391.1 million in the nine months ended September 30, 2016. Basic net income per share decreased 8.4 percent to \$2.50 in the nine months ended September 30, 2017 from \$2.73 in the nine months ended September 30, 2016. Diluted net income per share decreased 8.8 percent to \$2.49 in the nine months ended September 30, 2017 from \$2.73 in the nine months ended September 30, 2016.

SEGMENT RESULTS OF OPERATIONS

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

North American Surface Transportation. NAST total revenues, including intersegment revenues, increased 11.6 percent to \$7.4 billion during the nine months ended September 30, 2017 from \$6.7 billion during the nine months ended September 30, 2016. This increase was driven by volume and pricing increases in all services. NAST cost of transportation and related services increased 14.9 percent to \$6.3 billion in the nine months ended September 30, 2017 from \$5.5 billion in the nine months ended September 30, 2016. This was driven by increases in volumes and costs of transportation in all services. NAST net revenues decreased 4.4 percent to \$1.1 billion in the nine months ended September 30, 2017 from \$1.2 billion in the nine months ended September 30, 2016. This decrease was driven primarily by a decline in truckload net revenues.

NAST truckload net revenues decreased 7.4 percent to \$784.3 million during the nine months ended September 30, 2017 from \$847.2 million in the nine months ended September 30, 2016. NAST truckload volumes increased approximately six percent during the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016. NAST truckload net revenue margin decreased in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016, due to increased transportation costs, excluding the change in fuel costs.

NAST truckload net revenues accounted for approximately 93 percent of our total North American truckload net revenues in the nine months ended September 30, 2017 and 92 percent in the nine months ended September 30, 2016. The majority of the remaining North American truckload net revenues are included in Robinson Fresh. Excluding the estimated impacts of the increase in fuel costs, our average truckload rate per mile charged to our customers increased approximately one percent in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016. Our truckload transportation costs increased 3.5 percent, excluding the estimated increase in fuel costs.

NAST LTL net revenues increased 4.6 percent to \$288.3 million in the nine months ended September 30, 2017 from \$275.5 million in the nine months ended September 30, 2016. This increase was primarily due to a volume increase of approximately seven percent during the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016, partially offset by a decrease in net revenue margin.

NAST intermodal net revenues decreased 8.8 percent to \$22.1 million in the nine months ended September 30, 2017 from \$24.2 million in the nine months ended September 30, 2016. Net revenues decreased while volume increased in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 due to lower-margin contractual volume growth, partially offset by a decrease in transactional business.

NAST operating expenses increased 2.8 percent during the nine months ended September 30, 2017 to \$662.2 million compared to \$644.3 million during the nine months ended September 30, 2016. This increase was driven by increases in other selling, general, and administrative expenses and personnel expenses. The increase in selling, general, and administrative expenses were driven by investments in technology. The increase in personnel expense is related an increase in average headcount of 2.3 percent and an increase in expenses related to variable incentive plans. The operating expenses of NAST and all other segments include allocated corporate expenses.

NAST income from operations decreased 13.4 percent to \$447.6 million during the nine months ended September 30, 2017 from \$516.8 million in the nine months ended September 30, 2016. This was primarily due to a decline in net revenues caused by the increased cost of transportation services.

Global Forwarding. Global Forwarding total revenues, including intersegment revenues, increased 40.2 percent to \$1.6 billion in the nine months ended September 30, 2017 compared to \$1.1 billion in the nine months ended September 30, 2016 . Global Forwarding costs of transportation and related services increased 44.9 percent to \$1.2 billion in the nine months ended September 30, 2017 from \$838.8 million in the nine months ended September 30, 2016 . Global Forwarding net revenues increased 26.1 percent to \$357.4 million in the nine months ended September 30, 2017 compared to \$283.5 million in the nine months ended September 30, 2016 . These increases were primarily driven by our acquisition of APC, and volume growth in our organic operations.

Global Forwarding ocean transportation net revenues increased 24.5 percent to \$217.8 million in the nine months ended September 30, 2017 from \$174.9 million in the nine months ended September 30, 2016 . The increase in net revenues was primarily a result of our acquisition of APC, partially offset by margin compression.

Our air transportation net revenues increased 27.2 percent to \$68.9 million in the nine months ended September 30, 2017 from \$54.1 million in the nine months ended September 30, 2016 . The increase was primarily the result of our acquisition of APC, partially offset by margin compression.

Our customs net revenues increased 43.8 percent to \$49.8 million in the nine months ended September 30, 2017 from \$34.6 million in 2016 . The increase was due to increased transaction volumes, primarily related to the acquisition of APC.

Global Forwarding operating expenses increased 24.3 percent in the nine months ended September 30, 2017 to \$282.4 million from \$227.2 million in the nine months ended September 30, 2016 . This increase was driven by an increase in average headcount of 16.7 percent and the acquisition amortization expense related to the acquisitions of APC.

Global Forwarding income from operations increased 33.2 percent to \$75.0 million in the nine months ended September 30, 2017 from \$56.3 million in the nine months ended September 30, 2016 . This was primarily due to an increase in net revenues, partially offset by an increase in operating expenses.

Robinson Fresh. Robinson Fresh total revenues, including intersegment revenues, increased 2.1 percent to \$1.94 billion in the nine months ended September 30, 2017 compared to \$1.90 billion in the nine months ended September 30, 2016 . Robinson Fresh costs of transportation and related services and purchased products sourced for resale increased 3.0 percent to \$1.8 billion in the nine months ended September 30, 2017 from \$1.7 billion in the nine months ended September 30, 2016 . Robinson Fresh net revenues decreased 6.1 percent to \$171.9 million in the nine months ended September 30, 2017 from \$183.0 million in the nine months ended September 30, 2016 . This decrease was the result of declines in transportation and sourcing net revenues.

Robinson Fresh net revenues from sourcing services decreased 1.5 percent to \$95.3 million in the nine months ended September 30, 2017 compared to \$96.8 million in the nine months ended September 30, 2016 . This was primarily the result of lower net revenue per case as case volumes were flat.

Robinson Fresh net revenues from transportation services decreased 11.2 percent to \$76.6 million in the nine months ended September 30, 2017 compared to \$86.2 million in the nine months ended September 30, 2016 , primarily due to decreases in truckload net revenue. Robinson Fresh transportation net revenue margin decreased in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 , due primarily to increased transportation costs, including fuel.

Robinson Fresh operating expenses increased 9.3 percent in the nine months ended September 30, 2017 to \$131.4 million from \$120.3 million in the nine months ended September 30, 2016 . This was primarily due to an increase in warehousing expenses related to expanding facilities, claims, and an increase in average headcount, partially offset by a decrease in expenses related to variable incentive compensation plans.

Robinson Fresh income from operations decreased 35.5 percent to \$40.5 million in the nine months ended September 30, 2017 from \$62.8 million in the nine months ended September 30, 2016 . This was primarily due to decreases in transportation and sourcing net revenues, and an increase in operating expenses.

All Other and Corporate. All Other and Corporate includes our Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues and unallocated corporate expenses. Managed Services provides Transportation Management Services, or Managed TMS. Other Surface Transportation revenues are primarily earned by Europe Surface Transportation. Europe Surface Transportation provides services similar to NAST across Europe.

Managed Services net revenues increased 14.5 percent in the nine months ended September 30, 2017 to \$53.8 million compared to \$47.0 million in the nine months ended September 30, 2016 . This increase was a result of volume growth from both new and existing customers. Other Surface Transportation increased 4.5 percent in the nine months ended September 30, 2017 to \$43.3 million compared to \$41.4 million in the nine months ended September 30, 2016 , primarily the result of growth in Europe Surface Transportation.

LIQUIDITY AND CAPITAL RESOURCES

We have historically generated substantial cash from operations, which has enabled us to fund our organic growth while paying cash dividends and repurchasing stock. In 2012, we entered into a senior unsecured revolving credit facility to partially fund an acquisition. In December 2014, we amended the revolving credit facility to increase the amount available from \$500 million to \$900 million and to extend the expiration date from October 2017 to December 2019, primarily to fund an acquisition. In 2013, we entered into a Note Purchase Agreement to fund the repurchase of \$500 million worth of our common stock. The Note Purchase Agreement was amended in February 2015 to conform its financial covenants to be consistent with the amended revolving credit facility. In April 2017, we entered into an U.S. Trade Accounts Receivable Securitization facility to reduce the amount outstanding on our revolving credit facility. We also expect to use the revolving credit facility, the receivables securitization facility, and potentially other indebtedness incurred in the future to assist us in continuing to fund working capital, capital expenditures, possible acquisitions, dividends, and share repurchases. Cash and cash equivalents totaled \$297.3 million as of September 30, 2017, and \$247.7 million as of December 31, 2016. Cash and cash equivalents held outside the United States totaled \$233.3 million as of September 30, 2017, and \$172.2 million as of December 31, 2016. If we repatriated all foreign earnings, the estimated effect on income taxes payable would be an increase of approximately \$29.0 million as of September 30, 2017. Working capital at September 30, 2017, was \$468.5 million and at December 31, 2016, was \$162.4 million.

We prioritize our investments to grow the business, as we require some working capital and a relatively small amount of capital expenditures to grow. We are continually looking for acquisitions, but those acquisitions must fit our culture and enhance our growth opportunities.

Cash flow from operating activities. We generated \$218.3 million and \$376.8 million of cash flow from operations during the nine months ended September 30, 2017 and September 30, 2016, respectively, a decrease of \$158.5 million compared to the nine months ended September 30, 2016. The increase in volumes, customer rates, and costs of transportation, including fuel prices, in the first nine months of 2017 compared to the first nine months of 2016 resulted in increased growth in working capital and led to decreased operating cash flow.

Cash used for investing activities. We used \$94.7 million and \$292.0 million of cash during the nine months ended September 30, 2017 and September 30, 2016 for investing activities.

We used \$46.4 million and \$71.1 million for capital expenditures during the nine months ended September 30, 2017 and September 30, 2016. During the nine months ended September 30, 2017, our capital expenditures consisted primarily of investments in facilities, office equipment, and information technology, which are intended to improve efficiencies and help grow the business.

During the nine months ended September 30, 2017, we used \$48.4 million in connection with the acquisitions. We used \$46.7 million in connection with the acquisition of Milgram. We used \$1.8 million for a post-closing working capital adjustment due to the sellers of APC under the terms of the acquisition agreement.

Cash used for financing activities. We used \$91.2 million and \$28.2 million of cash flow for financing activities during the nine months ended September 30, 2017 and September 30, 2016.

During the nine months ended September 30, 2017, we had net short-term repayments of \$21.0 million. During the nine months ended September 30, 2016, we had net short-term borrowings of \$275.0 million. The outstanding balance on the revolving credit facility was \$719.0 million as of September 30, 2017.

During the nine months ended September 30, 2017, we had long-term borrowings of \$250.0 million on the Receivables Securitization Facility. The outstanding balance on the Receivables Securitization Facility was \$250.0 million as of September 30, 2017. We were in compliance with all of the covenants under the Credit Agreement, Note Purchase Agreement, and Receivables Securitization Facility as of September 30, 2017.

We used \$192.8 million and \$191.1 million to pay cash dividends during the nine months ended September 30, 2017 and September 30, 2016. The increase was primarily due to a dividend rate increase in 2017 compared to 2016, partially offset by a decrease in weighted average shares outstanding during the nine months ended September 30, 2017, compared to the nine months ended September 30, 2016.

We used \$130.0 million and \$109.1 million on share repurchases during the nine months ended September 30, 2017 and September 30, 2016 . The change was due to an increase in the number of shares repurchased and the average price of the repurchased shares during the nine months ended September 30, 2017 , compared to the same period of 2016 . In August 2013, the Board of Directors increased the number of shares authorized for repurchase by 15,000,000 shares. As of September 30, 2017 , there were 2,654,301 shares remaining for future repurchases under the repurchase authorization. The number of shares we repurchase, if any, during future periods will vary based on our cash position, potential uses of our cash, and market conditions.

We used \$20.7 million and \$36.2 million to acquire shares from employees through their withholding taxes resulting from the delivery of restricted equity during the nine months ended September 30, 2017 and September 30, 2016 .

Management believes that our available cash, together with expected future cash generated from operations, the amount available under our credit facilities, and credit available in the market will be sufficient to satisfy our anticipated needs for working capital, capital expenditures, and cash dividends in the foreseeable future. We also believe we could obtain funds under lines of credit or other forms of indebtedness on short notice, if needed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our condensed consolidated financial statements include accounts of the company and all majority-owned subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. In certain circumstances, those estimates and assumptions can affect amounts reported in the accompanying condensed consolidated financial statements and related footnotes. In preparing our financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Note 1 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2016 , includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements. The following is a brief discussion of our critical accounting policies and estimates.

Revenue recognition. Total revenues consist of the total dollar value of goods and services purchased from us by customers. Net revenues are total revenues less the direct costs of transportation, products, and handling. We act principally as the service provider for these transactions and recognize revenue as these services are rendered or goods are delivered. At that time, our obligations to the transactions are completed and collection of receivables is reasonably assured. Most transactions in our Transportation and Sourcing businesses are recorded at the gross amount we charge our customers for the service we provide and goods we sell. In these transactions, we are the primary obligor, we have credit risk, we have discretion to select the supplier, and we have latitude in pricing decisions. Additionally, in our Sourcing business, we often take loss of inventory risk during shipment and have general inventory risk.

Certain transactions in customs brokerage, transportation management, and sourcing are recorded at the net amount we charge our customers for the service we provide because many of the factors stated above are not present.

Valuations for accounts receivable. Our allowance for doubtful accounts is calculated based upon the aging of our receivables, our historical experience of uncollectible accounts, and any specific customer collection issues that we have identified. The allowance was \$44.4 million as of September 30, 2017 and \$39.5 million as of December 31, 2016 . We believe that the recorded allowance is sufficient and appropriate based on our customer aging trends, the exposures we have identified, and our historical loss experience.

Goodwill. Goodwill represents the excess of the cost of acquired businesses over the net of the fair value of identifiable tangible net assets and identifiable intangible assets purchased and liabilities assumed.

Goodwill is tested at least annually for impairment and is tested for impairment more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is performed using a two-step process. In the first step, the fair value of each reporting unit is compared with the carrying amount of the reporting unit, including goodwill. If the estimated fair value is less than the carrying amount of the reporting unit, there is an indication that goodwill impairment exists, and a second step must be completed to determine the amount of the goodwill impairment, if any, that should be recorded. In the second step, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation.

The fair value of each reporting unit is determined using a discounted cash flow analysis and market approach. Projecting discounted future cash flows requires us to make significant estimates regarding future revenues and expenses, projected capital expenditures, changes in working capital, and the appropriate discount rate. Use of the market approach consists of comparisons to comparable publicly-traded companies that are similar in size and industry. Actual results may differ from those used in our valuations.

Stock-based compensation. The fair value of each share-based payment award is established on the date of grant. For grants of restricted shares and restricted units, the fair value is established based on the market price on the date of the grant, discounted for post-vesting holding restrictions. The discounts on outstanding grants vary from 15 percent to 22 percent and are calculated using the Black-Scholes option pricing model. Changes in the measured stock price volatility and interest rates are the primary reason for changes in the discount. For grants of options, we use the Black-Scholes option pricing model to estimate the fair value of share-based payment awards. The determination of the fair value of share-based awards is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate, and expected dividends.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We had \$297.3 million of cash and cash equivalents on September 30, 2017. Substantially all of the cash equivalents are in demand accounts with financial institutions. The primary market risks associated with these investments are liquidity risks.

We are a party to a credit agreement with various lenders consisting of a \$900 million revolving loan facility. Interest accrues on the revolving loan at variable rates based on LIBOR or "prime" plus the applicable add-on percentage as defined therein. At September 30, 2017, there was \$719 million outstanding on the revolving loan.

We are a party to the Note Purchase Agreement, as amended, with various institutional investors with fixed rates consisting of: (i) \$175,000,000 of the company's 3.97 percent Senior Notes, Series A, due August 27, 2023, (ii) \$150,000,000 of the company's 4.26 percent Senior Notes, Series B, due August 27, 2028, and (iii) \$175,000,000 of the company's 4.60 percent Senior Notes, Series C, due August 27, 2033. At September 30, 2017, there was \$500 million outstanding on the notes.

We are a party to a receivables securitization facility with various lenders and provides funding of up to \$250 million. Interest accrues on the facility at variable rates based on the asset-backed commercial paper rate or the 30 day LIBOR plus the applicable add-on percentage as defined therein. At September 30, 2017, there was \$250 million outstanding on the securitization facility.

A hypothetical 100-basis-point change in the interest rate would not have a material effect on our earnings. We do not use derivative financial instruments to manage interest rate risk or to speculate on future changes in interest rates. A rise in interest rates could negatively affect the fair value of our investments. Market risk arising from changes in foreign currency exchange rates are not material due to the size of our international operations.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

(b) Changes in internal controls over financial reporting.

There were no changes that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect the company's internal control over financial reporting.

PART II-OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

We are not subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations. For some legal proceedings, we have accrued an amount that reflects the aggregate liability deemed probable and estimable, but this amount is not material to our consolidated financial position, results of operations, or cash flows. Because of the preliminary nature of many of these proceedings, the difficulty in ascertaining the applicable facts relating to many of these proceedings, the inconsistent treatment of claims made in many of these proceedings, and the difficulty of predicting the settlement value of many of these proceedings, we are often unable to estimate an amount or range of any reasonably possible additional losses. However, based upon our historical experience, the resolution of these proceedings is not expected to have a material effect on our consolidated financial position, results of operations, or cash flows.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, which could materially affect our business, financial condition, or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about purchases by the company during the quarter ended September 30, 2017, of shares of the company's common stock.

	Total Number of Shares (or Units) Purchased ^(a)	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ^(b)	Maximum Number of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs ^(b)
July 1, 2017-July 31, 2017	306,403	\$ 67.48	296,507	3,234,848
August 1, 2017-August 31, 2017	63,559	65.70	60,926	3,173,922
September 1, 2017-September 30, 2017	523,287	73.12	519,621	2,654,301
Third quarter 2017	893,249	\$ 70.66	877,054	2,654,301

(a) The total number of shares purchased includes: (i) 877,054 shares of common stock purchased under the authorization described below; and (ii) 16,195 shares of common stock surrendered to satisfy minimum statutory tax obligations under our stock incentive plans.

(b) In August 2013, the Board of Directors increased the number of shares authorized for repurchase by 15,000,000 shares. As of September 30, 2017, there were 2,654,301 shares remaining for future repurchases. Purchases can be made in the open market or in privately negotiated transactions, including Rule 10b5-1 plans and accelerated repurchase programs.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibits filed with, or incorporated by reference into, this report:

- | | |
|------|---|
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | Financial statements from the Quarterly Report on Form 10-Q of the company for the period ended September 30, 2017, formatted in XBRL |

SIGNATURES

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, thereunto duly authorized on November 8, 2017.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ John P. Wiehoff
John P. Wiehoff
Chief Executive Officer

By: /s/ Andrew C. Clarke
Andrew C. Clarke
Chief Financial Officer (principal accounting officer)

Certifications

I, John P. Wiehoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 8, 2017

Signature	<u>/s/ John P. Wiehoff</u>
Name:	John P. Wiehoff
Title:	Chief Executive Officer

Certifications

I, Andrew C. Clarke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 8, 2017

Signature /s/ Andrew C. Clarke
Name: Andrew C. Clarke
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of C.H. Robinson Worldwide, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John P. Wiehoff, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John P. Wiehoff

John P. Wiehoff
Chief Executive Officer

November 8, 2017

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of C.H. Robinson Worldwide, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Andrew C. Clarke, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew C. Clarke

Andrew C. Clarke
Chief Financial Officer

November 8, 2017