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

FORM 8-K

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

**Date of Report: July 19, 2017
(Date of earliest event reported)**

C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23189

Delaware
(State or other jurisdiction
of incorporation)

41-1883630
(IRS Employer
Identification No.)

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

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

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

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

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

Indicate by check mark whether the registrant is an "emerging growth company" (as defined in Section 2(a)(19) of the Securities Act). Yes ☐ No ☒

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 7(a)(2)(B) of the Securities Act. Yes ☐ No ☐

Item 2.02. Results of Operations and Financial Condition.

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

Furnished herewith as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the text of C.H. Robinson Worldwide, Inc.’s announcement regarding its financial results for the quarter ended June 30, 2017 and its earnings conference call slides.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release dated July 19, 2017 of C.H. Robinson Worldwide, Inc.

99.2 Earnings conference call slides dated July 20, 2017

SIGNATURE

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

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Ben G. Campbell

Ben G. Campbell
Chief Legal Officer and Secretary

Date: July 19, 2017

EXHIBIT INDEX

- 99.1 Press Release dated July 19, 2017 of C.H. Robinson Worldwide, Inc.
- 99.2 Earnings conference call slides dated July 20, 2017

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

Andrew Clarke, Chief Financial Officer (952) 683-3474
Tim Gagnon, Director, Investor Relations (952) 683-5007

FOR IMMEDIATE RELEASE

C.H. ROBINSON REPORTS SECOND QUARTER RESULTS

MINNEAPOLIS, July 19, 2017 – C.H. Robinson Worldwide, Inc. (“C.H. Robinson”) (NASDAQ: CHRW), today reported financial results for the quarter ended June 30, 2017. This table of summary results presents our service line net revenues consistent with our historical presentation and is on an enterprise basis. The service line net revenues in the table differ from the segment service line net revenues discussed below as our segments have revenues from multiple service lines. Summarized financial results are set forth in the following table (dollars in thousands, except per share data).

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Total revenues	\$3,710,018	\$3,299,741	12.4%	\$7,125,143	\$6,373,684	11.8%
Net revenues:						
Transportation						
Truckload	\$ 282,718	\$ 329,740	-14.3%	\$ 586,840	\$ 651,424	-9.9%
LTL	102,213	99,778	2.4%	199,836	191,071	4.6%
Intermodal	8,308	9,021	-7.9%	15,800	18,285	-13.6%
Ocean	73,438	60,068	22.3%	136,313	118,737	14.8%
Air	25,820	20,118	28.3%	47,637	38,527	23.6%
Customs	16,311	11,605	40.6%	32,389	22,329	45.1%
Other logistics services	29,832	26,171	14.0%	57,983	50,194	15.5%
Total transportation	538,640	556,501	-3.2%	1,076,798	1,090,567	-1.3%
Sourcing	35,149	37,714	-6.8%	65,557	66,983	-2.1%
Total net revenues	573,789	594,215	-3.4%	1,142,355	1,157,550	-1.3%
Operating expenses	391,969	360,468	8.7%	772,577	724,851	6.6%
Income from operations	181,820	233,747	-22.2%	369,778	432,699	-14.5%
Net income	\$ 111,071	\$ 143,090	-22.4%	\$ 233,151	\$ 262,053	-11.0%
Diluted EPS	\$ 0.78	\$ 1.00	-22.0%	\$ 1.65	\$ 1.83	-9.8%

“We were able to continue to achieve market share gains during the second quarter; however, our income and EPS results were disappointing and finished below our expectations,” said John Wiehoff, Chairman and Chief Executive Officer of C.H. Robinson. “Our results were significantly impacted by truckload margin compression. Purchased transportation costs increased significantly during the quarter, while much of our customer pricing is committed at relatively flat prices. We have a strong history of honoring our customer contracts while adjusting to the market conditions, and I’m confident we will adapt and execute those changes in the months to come. We continue to execute against our long-term strategic initiatives to grow and diversify. The Global Forwarding business delivered solid results in the second quarter with both double digit net revenue and operating income growth.”

Our total revenues increased 12.4 percent in the second quarter of 2017 compared to the second quarter of 2016. The increase in total revenues was driven by volume growth across all of our transportation services. Our total net revenues decreased 3.4 percent in the second quarter of 2017 compared to the second quarter of 2016. APC Logistics (“APC”), which was acquired at the close of business on September 30, 2016, represented approximately two percent of our total net revenues in the second quarter of 2017.

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For the second quarter of 2017, our total operating expenses increased 8.7 percent. Personnel expenses increased 5.2 percent in the second quarter of 2017 compared to the second quarter of 2016. The increase in personnel expense was the result of an increase in average headcount of 8.1 percent in the second quarter of 2017 compared to the second quarter of 2016, partially offset by decreased expenses related to variable incentive plans. Other selling, general, and administrative expenses increased 19.4 percent. This increase was driven by increases in claims, costs related to the addition of the APC business, the provision for bad debt, and warehouse costs.

Interest and other expenses increased approximately \$3.1 million, or 49.5 percent, in the second quarter of 2017 compared to the second quarter of 2016. Interest expense increased due to higher average debt balance during the second quarter of 2017 compared to the second quarter of 2016.

The provision for income taxes decreased 27.3 percent in the second quarter of 2017 compared to the second quarter of 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. This adoption resulted in a decrease in our provision for income taxes of \$1.2 million in the second quarter of 2017.

Results by Segment

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

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

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Total revenues ⁽¹⁾	\$2,381,551	\$2,158,615	10.3%	\$4,640,803	\$4,204,094	10.4%
Net revenues	359,906	399,203	-9.8%	732,346	783,001	-6.5%
Income from operations	140,284	182,721	-23.2%	296,161	345,072	-14.2%

(1) Excludes intersegment revenues.

NAST total revenues increased 10.3 percent to \$2.4 billion in the second quarter of 2017 from \$2.2 billion in the second quarter of 2016. This increase was driven by volume increases in all services. NAST net revenues decreased 9.8 percent to \$359.9 million in the second quarter of 2017 compared to \$399.2 million in the second quarter of 2016, primarily from a decline in truckload net revenues.

NAST truckload net revenues decreased 14.1 percent to \$250.0 million in the second quarter of 2017 compared to \$291.1 million in the second quarter of 2016, while truckload volumes increased approximately eight percent. NAST truckload net revenue margin decreased in the second quarter of 2017 compared to the second quarter of 2016, due primarily to increased transportation costs.

NAST accounted for approximately 92 percent of our total North America truckload net revenues in the second quarter of both 2017 and 2016. The majority of the remaining North American truckload net revenues is included in Robinson Fresh. Excluding the estimated impacts of the change in fuel prices, our average North America truckload rate per mile charged to our customers was flat in the second quarter of 2017 compared to the second quarter of 2016. However, our truckload transportation costs increased approximately four percent, excluding the estimated impacts of the change in fuel prices.

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NAST LTL net revenues increased 2.1 percent to \$97.1 million in the second quarter of 2017 compared to \$95.1 million in the second quarter of 2016. NAST LTL volumes increased approximately 6.5 percent in the second quarter of 2017 compared to the second quarter of 2016, and net revenue margin decreased slightly.

NAST intermodal net revenues decreased 6.3 percent to \$7.8 million in the second quarter of 2017 compared to \$8.3 million in the second quarter of 2016. Net revenues decreased while volume increased in the second quarter of 2017 compared to the second quarter of 2016 due to contractual volume growth, partially offset by a decrease in transactional business.

NAST operating expenses increased 1.5 percent in the second quarter of 2017 to \$219.6 million compared to \$216.5 million in the second quarter of 2016. This increase was due to increases in selling, general, and administrative expenses, partially offset by a small decrease in personnel expenses. The decrease in personnel expense is related to variable incentive plans, partially offset by an increase in average headcount of 3.0 percent. The operating expenses of NAST and all other segments include allocated corporate expenses.

Global Forwarding provides global logistics services through an international network of offices in North America, Asia, Europe, Australia, 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. Summarized financial results of our Global Forwarding segment are as follows (dollars in thousands):

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Total revenues (1)	\$528,820	\$356,773	48.2%	\$997,608	\$707,885	40.9%
Net revenues	121,023	97,224	24.5%	227,569	190,090	19.7%
Income from operations	27,675	22,396	23.6%	43,881	39,253	11.8%

(1) Excludes intersegment revenues.

Global Forwarding total revenues increased 48.2 percent in the second quarter of 2017 to \$528.8 million from \$356.8 million in the second quarter of 2016. Global Forwarding net revenues increased 24.5 percent to \$121.0 million in the second quarter of 2017 compared to \$97.2 million in the second quarter of 2016.

Ocean net revenues increased 22.0 percent to \$73.2 million in the second quarter of 2017 compared to \$60.0 million in the second quarter of 2016. Air net revenues increased 31.0 percent to \$24.5 million in the second quarter of 2017 compared to \$18.7 million in the second quarter of 2016. Customs net revenues increased 40.6 percent to \$16.3 million in the second quarter of 2017 compared to \$11.6 million in the second quarter of 2016. These increases were primarily due to volume increases, including those from APC. APC accounted for approximately half of the Global Forwarding net revenue growth.

Global Forwarding operating expenses increased 24.8 percent in the second quarter of 2017 to \$93.3 million from \$74.8 million in the second quarter of 2016. These increases were driven by an average headcount increase of 14.4 percent and the acquisition amortization related to the acquisition of APC.

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

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Total revenues (1)	\$657,003	\$660,204	-0.5%	\$1,207,448	\$1,224,297	-1.4%
Net revenues	60,846	67,820	-10.3%	117,683	126,005	-6.6%
Income from operations	14,249	27,311	-47.8%	28,901	45,044	-35.8%

(1) Excludes intersegment revenues.

(more)

Robinson Fresh total revenues decreased 0.5 percent to \$657.0 million in the second quarter of 2017 from \$660.2 million in the second quarter of 2016. Robinson Fresh net revenues decreased 10.3 percent to \$60.8 million in the second quarter of 2017 compared to \$67.8 million in the second quarter of 2016 as a result of declines in transportation and sourcing net revenues.

Robinson Fresh sourcing net revenues decreased 6.8 percent to \$35.1 million in the second quarter of 2017 compared to \$37.7 million in the second quarter of 2016. This was primarily the result of lower net revenue per case, as sourcing revenues and costs declined at the same rate. Case volumes were flat in the second quarter of 2017 compared to the second quarter of 2016.

Robinson Fresh transportation net revenues decreased 14.6 percent to \$25.7 million in the second quarter of 2017 compared to \$30.1 million in the second quarter of 2016, primarily due to decreases in truckload revenue. Robinson Fresh transportation net revenue margin decreased in the second quarter of 2017 compared to the second quarter of 2016.

Robinson Fresh operating expenses increased 15.0 percent in the second quarter of 2017 to \$46.6 million from \$40.5 million in the second quarter of 2016. This was primarily due to an increase in claims expenses, warehousing expenses related to expanding facilities, and an increase in average headcount.

All Other and Corporate includes our Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues. It also includes any unallocated corporate expenses. Managed Services provides Transportation Management Service, or Managed TMS. Our Europe Surface Transportation business accounted for approximately 90 percent of total Other Surface Transportation net revenues. Europe Surface Transportation provides services similar to NAST across the European continent. Net revenues for Managed Services and Other Surface Transportation are summarized as follows:

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Net revenues						
Managed Services	\$18,164	\$15,775	15.1%	\$35,357	\$30,354	16.5%
Other Surface Transportation	13,850	14,193	-2.4%	29,400	28,100	4.6%

Managed Services net revenues increased 15.1 percent in the second quarter of 2017 to \$18.2 million compared to \$15.8 million the second quarter of 2016. This increase was a result of new business with new and existing customers. Other surface transportation net revenues decreased 2.4 percent in the second quarter of 2017 to \$13.9 million compared to \$14.2 million in the second quarter of 2016. This decrease is primarily the result of lower margins in the surface transportation business in Europe.

About C.H. Robinson

At C.H. Robinson, we believe in accelerating global trade to seamlessly deliver the products and goods that drive the world's economy. Using the strengths of our knowledgeable people, proven processes, and global technology, we help our customers work smarter, not harder. As one of the world's largest third-party logistics providers (3PL), we provide a broad portfolio of logistics services, fresh produce sourcing and managed services for more than 113,000 customers and 107,000 contract carriers through our integrated network of offices and more than 14,000 employees. In addition, the company, our Foundation and our employees contribute millions of dollars annually to a variety of organizations.

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Headquartered in Eden Prairie, Minnesota, C.H. Robinson (CHRW) has been publicly traded on the NASDAQ since 1997. For more information, visit <http://www.chrobinson.com> or view our [company video](#).

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

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

Conference Call Information:

*C.H. Robinson Worldwide Second Quarter 2017 Earnings Conference Call
Thursday, July 20, 2017; 8:30 a.m. Eastern Time*

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

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

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

International callers dial +1-201-689-7817

Callers should reference the conference ID, which is 13664562

Telephone audio replay available until 11:30 a.m. Eastern Time on July 27, 2017: 877-660-6853;

passcode: 13664562#

International callers dial +1-201-612-7415

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenues:				
Transportation	\$3,319,995	\$2,881,496	\$6,422,038	\$5,595,184
Sourcing	390,023	418,245	703,105	778,500
Total revenues	<u>3,710,018</u>	<u>3,299,741</u>	<u>7,125,143</u>	<u>6,373,684</u>
Costs and expenses:				
Purchased transportation and related services	2,781,355	2,324,995	5,345,240	4,504,617
Purchased products sourced for resale	354,874	380,531	637,548	711,517
Personnel expenses	284,220	270,251	574,724	547,748
Other selling, general, and administrative expenses	107,749	90,217	197,853	177,103
Total costs and expenses	<u>3,528,198</u>	<u>3,065,994</u>	<u>6,755,365</u>	<u>5,940,985</u>
Income from operations	181,820	233,747	369,778	432,699
Interest and other expense	(9,368)	(6,265)	(18,670)	(15,037)
Income before provision for income taxes	172,452	227,482	351,108	417,662
Provisions for income taxes	61,381	84,392	117,957	155,609
Net income	<u>\$ 111,071</u>	<u>\$ 143,090</u>	<u>\$ 233,151</u>	<u>\$ 262,053</u>
Net income per share (basic)	\$ 0.79	\$ 1.00	\$ 1.65	\$ 1.83
Net income per share (diluted)	\$ 0.78	\$ 1.00	\$ 1.65	\$ 1.83
Weighted average shares outstanding (basic)	141,061	142,998	141,229	143,259
Weighted average shares outstanding (diluted)	141,587	143,216	141,713	143,437

(more)

BUSINESS SEGMENT INFORMATION
(unaudited, dollars in thousands)

	<u>NAST</u>	<u>Global Forwarding</u>	<u>Robinson Fresh</u>	<u>All Other and Corporate</u>	<u>Eliminations</u>	<u>Consolidated</u>
Three months ended June 30, 2017						
Revenues	\$2,381,551	\$ 528,820	\$ 657,003	\$ 142,644	\$ —	\$3,710,018
Intersegment revenues (1)	112,243	7,440	39,669	3,670	(163,022)	—
Total revenues	<u>\$2,493,794</u>	<u>\$ 536,260</u>	<u>\$ 696,672</u>	<u>\$ 146,314</u>	<u>\$ (163,022)</u>	<u>\$3,710,018</u>
Net revenues	\$ 359,906	\$ 121,023	\$ 60,846	\$ 32,014	—	\$ 573,789
Operating income	\$ 140,284	\$ 27,675	\$ 14,249	(\$ 388)	—	\$ 181,820
Depreciation and amortization	\$ 5,706	\$ 8,099	\$ 1,198	\$ 7,943	—	\$ 22,946
Total Assets	\$2,189,711	\$ 741,443	\$ 455,214	\$ 579,521	—	\$3,965,889
Average headcount	7,003	4,021	980	2,616		14,620

	<u>NAST</u>	<u>Global Forwarding</u>	<u>Robinson Fresh</u>	<u>All Other and Corporate</u>	<u>Eliminations</u>	<u>Consolidated</u>
Three months ended June 30, 2016						
Revenues	\$2,158,615	\$ 356,773	\$ 660,204	\$ 124,149	\$ —	\$3,299,741
Intersegment revenues (1)	71,543	8,763	27,049	229	(107,584)	—
Total revenues	<u>\$2,230,158</u>	<u>\$ 365,536</u>	<u>\$ 687,253</u>	<u>\$ 124,378</u>	<u>\$ (107,584)</u>	<u>\$3,299,741</u>
Net revenues	\$ 399,203	\$ 97,224	\$ 67,820	\$ 29,968	—	\$ 594,215
Operating income	\$ 182,721	\$ 22,396	\$ 27,311	\$ 1,319	—	\$ 233,747
Depreciation and amortization	\$ 5,502	\$ 5,079	\$ 839	\$ 6,764	—	\$ 18,184
Total Assets	\$1,936,149	\$ 505,778	\$ 427,272	\$ 479,871	—	\$3,349,070
Average headcount	6,800	3,514	947	2,261	—	13,522

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

(more)

BUSINESS SEGMENT INFORMATION
(unaudited, dollars in thousands)

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Six months ended June 30, 2017						
Revenues	\$4,640,803	\$ 997,608	\$1,207,448	\$279,284	\$ —	\$7,125,143
Intersegment revenues (1)	213,397	15,583	73,009	10,548	(312,537)	—
Total revenues	\$4,854,200	\$1,013,191	\$1,280,457	\$289,832	\$ (312,537)	\$7,125,143
Net revenues	\$ 732,346	\$ 227,569	\$ 117,683	\$ 64,757	—	\$1,142,355
Operating income	\$ 296,161	\$ 43,881	\$ 28,901	\$ 835	—	\$ 369,778
Depreciation and amortization	\$ 11,296	\$ 16,119	\$ 2,344	\$ 15,618	—	\$ 45,377
Total Assets	\$2,189,711	\$ 741,443	\$ 455,214	\$579,521	—	\$3,965,889
Average headcount	6,926	3,977	971	2,580	—	14,454

	NAST	Global Forwarding	Robinson Fresh	All Other and Corporate	Eliminations	Consolidated
Six months ended June 30, 2016						
Revenues	\$4,204,094	\$ 707,885	\$1,224,297	\$237,408	\$ —	\$6,373,684
Intersegment revenues (1)	131,812	14,843	50,945	542	(198,142)	—
Total revenues	\$4,335,906	\$ 722,728	\$1,275,242	\$237,950	\$ (198,142)	\$6,373,684
Net revenues	\$ 783,001	\$ 190,090	\$ 126,005	\$ 58,454	—	\$1,157,550
Operating income	\$ 345,072	\$ 39,253	\$ 45,044	\$ 3,330	—	\$ 432,699
Depreciation and amortization	\$ 11,004	\$ 10,158	\$ 1,607	\$ 12,290	—	\$ 35,059
Total Assets	\$1,936,149	\$ 505,778	\$ 427,272	\$479,871	—	\$3,349,070
Average headcount	6,749	3,499	937	2,216	—	13,401

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

(more)

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 273,182	\$ 247,666
Receivables, net	1,948,204	1,711,191
Other current assets	63,636	49,245
Total current assets	<u>2,285,022</u>	<u>2,008,102</u>
Property and equipment, net	234,312	232,953
Intangible and other assets	1,446,555	1,446,703
Total assets	<u>\$3,965,889</u>	<u>\$ 3,687,758</u>
Liabilities and stockholders' investment		
Current liabilities:		
Accounts payable and outstanding checks	\$1,055,295	\$ 921,788
Accrued compensation	74,754	98,107
Accrued income taxes	16,004	15,472
Other accrued expenses	59,441	70,351
Current portion of debt	592,000	740,000
Total current liabilities	<u>1,797,494</u>	<u>1,845,718</u>
Noncurrent income taxes payable	17,278	18,849
Deferred tax liabilities	63,667	65,122
Long term debt	750,000	500,000
Other long-term liabilities	242	222
Total liabilities	<u>2,628,681</u>	<u>2,429,911</u>
Total stockholders' investment	<u>1,337,208</u>	<u>1,257,847</u>
Total liabilities and stockholders' investment	<u>\$3,965,889</u>	<u>\$ 3,687,758</u>

(more)

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

	Six months ended June 30,	
	2017	2016
Operating activities:		
Net income	\$ 233,151	\$ 262,053
Stock-based compensation	16,842	25,785
Depreciation and amortization	45,377	35,059
Provision for doubtful accounts	7,669	2,144
Deferred income taxes	(4,988)	17,004
Excess tax benefit on stock-based compensation	(10,583)	(15,104)
Other	536	366
Changes in operating elements, net of acquisitions:		
Receivables	(244,682)	(94,030)
Prepaid expenses and other	(9,646)	(19,066)
Other non-current assets	(1,016)	(1,615)
Accounts payable and outstanding checks	135,130	52,843
Accrued compensation and profit-sharing contribution	(23,353)	(61,029)
Accrued income taxes	10,185	43,606
Other accrued liabilities	(4,611)	(755)
Net cash provided by operating activities	150,011	247,261
Investing activities:		
Purchases of property and equipment	(24,105)	(33,483)
Purchases and development of software	(8,865)	(10,493)
Acquisitions, net of cash	(1,780)	—
Other	(1,095)	(405)
Net cash used for investing activities	(35,845)	(44,381)
Financing activities:		
Borrowings on accounts receivable securitization facility	250,000	—
Borrowings on line of credit	4,282,000	2,840,000
Repayments on line of credit	(4,430,000)	(2,825,000)
Net repurchases of common stock	(70,306)	(66,249)
Excess tax benefit on stock-based compensation	—	15,104
Cash dividends	(128,806)	(127,520)
Net cash used for financing activities	(97,112)	(163,665)
Effect of exchange rates on cash	8,462	(361)
Net change in cash and cash equivalents	25,516	38,854
Cash and cash equivalents, beginning of period	247,666	168,229
Cash and cash equivalents, end of period	\$ 273,182	\$ 207,083

	As of June 30,	
	2017	2016
Operational Data:		
Employees	14,807	13,701

Source: C.H. Robinson

###



Earnings Conference Call – Second Quarter 2017 July 20, 2017

John Wiehoff, Chairman & CEO
Andrew Clarke, CFO
Tim Gagnon, Director, Investor Relations



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Safe Harbor Statement

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



Results Q2 2017

in thousands, except per share amounts and headcount

Three months ended June 30

Six months ended June 30

	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,710,018	\$3,299,741	12.4%	\$7,125,143	\$6,373,684	11.8%
Total Net Revenues	\$573,789	\$594,215	(3.4%)	\$1,142,355	\$1,157,550	(1.3%)
Net Revenue Margin %	15.5%	18.0%		16.0%	18.2%	
Income from Operations	\$181,820	\$233,747	(22.2%)	\$369,778	\$432,699	(14.5%)
Operating Margin %	31.7%	39.3%		32.4%	37.4%	
Net Income	\$111,071	\$143,090	(22.4%)	\$233,151	\$262,053	(11.0%)
Earnings Per Share (Diluted)	\$0.78	\$1.00	(22.0%)	\$1.65	\$1.83	(9.8%)
Weighted Average Shares Outstanding (Diluted)	141,587	143,216	(1.1%)	141,713	143,437	(1.2%)
Depreciation and Amortization	\$22,946	\$18,184	26.2%	\$45,377	\$35,059	29.4%
Total Assets	\$3,965,889	\$3,349,070	18.4%	\$3,965,889	\$3,349,070	18.4%
Average Headcount	14,620	13,522	8.1%	14,454	13,401	7.9%
Ending Headcount	14,807	13,701	8.1%	14,807	13,701	8.1%

- Total revenues increased as a result of volume increases across all transportation services in the second quarter of 2017 when compared to the second quarter of 2016.
- Net revenue decrease of 3.4 percent was primarily the result of lower truckload net revenues. APC added approximately 2 percent to total company net revenues.
- APC contributed approximately 2 percent to the average headcount in the second quarter of 2017 when compared to the second quarter of 2016.



Summarized Income Statement

in thousands

	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,710,018	\$3,299,741	12.4%	\$7,125,143	\$6,373,684	11.8%
Total Net Revenues	\$573,789	\$594,215	(3.4%)	\$1,142,355	\$1,157,550	(1.3%)
Personnel Expenses	\$284,220	\$270,251	5.2%	\$574,724	\$547,748	4.9%
Selling, General, and Admin	\$107,749	\$90,217	19.4%	\$197,853	\$177,103	11.7%
Total Operating Expenses	\$391,969	\$360,468	8.7%	\$772,577	\$724,851	6.6%
Income from Operations	\$181,820	\$233,747	(22.2%)	\$369,778	\$432,699	(14.5%)
% of Net Revenue	31.7%	39.3%		32.4%	37.4%	
Net Income	\$111,071	\$143,090	(22.4%)	\$233,151	\$262,053	(11.0%)

- Personnel expenses increased as a result of headcount additions, partially offset by lower variable compensation when compared to the second quarter of 2016.
- SG&A expenses increased as a result of higher claims, acquisition amortization, bad debt, warehouse expenses and other SG&A expenses in the second quarter of 2017 when compared to the second quarter of 2016.
- The effective tax rate was 35.6 percent in the second quarter. We estimate the tax rate will be 36 – 37 percent for the remainder of 2017.



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Other Financial Information

in thousands

Three months ended June 30

Six months ended June 30

Cash Flow Data	2017	2016	% Change	2017	2016	% Change
Net Cash Provided by Operating Activities	\$57,315	\$143,111	(60.0%)	\$150,011	\$247,261	(39.3%)
Capital Expenditures	\$16,250	\$26,151	(37.9%)	\$32,970	\$43,976	(25.0%)

Balance Sheet Data	June 30, 2017
Cash & Cash Equivalents	\$273,182
Current Assets	\$2,285,022
Total Assets	\$3,965,889
Debt	\$1,342,000
Stockholders' Investment	\$1,337,208

- Total debt balance \$1.34 billion
 - \$500 million long-term debt, 4.28% average coupon
 - \$592 million drawn on revolver, 2.34% current rate as of June 30, 2017
 - \$250 million accounts receivable securitization debt facility, 1.91% as of June 30, 2017



Capital Distribution

in thousands

	2012 (a)	2013	2014	2015	2016	Q2 2017	YTD 2017
Net Income	\$447,007	\$415,904	\$449,711	\$509,699	\$513,384	\$111,071	\$233,151
Capital Distribution							
Cash Dividends Paid	\$219,313	\$220,257	\$215,008	\$235,615	\$245,430	\$64,209	\$128,806
Share Repurchases	\$255,849	(b)\$807,449	\$176,645	\$241,231	\$209,603	\$42,166	\$90,120
Subtotal	\$475,162	\$1,027,706	\$391,653	\$476,846	\$455,033	\$106,375	\$218,926
Percent of Net Income							
Cash Dividends Paid	49.1%	53.0%	47.8%	46.2%	47.8%	57.8%	55.2%
Share Repurchases	57.2%	194.1%	39.3%	47.3%	40.8%	38.0%	38.7%
Subtotal	106.3%	247.1%	87.1%	93.6%	88.6%	95.8%	93.9%

- Capital returned to shareholders during the quarter
 - \$64.2 million cash dividends
 - \$42.2 million in cash for share repurchase activity
 - 566,463 shares repurchased in the second quarter
 - Average price of \$71.77 for the shares repurchased in the second quarter
- Target is to return approximately 90% of net income to shareholders annually.

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

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



Net Revenue by Service Line Q2 2017

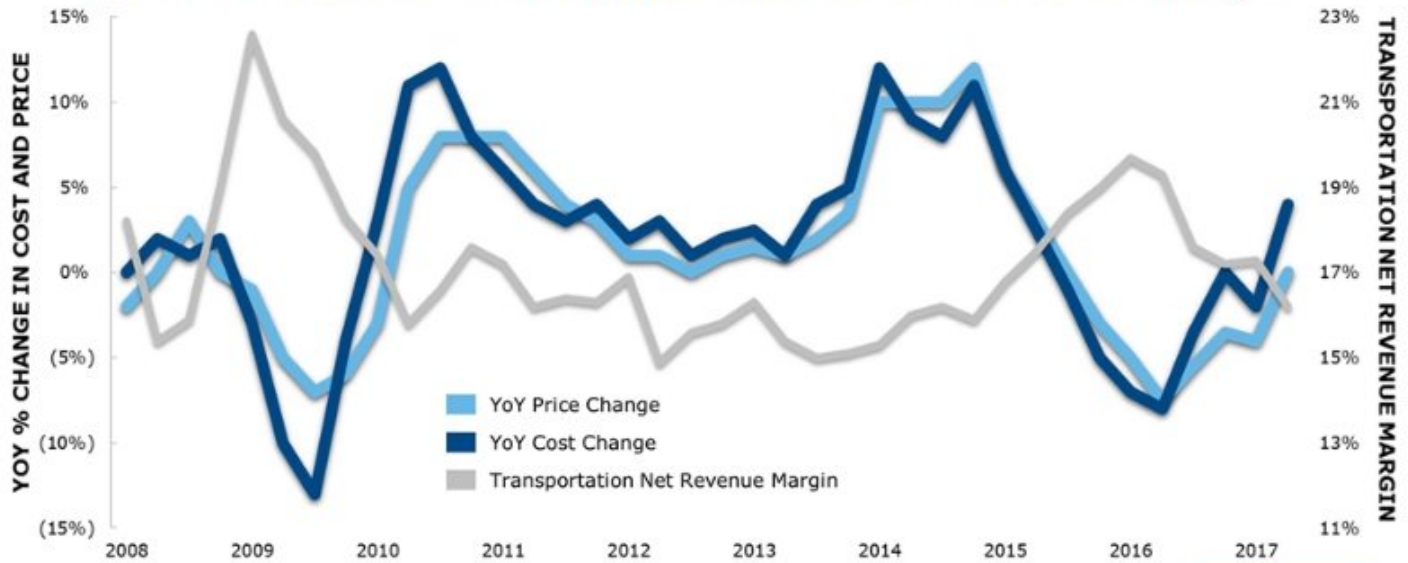
in thousands

Net Revenue by Service Line	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	2017	2016	% Change
Truckload	\$282,718	\$329,740	(14.3%)	\$586,840	\$651,424	(9.9%)
LTL	\$102,213	\$99,778	2.4%	\$199,836	\$191,071	4.6%
Intermodal	\$8,308	\$9,021	(7.9%)	\$15,800	\$18,285	(13.6%)
Ocean	\$73,438	\$60,068	22.3%	\$136,313	\$118,737	14.8%
Air	\$25,820	\$20,118	28.3%	\$47,637	\$38,527	23.6%
Customs	\$16,311	\$11,605	40.6%	\$32,389	\$22,329	45.1%
Other Logistics Services	\$29,832	\$26,171	14.0%	\$57,983	\$50,194	15.5%
Sourcing	\$35,149	\$37,714	(6.8%)	\$65,557	\$66,983	(2.1%)
Total	\$573,789	\$594,215	(3.4%)	\$1,142,355	\$1,157,550	(1.3%)

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



North America Truckload Cost and Price Change⁽¹⁾



- North America Truckload cost and price change chart represents truckload shipments from all North America segments. Transportation net revenue margin represents total Transportation results from all segments.
- Purchase transportation costs increased throughout the second quarter negatively impacting the margins on contractual truckload shipments.

North America Truckload	Q2	YTD
Volume	8.5%	10%
Price	0%	(2%)
Cost	4%	1%
Net Revenue Margin	↓	↓

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



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Transportation Results Q2 2017⁽¹⁾

in thousands

Three months ended June 30

Six months ended June 30

Transportation	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,319,995	\$2,881,496	15.2%	\$6,422,038	\$5,595,184	14.8%
Total Net Revenues	\$538,640	\$556,501	(3.2%)	\$1,076,798	\$1,090,567	(1.3%)
Net Revenue Margin %	16.2%	19.3%		16.8%	19.5%	

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

- Transportation net revenue margin declined in each of the transportation services in the second quarter of 2017 when compared to the second quarter of 2016.

(1) Includes results across all segments.



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North American Surface Transportation ("NAST") Results Q2 2017

in thousands, except headcount

Three months ended June 30

Six months ended June 30

	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$2,381,551	\$2,158,615	10.3%	\$4,640,803	\$4,204,094	10.4%
Total Net Revenues	\$359,906	\$399,203	(9.8%)	\$732,346	\$783,001	(6.5%)
Net Revenue Margin %	15.1%	18.5%		15.8%	18.6%	
Income from Operations	\$140,284	\$182,721	(23.2%)	\$296,161	\$345,072	(14.2%)
Operating Margin %	39.0%	45.8%		40.4%	44.1%	
Depreciation and Amortization	\$5,706	\$5,502	3.7%	\$11,296	\$11,004	2.7%
Total Assets	\$2,189,711	\$1,936,149	13.1%	\$2,189,711	\$1,936,149	13.1%
Average Headcount	7,003	6,800	3.0%	6,926	6,749	2.6%

- Net revenues decreased primarily as a result of lower truckload margins when compared to the second quarter of 2016.
- NAST operating expenses increased 1.5 percent in the second quarter of 2017 when compared to the second quarter of 2016. This increase was due to increased SG&A, partially offset by a decrease in personnel expenses.

(1) Does not include intersegment revenues.



NAST Results by Service Line Q2 2017

Truckload, Less Than Truckload, and Intermodal

in thousands

Net Revenues	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	2017	2016	% Change
Truckload	\$250,028	\$291,140	(14.1%)	\$517,633	\$574,824	(9.9%)
LTL	\$97,136	\$95,103	2.1%	\$190,653	\$182,390	4.5%
Intermodal	\$7,769	\$8,290	(6.3%)	\$14,944	\$16,963	(11.9%)
Other	\$4,973	\$4,670	6.5%	\$9,116	\$8,824	3.3%
Total	\$359,906	\$399,203	(9.8%)	\$732,346	\$783,001	(6.5%)

Truckload ⁽¹⁾	Quarter	YTD
Pricing ⁽²⁾	0%	(2%)
Cost ⁽²⁾	4%	1%
Volume	8%	9%
Net Revenue Margin	↓	↓

LTL ⁽¹⁾	Quarter	YTD
Pricing ⁽²⁾	↑	↑
Volume	6.5%	7.5%
Net Revenue Margin	↓	↓

Intermodal ⁽¹⁾	Quarter	YTD
Pricing ⁽²⁾	↔	↓
Volume	15.5%	15%
Net Revenue Margin	↓	↓

- TL** ■ Net revenue decrease in the second quarter was a result of lower margins partially offset by increased volume when compared to the second quarter of 2016.
- LTL** ■ Net revenue increase in the second quarter was primarily the result of 6.5% percent volume growth offset by lower LTL margins.
- IMDL** ■ Net revenues decreased while volume increased in the second quarter driven by contractual volume growth, partially offset by a decrease in transactional business.



Global Forwarding Results Q2 2017

in thousands, except headcount

	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$528,820	\$356,773	48.2%	\$997,608	\$707,885	40.9%
Total Net Revenues	\$121,023	\$97,224	24.5%	\$227,569	\$190,090	19.7%
Net Revenue Margin %	22.9%	27.3%		22.8%	26.9%	
Income from Operations	\$27,675	\$22,396	23.6%	\$43,881	\$39,253	11.8%
Operating Margin %	22.9%	23.0%		19.3%	20.6%	
Depreciation and Amortization	\$8,099	\$5,079	59.5%	\$16,119	\$10,158	58.7%
Total Assets	\$741,443	\$505,778	46.6%	\$741,443	\$505,778	46.6%
Average Headcount	4,021	3,514	14.4%	3,977	3,499	13.7%

- The acquisition of APC Logistics added approximately 12 percent to net revenue and 9 percent to average headcount growth in the second quarter of 2017 when compared to the second quarter of 2016.
- Global Forwarding operating expenses increased 24.8 percent when compared to the second quarter of 2016.

(1) Does not include intersegment revenues.



Global Forwarding Results by Service Line Q2 2017

Ocean, Air, and Customs

in thousands

Three months ended June 30

Six months ended June 30

Net Revenues	2017	2016	% Change	2017	2016	% Change
Ocean	\$73,239	\$60,014	22.0%	\$136,658	\$118,598	15.2%
Air	\$24,462	\$18,667	31.0%	\$44,858	\$36,067	24.4%
Customs	\$16,308	\$11,599	40.6%	\$32,385	\$22,320	45.1%
Other	\$7,014	\$6,944	1.0%	\$13,668	\$13,105	4.3%
Total	\$121,023	\$97,224	24.5%	\$227,569	\$190,090	19.7%

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

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

- APC added approximately 12 percent to ocean net revenues, 11 percent to air net revenues and 24 percent to customs net revenues.
- Achieved organic volume growth in each of the global forwarding services in the second quarter of 2017 when compared to the second quarter of 2016.



Robinson Fresh Results Q2 2017

in thousands, except headcount

Three months ended June 30

Six months ended June 30

	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$657,003	\$660,204	(0.5%)	\$1,207,448	\$1,224,297	(1.4%)
Total Net Revenues	\$60,846	\$67,820	(10.3%)	\$117,683	\$126,005	(6.6%)
Net Revenue Margin %	9.3%	10.3%		9.7%	10.3%	
Income from Operations	\$14,249	\$27,311	(47.8%)	\$28,901	\$45,044	(35.8%)
Operating Margin %	23.4%	40.3%		24.6%	35.7%	
Depreciation and Amortization	\$1,198	\$839	42.8%	\$2,344	\$1,607	45.9%
Total Assets	\$455,214	\$427,272	6.5%	\$455,214	\$427,272	6.5%
Average Headcount	980	947	3.5%	971	937	3.6%

- Robinson Fresh results include revenues from sourcing and transportation services.
- Net revenue decrease was primarily the result of lower truckload margin and sourcing commodity pricing when compared to the second quarter of 2016.
- Robinson Fresh operating expenses increased 15 percent when compared to the second quarter of 2016. The increase was primarily the result of an increase in SG&A expenses.

(1) Does not include intersegment revenues.



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Robinson Fresh Results Q2 2017

Sourcing

in thousands

Three months ended June 30

Six months ended June 30

Sourcing	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$390,023	\$418,245	(6.7%)	\$703,105	\$778,500	(9.7%)
Net Revenues	\$35,149	\$37,714	(6.8%)	\$65,557	\$66,983	(2.1%)
Net Revenue Margin %	9.0%	9.0%		9.3%	8.6%	

- Sourcing total revenue decrease was primarily the result of lower sourcing commodity pricing in the second quarter of 2017.
- Sourcing net revenue decrease was primarily the result of lower net revenue per case.
- Case volume was approximately flat compared to second quarter of 2016.

(1) Does not include intersegment revenues.



Robinson Fresh Results Q2 2017

Transportation

in thousands

Three months ended June 30

Six months ended June 30

Transportation	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$266,980	\$241,959	10.3%	\$504,343	\$445,797	13.1%
Net Revenues	\$25,697	\$30,106	(14.6%)	\$52,126	\$59,022	(11.7%)
Net Revenue Margin %	9.6%	12.4%		10.3%	13.2%	

Net Revenues	2017	2016	% Change	2017	2016	% Change
Truckload	\$19,250	\$24,006	(19.8%)	\$40,619	\$47,924	(15.2%)
Other	\$6,447	\$6,100	5.7%	\$11,507	\$11,098	3.7%
Total	\$25,697	\$30,106	(14.6%)	\$52,126	\$59,022	(11.7%)

Truckload ⁽²⁾	Quarter	YTD
Pricing ⁽³⁾	0%	(2%)
Cost ⁽³⁾	4%	1%
Volume	15%	19%
Net Revenue Margin	↓	↓

- Transportation net revenue decrease was primarily a result of lower truckload net revenue margin when compared to the second quarter of 2016.

(1) Does not include intersegment revenues.

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

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



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All Other and Corporate Results Q2 2017

in thousands, except headcount

Three months ended June 30

Six months ended June 30

	2017	2016	% Change	2017	2016	% Change
Total Revenues ⁽¹⁾	\$142,644	\$124,149	14.9%	\$279,284	\$237,408	17.6%
Total Net Revenues	\$32,014	\$29,968	6.8%	\$64,757	\$58,454	10.8%
Income from Operations	(\$388)	\$1,319	NM	\$835	\$3,330	NM
Depreciation and Amortization	\$7,943	\$6,764	17.4%	\$15,618	\$12,290	27.1%
Total Assets	\$579,521	\$479,871	20.8%	\$579,521	\$479,871	20.8%
Average Headcount	2,616	2,261	15.7%	2,580	2,216	16.4%

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

(1) Does not include intersegment revenues.



All Other and Corporate Results by Service Line Q2 2017

Managed Services and Other Surface Transportation

in thousands

Net Revenues	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	2017	2016	% Change
Managed Services	\$18,164	\$15,775	15.1%	\$35,357	\$30,354	16.5%
Other Surface Transportation	\$13,850	\$14,193	(2.4%)	\$29,400	\$28,100	4.6%
Total	\$32,014	\$29,968	6.8%	\$64,757	\$58,454	10.8%

- Managed Services net revenue growth was driven by new business with new and existing customers.
- Other Surface Transportation includes surface transportation outside of North America.
- Other Surface Transportation net revenue decrease was primarily the result of margin compression in the Surface Transportation business in Europe.



Final Comments

- July to date, total company net revenue per day, including APC Logistics, has increased approximately 2 percent when compared to July 2016.
- Truckload volume growth is lower than the second quarter growth rate.
- Second half 2017 priorities
 - Adapt to changing market conditions
 - Increased focus on cost controls and SG&A expenses
 - Continued investment in technology and innovation
 - Continued focus on growth



Appendix A: 2012 Summarized Adjusted Income Statement

in thousands, except per share amounts

	2012 Actual	Non-Recurring Acquisition Impacts	Non-Recurring Divestiture Impacts	Adjusted
Total net revenues	\$1,717,571			\$1,717,571
Personnel expenses ⁽¹⁾	766,006	(385)	(34,207)	731,414
Other operating expenses ⁽²⁾	276,245	(10,225)	(379)	265,641
Total operating expenses	1,042,251	(10,610)	(34,586)	997,055
Income from operations	675,320	10,610	34,586	720,516
Investment & other income ⁽³⁾	283,142		(281,551)	1,591
Income before taxes	958,462	10,610	(246,965)	722,107
Provision for income taxes	364,658	2,745	(92,303)	275,100
Net income	\$593,804	\$7,865	(\$154,662)	\$447,007
Net income per share (diluted)	\$3.67			\$2.76
Weighted average shares (diluted)	161,946	185 (4)	92 (5)	161,669

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

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





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