



Earnings Conference Call – Fourth Quarter 2015

February 3, 2016

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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; the impact of war on the economy; and other risks and uncertainties detailed in our Annual and Quarterly Reports.

Results Q4 2015

in thousands, except per share amounts

	Three months ended December 31			Twelve months ended December 31		
	2015	2014	% Change	2015	2014	% Change
Total revenues	\$3,210,853	\$3,357,202	-4.4%	\$13,476,084	\$13,470,067	0.0%
Total net revenues	\$570,777	\$501,816	13.7%	\$2,268,480	\$2,007,652	13.0%
Income from operations	\$214,579	\$187,728	14.3%	\$858,310	\$748,418	14.7%
Net income	\$126,583	\$112,947	12.1%	\$509,699	\$449,711	13.3%
Earnings per share (diluted)	\$0.88	\$0.77	14.3%	\$3.51	\$3.05	15.1%
Weighted average shares outstanding (diluted)	144,144	146,650	-1.7%	145,349	147,452	-1.5%
Average headcount	13,158	11,532	14.1%	12,902	11,617	11.1%
Ending headcount	13,159	11,521	14.2%	13,159	11,521	14.2%

- Organic net revenue increased 7.3 percent with Freightquote adding 6.4 percentage points to our net revenue growth in the fourth quarter of 2015 when compared to the fourth quarter of 2014.
- During the fourth quarter, we had an indemnification asset write off related to the acquisition of Phoenix International Freight Services, Ltd. The impact of this write off was partially offset within the tax provision by related tax liabilities that expired under applicable statute of limitations. The write off decreased earnings per share by \$0.02 in the fourth quarter.
- Freightquote represents approximately 9 percent of the average headcount growth in the fourth quarter of 2015.

Transportation Results Q4 2015

TRANSPORTATION in thousands

	Three months ended December 31			Twelve months ended December 31		
	2015	2014	% Change	2015	2014	% Change
Total revenues	\$2,867,301	\$3,014,251	-4.9%	\$11,989,780	\$11,936,512	0.4%
Total net revenues	\$543,925	\$477,811	13.8%	\$2,147,509	\$1,892,106	13.5%
Net revenue margin	19.0%	15.9%	19.7%	17.9%	15.9%	13.0%

TRANSPORTATION NET REVENUE MARGIN PERCENTAGE

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Q1	18.3%	20.2%	18.2%	22.6%	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%
Q2	17.1%	17.9%	15.4%	20.6%	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%
Q4	17.5%	18.0%	15.9%	19.8%	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%
Q4	18.3%	17.7%	19.0%	18.3%	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%
Year	17.8%	18.4%	17.0%	20.2%	16.8%	16.5%	15.8%	15.4%	15.9%	17.9%

- 2015 full year transportation shipments of approximately 17 million, a 14 percent increase over full year 2014 shipments.
- Net revenue margin expansion was the result of the following factors:
 - Lower transportation costs, including fuel.
 - Change in mix of business due to faster growth in shorter length of haul freight and the addition of Freightquote.

Truckload Results Q4 2015

TRUCKLOAD NET REVENUES in thousands

Three months ended Dec 31			Twelve months ended Dec 31		
2015	2014	% Change	2015	2014	% Change
\$338,892	\$298,721	13.4%	\$1,316,533	\$1,190,372	10.6%

Year over year change

North America Truckload	Year over year change	
	Quarter	YTD
Volume	5%	6%
Approximate pricing*	-3%	1%
Approximate cost*	-5%	0%
Net revenue margin	↑	↑

*Pricing and cost measures are a rate per mile and exclude the estimated impact of the change in fuel prices

- Organic net revenue increased approximately 10 percent with Freightquote adding approximately 3.5 percent to the increase in net revenues in the fourth quarter of 2015 when compared to the fourth quarter of 2014.
- North America Truckload volume, excluding Freightquote, increased approximately 2 percent in the fourth quarter of 2015 when compared to the fourth quarter of 2014.

LTL Results Q4 2015

LTL NET REVENUES in thousands

Three months ended Dec 31			Twelve months ended Dec 31		
2015	2014	% Change	2015	2014	% Change
\$89,622	\$63,402	41.4%	\$360,706	\$258,884	39.3%

Year over year change

LTL	Year over year change	
	Quarter	YTD
Volume	36%	32%
Pricing	↓	↓
Net revenue margin	↑	↑

- Organic net revenues increased approximately 9 percent with Freightquote contributing approximately 32 percent to the increase in LTL net revenues in the fourth quarter of 2015.
- Organic LTL volume increased approximately 17 percent in the fourth quarter of 2015 when compared to the fourth quarter of 2014.

Intermodal Results Q4 2015

INTERMODAL NET REVENUES in thousands

Three months ended Dec 31			Twelve months ended Dec 31		
2015	2014	% Change	2015	2014	% Change
\$8,835	\$10,235	-13.7%	\$41,054	\$40,631	1.0%

INTERMODAL	Year over year change	
	Quarter	YTD
Volume	-7%	2%
Pricing	↓	↓
Net revenue margin	↓	↑

- North America Intermodal net revenue, excluding Freightquote, decreased approximately 22 percent in the fourth quarter of 2015 when compared to the fourth quarter of 2014.
- Intermodal realized a significant decrease in transactional volume in the fourth quarter of 2015 when compared to the fourth quarter of 2014.
- Conversion to truckload from intermodal negatively impacted intermodal volumes and net revenues in the fourth quarter of 2015.

Global Forwarding Results Q4 2015

Ocean, Air and Customs

NET REVENUES in thousands

	Three months ended Dec 31			Twelve months ended Dec 31			
	2015	2014	% Change	2015	2014	% Change	
Ocean	\$56,065	\$56,944	-1.5%	Ocean	\$223,643	\$208,422	7.3%
Air	\$18,613	\$19,404	-4.1%	Air	\$79,096	\$79,125	0.0%
Customs	\$10,681	\$10,824	-1.3%	Customs	\$43,929	\$41,575	5.7%

OCEAN	Year over year change	
	Quarter	YTD
Volume	↑	↑
Pricing	↓	↓
Net revenue margin	↑	↑

AIR	Year over year change	
	Quarter	YTD
Volume	↔	↑
Pricing	↓	↓
Net revenue margin	↑	↑

- Combined Global Forwarding services net revenues decreased 2.1 percent in the fourth quarter when compared to the fourth quarter of 2014.
- Cross selling initiatives continue to yield positive results for both global forwarding and surface transportation services.

Other Logistics Services Results Q4 2015

NET REVENUES in thousands

Three months ended Dec 31			Twelve months ended Dec 31		
2015	2014	% Change	2015	2014	% Change
\$21,217	\$18,281	16.1%	\$82,548	\$73,097	12.9%

- Other Logistics Services net revenues include transportation managed services, warehousing and small parcel.
- Net revenues increased in the fourth quarter when compared to the fourth quarter of 2014, primarily due to volume growth in managed services.
- Freightquote contributed approximately 2 percentage points to our Other Logistics Services net revenue growth in the fourth quarter of 2015.

Sourcing Results Q4 2015

SOURCING NET REVENUES in thousands

	Three months ended Dec 31			Twelve months ended Dec 31		
	2015	2014	% Change	2015	2014	% Change
Total revenues	\$343,552	\$342,951	0.2%	\$1,486,304	\$1,533,555	-3.1%
Total net revenues	26,852	\$24,005	11.9%	\$120,971	\$115,546	4.7%
Net revenue margin	7.8%	7.0%	11.7%	8.1%	7.5%	8.0%

- Net revenue increased as a result of an increase in net revenue per case.
- Case volume increased 4.5 percent in the fourth quarter of 2015 when compared to the fourth quarter of 2014.

Summarized Income Statement

in thousands

	Three months ended Dec 31			Twelve months ended Dec 31		
	2015	2014	% Change	2015	2014	% Change
Total revenues	\$3,210,853	\$3,357,202	-4.4%	\$13,476,084	\$13,470,067	0.0%
Total net revenues	570,777	501,816	13.7%	2,268,480	2,007,652	13.0%
Personnel expenses	268,190	235,117	14.1%	1,051,410	939,021	12.0%
Selling, general & admin	88,008	78,971	11.4%	358,760	320,213	12.0%
Total operating expenses	356,198	314,088	13.4%	1,410,170	1,259,234	12.0%
Income from operations	\$214,579	\$187,728	14.3%	\$858,310	\$748,418	14.7%
Percent of net revenue	37.6%	37.4%	0.5%	37.8%	37.3%	1.5%

- Personnel expense growth was primarily the result of the increased headcount.
- Average headcount increased 14.1 percent in the fourth quarter of 2015 as compared to the fourth quarter of 2014 and Freightquote contributed approximately 9 percentage points of the increase.
- Other SG&A expenses increased primarily due to our acquisition of Freightquote, including amortization expenses of approximately \$1.9 million, and an increase in travel expenses.

Other Financial Information

in thousands

CASH FLOW DATA

	Three months ended Dec 31			Twelve months ended Dec 31		
	2015	2014	% Change	2015	2014	% Change
Net cash provided by operating activities	\$253,893	\$208,104	22.0%	\$718,336	\$513,426	39.9%
Capital expenditures, net	\$11,831	\$4,366	171.0%	\$44,642	\$29,502	51.3%

BALANCE SHEET DATA

	December 31, 2015
Cash & investments	\$168,229
Current assets	\$1,730,698
Total assets	\$3,184,358
Debt	\$950,000
Stockholders investment	\$1,137,805

- Strong cash flow quarter
- Total debt balance \$950 million
 - \$500 million, 4.28% average coupon
 - \$450 million drawn on revolver, 1.55% current rate as of Dec. 31, 2015

Capital Distribution

in thousands

	2010	2011	2012 (a)	2013	2014	Q4 2015	YTD 2015
Net income	\$387,026	\$431,612	\$447,007	\$415,904	\$449,711	\$126,583	\$509,699
Capital distribution							
Cash dividends paid	\$168,902	\$194,697	\$219,313	\$220,257	\$215,008	\$64,167	\$235,615
Share repurchases	157,381	250,274	255,849	807,449 (b)	176,645	66,498	232,113
Subtotal	\$326,283	\$444,971	\$475,162	\$1,027,706	\$391,653	\$130,665	\$467,728
Percent of net income							
Cash dividends paid	44%	45%	49%	53%	48%	51%	46%
Open market share repurchases	41%	58%	57%	194%	39%	53%	46%
Subtotal	84%	103%	106%	247%	87%	103%	92%

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

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

- Capital returned to shareholders during the quarter
 - \$64.2 million cash dividend
 - \$66.5 million in cash for repurchase activity
 - 978,271 shares
 - Average price \$67.97 for shares repurchased
- Target is to return approximately 90% of net income to shareholders annually.

A look ahead

- January total company net revenue growth rate is consistent with the organic (CHRW without Freightquote) fourth quarter 2015 growth rate.
- We are focused on taking share, profitably
- Global Forwarding Success
- Demand for integrated, global services is growing
- Leading with talent, technology and innovation

Appendix A: 2012 Summarized Adjusted Income Statement

In thousands, except per share amounts

Twelve months ended December 31, 2012

	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 fourth 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.

