



**C.H. ROBINSON**

**Scott Anderson, Interim CEO  
Arun Rajan, Chief Operating Officer  
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Chuck Ives, Director of Investor Relations**

**Q4 2022**

# **Earnings Presentation**

*February 1, 2023*

# Safe Harbor Statement

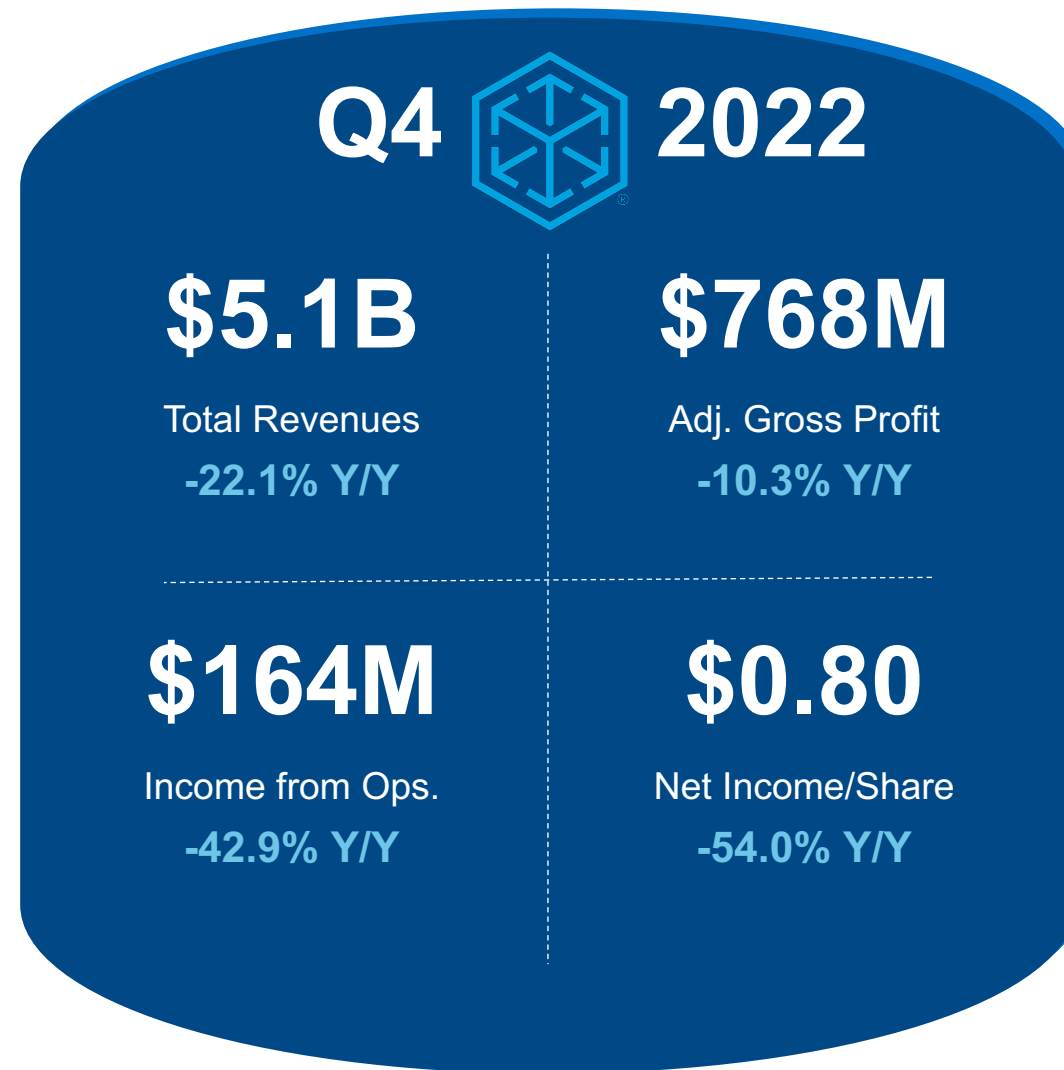
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Except for the historical information contained herein, the matters set forth in this presentation and the accompanying earnings release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future 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 such as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; fuel price increases or decreases, or fuel shortages; competition and growth rates within the global logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; risks associated with significant disruptions in the transportation industry; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; risks with reliance on technology to operate our business; cyber-security related risks; risks associated with operations outside of the United States; our ability to successfully integrate the operations of acquired companies with our historic operations; risks related to our search for a permanent CEO and retention of key management personnel; climate change related risks; risks associated with our indebtedness, interest rates related risks; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with the potential impact of changes in government regulations; risks associated with the changes to income tax regulations; risks associated with the produce industry, including food safety and contamination issues; the impact of war on the economy; changes to our capital structure; changes due to catastrophic events including pandemics such as COVID-19; 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.



# Q4 Highlights

- Unseasonably soft freight demand, driven by shippers managing through elevated inventory levels amidst slowing economic growth
- Staying focused on customers and carriers and accelerating delivery of our scalable digital operating model
- Executing on plan to reduce net costs by \$150 million on an annualized basis by Q4 2023
  - Q4 2022 results include \$36.7 million of restructuring charges
  - Adjusted net income per share of \$1.03<sup>(1)</sup>
- Record cash generation enabling higher return of cash to shareholders



# Segment Highlights: Diversified, Global Suite of Services

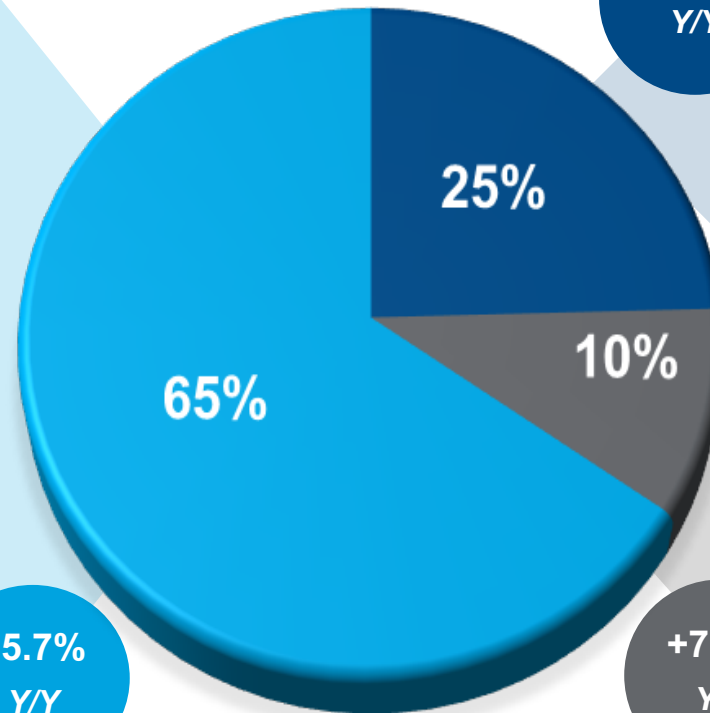
Over half of total revenues and adjusted gross profits came from customers to whom we provide both surface transportation and global forwarding services.<sup>(1)</sup>

## North American Surface Transportation (NAST)

- Adjusted gross profit (AGP) per load improved Y/Y in both TL and LTL, but declined sequentially
- Load-to-truck ratios indicate the truckload market is soft by historical standards
- Significant market share opportunities remain
- Improved prioritization on initiatives that best deliver a scalable digital operating model
- Increased automation of appointments and in-transit tracking updates

+5.7%  
Y/Y

## Q4 2022 Adjusted Gross Profit<sup>(2)</sup>



## Global Forwarding (GF)

- Inventory destocking and reduced global demand has led to declining prices for ocean and air freight
- Continuing to add new commercial relationships with strategic, multi-national customers and to diversify our trade lane and industry vertical exposure

## All Other & Corporate

- Robinson Fresh integrated supply chain solutions generating increased revenue
- Managed Services Q4 FUM<sup>(3)</sup> of \$1.5B down 16% Y/Y due to declining freight rates
- Other Surface Transportation AGP declined 1.1% Y/Y

1. Measured over trailing twelve months

2. Adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers.

3. FUM = Freight under Management

# NAST Q4'22 Results by Service

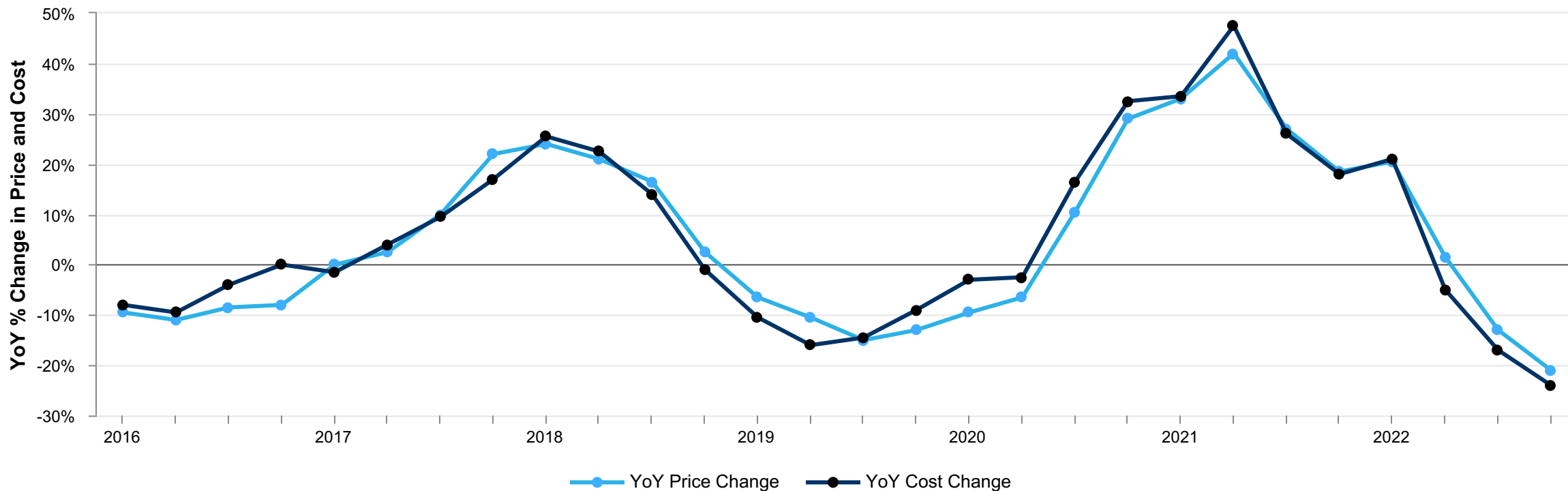
## Fourth Quarter Highlights

- Truckload volume down 4.0% year-over-year<sup>(2)</sup>
- Truckload AGP per shipment increased 6.5% due to a higher AGP per shipment on contractual volume<sup>(2)</sup>
- LTL AGP per order increased 8.0% and volume decreased 1.0%<sup>(2)</sup>
- Other AGP increased due to growth in warehousing services
- Added 9,100 new carriers in Q4

## Adjusted Gross Profit<sup>(1)</sup> (\$ in millions)

	4Q22	4Q21	%▲
Truckload ("TL")	\$322.3	\$316.0	2.0%
Less than Truckload ("LTL")	\$148.2	\$138.1	7.3%
Other	\$31.8	\$21.1	50.9%
<b>Total Adjusted Gross Profits</b>	<b>\$502.3</b>	<b>\$475.1</b>	<b>5.7%</b>
Adjusted Gross Profit Margin %	14.1%	12.2%	190 bps

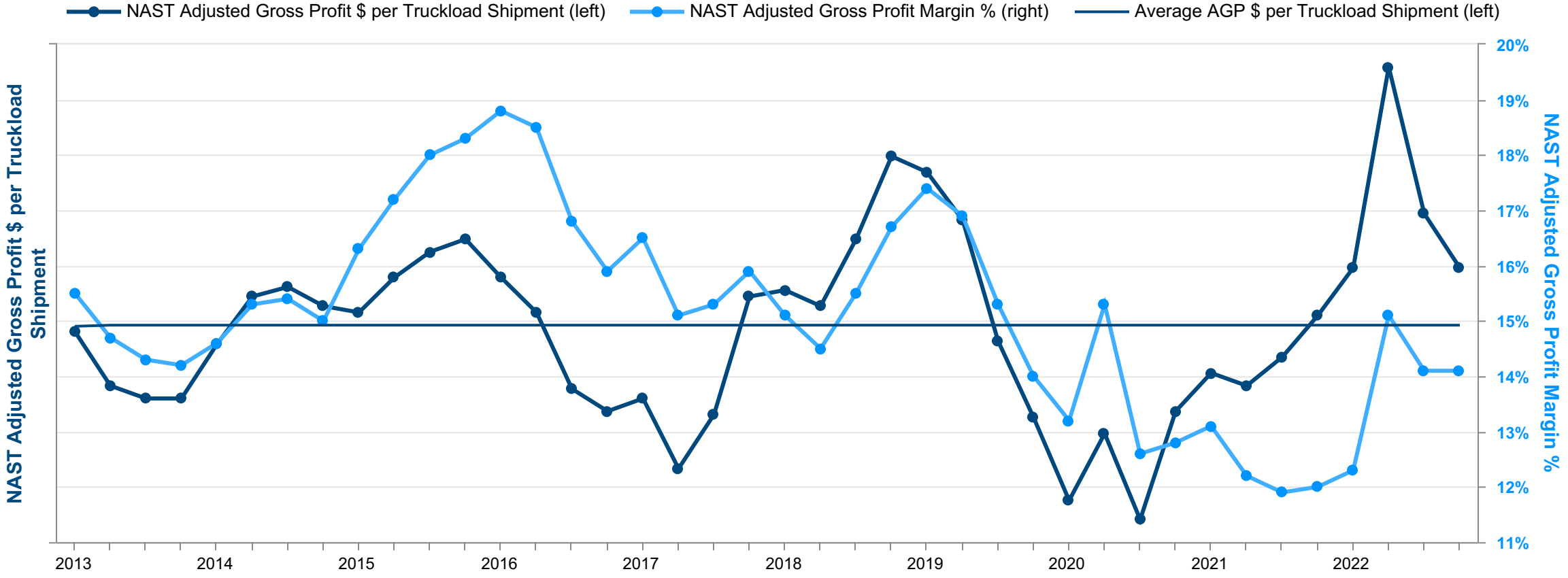
# Truckload Price and Cost Change <sup>(1)(2)(3)</sup>



- 65% / 35% truckload contractual / transactional volume mix, up from 55% / 45% in Q4 last year
- Average routing guide depth of 1.2 in Managed Services business vs. 1.7 in Q4 last year

Truckload	Q4
Volume <sup>(2)(4)</sup>	-4.0 %
Pricing <sup>(1)(2)(3)</sup>	-21.0 %
Cost <sup>(1)(2)(3)</sup>	-24.0 %
Adjusted Gross Profit <sup>(4)</sup>	+2.0 %

# Truckload AGP \$ per Shipment Improved Year-over-Year



- AGP \$ per Truckload Shipment reflects business performance better than AGP Margin % <sup>(1)</sup>
- While NAST AGP Margin % has declined 120 bps compared to Q2 2020, AGP \$ per Truckload Shipment has grown 27% over the same timeframe

1. Adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers.

# Global Forwarding Q4'22 Results by Service

## Fourth Quarter Highlights

- Inventory destocking and a slowdown in global demand impacting ocean and air pricing and volumes
- Ocean AGP decreased due to a 36.5% decrease in AGP per shipment and a 9.5% decline in shipments<sup>(2)</sup>
- Air AGP decreased due to a 40.0% decrease in AGP per metric ton shipped and a 19.5% decline in metric tons shipped<sup>(2)</sup>
- Customs AGP decreased due to a 5.5% decrease in volume<sup>(2)</sup>

## Adjusted Gross Profit <sup>(1)</sup> (\$ in millions)

	<u>4Q22</u>	<u>4Q21</u>	<u>% ▲</u>
<b>Ocean</b>	\$120.2	\$209.7	(42.7)%
<b>Air</b>	\$31.5	\$64.9	(51.5)%
<b>Customs</b>	\$24.5	\$25.3	(3.3)%
<b>Other</b>	\$12.5	\$9.7	29.9%
<b>Total Adjusted Gross Profits</b>	\$188.7	\$309.6	(39.0)%
<i>Adjusted Gross Profit Margin %</i>	18.6%	14.4%	420 bps





# All Other & Corporate Q4'22 Results

## Fourth Quarter Highlights

### Robinson Fresh

- Increased revenue and AGP tied to integrated supply chain and technology services

### Managed Services

- AGP growth driven by new customer business, as well as growth with existing customers
- Total freight under management of \$1.5B in Q4

### Other Surface Transportation

- 1.4% decrease in Europe truckload AGP

## Adjusted Gross Profit <sup>(1)</sup> (\$ in millions)

	<u>4Q22</u>	<u>4Q21</u>	<u>%▲</u>
Robinson Fresh	\$28.5	\$26.0	9.5%
Managed Services	\$29.8	\$26.6	12.2%
Other Surface Transportation	\$18.9	\$19.1	(1.1)%
<b>Total</b>	<b>\$77.2</b>	<b>\$71.7</b>	<b>7.7%</b>

# Sustainable Growth Strategy

## Increase Share

- Leverage integrated service model to grow market share and expand globally
- Industry-leading tech, people and processes to provide best-in-class service
- Expand modal capabilities



## Grow Globally

- Expand Global Forwarding business as provider of choice for multinational customers
- Leverage scale to capitalize on secularly growing market and unique global footprint
- Grow capabilities and presence in key industry verticals, trade lanes and geographies



## Scale Digitally

- Provide customers and carriers the digital products they value
- Leverage data, scale and information advantage
- Bring meaningful products, features and insights to both sides of the two-sided marketplace
- Increase digital execution of all touch points in the lifecycle of a load



## Optimize Processes

- Digitize more internal tools and processes and drive down costs
- Free customer and carrier reps' capacity for higher-value touchpoints
- Drive more revenue synergy across business units

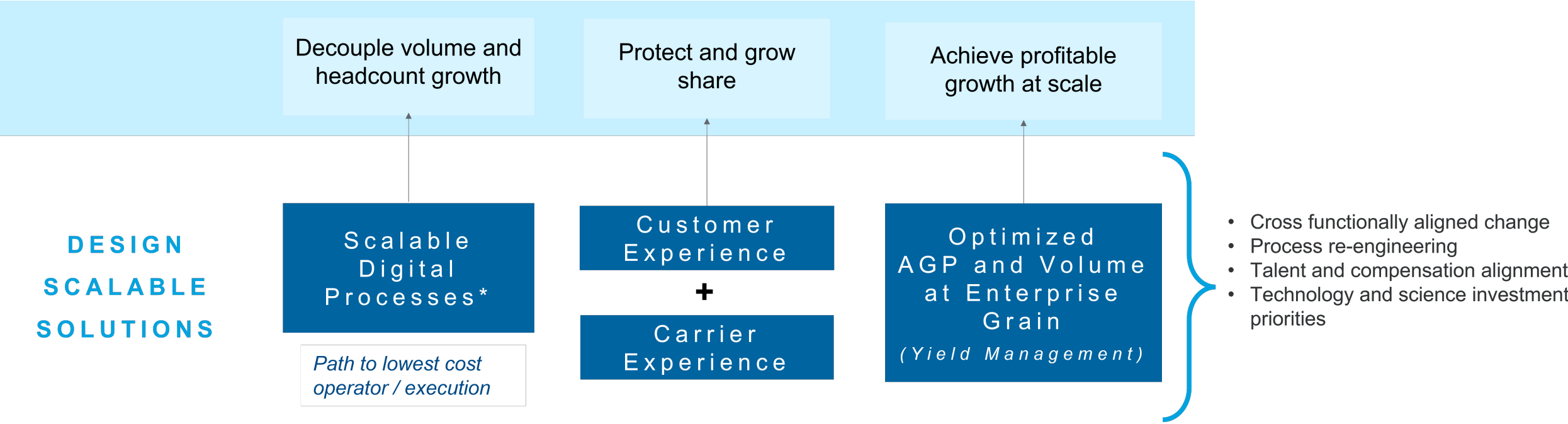


## Spend Strategically

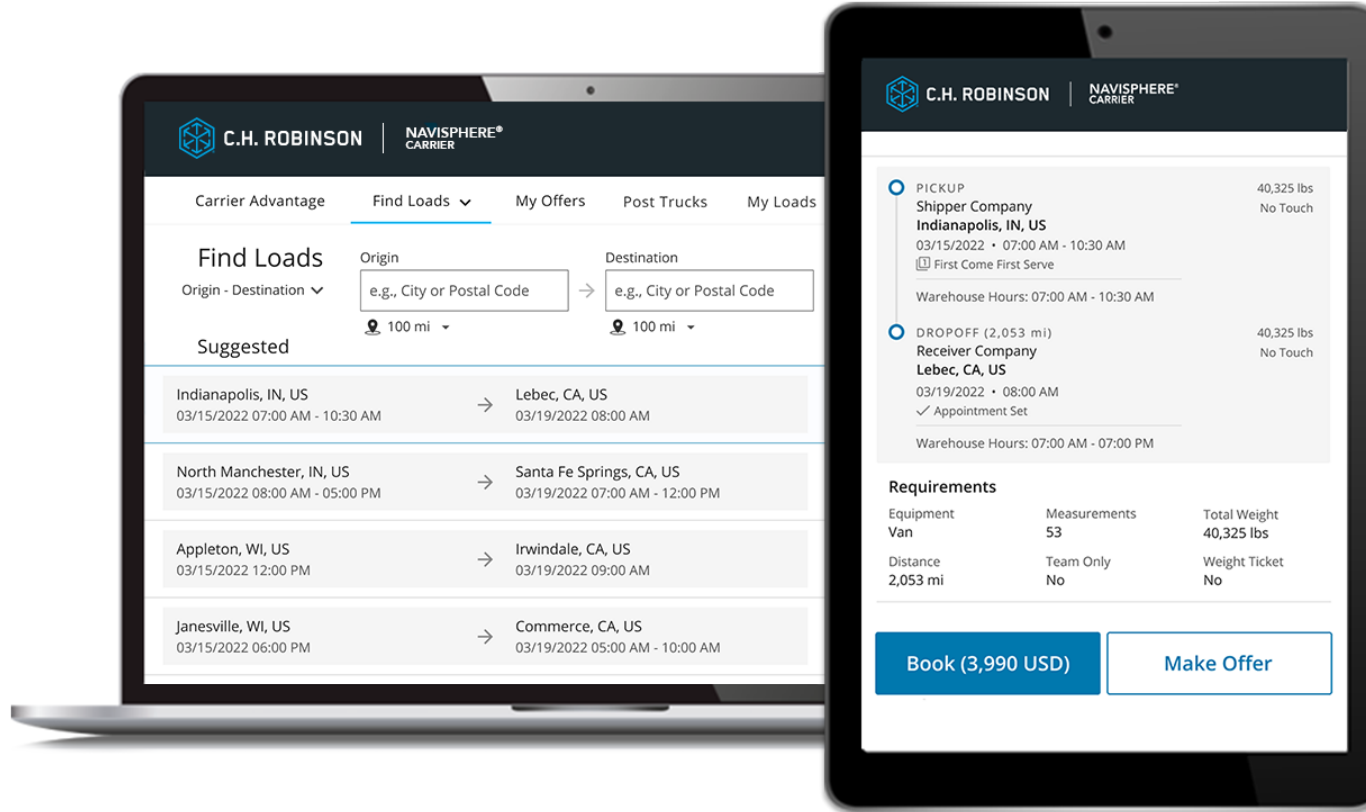
- Support organic growth by leveraging strong cash flow
- Modernize core for future integrations
- Complement with opportunistic M&A



# Scalable Operating Model to Drive Profitable Growth



# New Carrier & Customer Experiences Driving Digital Adoption

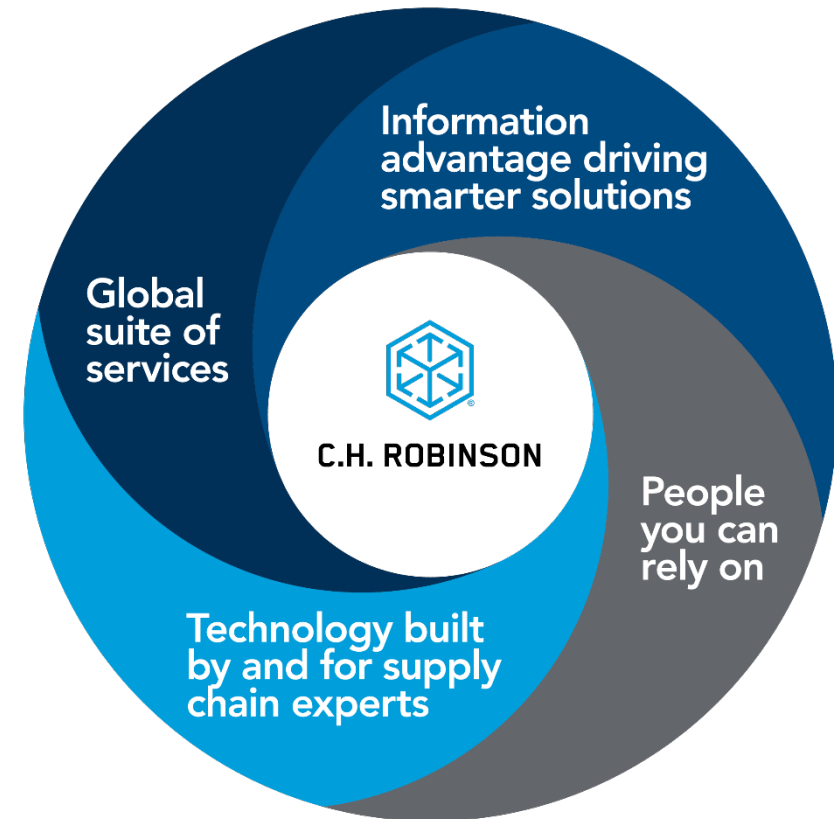


- **Loads booked digitally by carriers increased 183% year-over-year in 2022**
- **Increased automation of the order lifecycle:**
  - Automation of appointment-related tasks increased 34% year-over-year in Q4
  - 450 bps increase from Q3 to Q4 in the % of tracking updates that are automated
- **2.3 billion digital transactions with customers and carriers in 2022, a 30% year-over-year increase**

# Pillars of Our Customer Promise

## Best-in-class solutions delivered through a global network of experts you can rely on

- Diversified, **global suite of services**<sup>™</sup> - we can reliably meet all logistics services needs today and in the future
- An **information advantage driving smarter solutions**<sup>™</sup> and **better outcomes** through our experience, data and scale
- Solutions delivered through **people you can rely on**<sup>™</sup> as an extension of your team
- **Technology built by and for supply chain experts**<sup>™</sup> - tailored, market-leading solutions that drive better supply chain outcomes



# Capital Allocation Priorities: Balanced and Opportunistic

## Sustain & Drive Growth

- Prioritize high-return, close-in investments to drive organic growth
- Opportunistically use M&A to drive total shareholder return by advancing tools, services and global skillset

## Minimize Risk

- Maintain \$600M-750M of liquidity (cash & borrowing availability)
- Stagger debt maturities to reduce refinancing risk

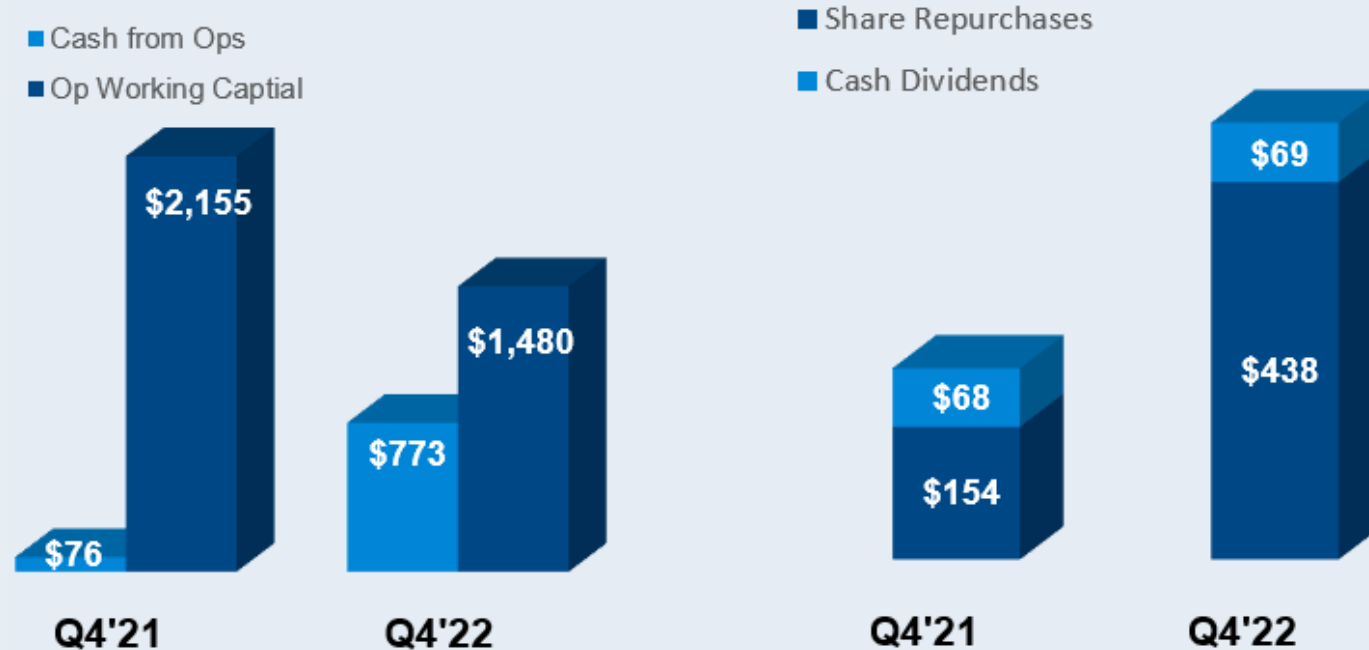
## Optimize Balance Sheet

- Optimize Weighted Average Cost of Capital (WACC) by maintaining investment grade credit ratings
- Efficiently repatriate cash

## Return Capital

- Grow dividends in alignment with long-term EBITDA
- Opportunistic approach to share buybacks
- 7.4M of share repurchase authorization remaining

## Cash Flow from Operations & Capital Distribution (\$M)



- Changes in cash from operations have been driven primarily by sequential changes in operating working capital due to volatility in freight costs and prices.
- As the cost and price of purchased transportation (inclusive of fuel surcharges) comes down, we expect a commensurate benefit to net operating working capital and operating cash flow.

- \$507 million of cash returned to shareholders in Q4 2022, up 128%
- Q4 2022 capital distribution equates to 527% of our Q4 net income
- 4.6 million shares repurchased at an average price of \$95.20
- Uninterrupted dividends, without decline on a per share basis, paid for more than 25 years

# Appendix

# Q4 2022 Transportation Results<sup>(1)</sup>

## Three Months Ended December 31

## Twelve Months Ended December 31

\$ in thousands	Three Months Ended December 31			Twelve Months Ended December 31		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$4,798,027	\$6,245,998	(23.2)%	\$23,516,384	\$22,046,574	6.7 %
Total Adjusted Gross Profits <sup>(2)</sup>	\$741,951	\$832,404	(10.9)%	\$3,480,669	\$3,052,000	14.0 %
Adjusted Gross Profit Margin %	15.5 %	13.3 %	220 bps	14.8 %	13.8 %	100 bps

Transportation Adjusted Gross Profit Margin %	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%	15.3%	14.9%	13.5%
Q2	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%	17.5%	13.8%	15.4%
Q3	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%	14.4%	13.7%	15.1%
Q4	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	15.6%	14.3%	13.3%	15.5%
<b>Total</b>	<b>15.4%</b>	<b>15.9%</b>	<b>17.9%</b>	<b>18.4%</b>	<b>16.6%</b>	<b>16.7%</b>	<b>17.3%</b>	<b>15.3%</b>	<b>13.8%</b>	<b>14.8%</b>



# Q4 2022 NAST Results

\$ in thousands	Three Months Ended December 31			Twelve Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$3,563,071	\$3,896,025	(8.5)%	\$15,827,467	\$14,507,917	9.1 %
Total Adjusted Gross Profits <sup>(1)</sup>	\$502,266	\$475,100	5.7 %	\$2,196,704	\$1,792,953	22.5 %
<i>Adjusted Gross Profit Margin %</i>	<i>14.1 %</i>	<i>12.2 %</i>	<i>190 bps</i>	<i>13.9 %</i>	<i>12.4 %</i>	<i>150 bps</i>
Income from Operations <sup>(2)</sup>	\$162,550	\$148,440	9.5 %	\$833,302	\$585,351	42.4 %
<i>Adjusted Operating Margin %</i>	<i>32.4 %</i>	<i>31.2 %</i>	<i>120 bps</i>	<i>37.9 %</i>	<i>32.6 %</i>	<i>530 bps</i>
Depreciation and Amortization	\$5,542	\$6,464	(14.3)%	\$23,643	\$26,243	(9.9)%
Total Assets	\$3,304,480	\$3,349,578	(1.3)%	\$3,304,480	\$3,349,578	(1.3)%
Average Headcount	7,251	7,044	2.9 %	7,365	6,764	8.9 %

# Q4 2022 Global Forwarding Results

\$ in thousands	Three Months Ended December 31			Twelve Months Ended December 31		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$1,013,306	\$2,144,056	(52.7)%	\$6,812,008	\$6,729,790	1.2 %
Total Adjusted Gross Profits <sup>(1)</sup>	\$188,749	\$309,589	(39.0)%	\$1,083,473	\$1,073,541	0.9 %
<i>Adjusted Gross Profit Margin %</i>	18.6 %	14.4 %	420 bps	15.9 %	16.0 %	(10 bps)
Income from Operations <sup>(2)</sup>	\$28,216	\$146,800	(80.8)%	\$449,364	\$510,756	(12.0)%
<i>Adjusted Operating Margin %</i>	14.9 %	47.4 %	(3250 bps)	41.5 %	47.6 %	(610 bps)
Depreciation and Amortization	\$5,441	\$5,471	(0.5)%	\$21,835	\$22,823	(4.3)%
Total Assets	\$1,507,913	\$2,843,239	(47.0)%	\$1,507,913	\$2,843,239	(47.0)%
Average Headcount	5,745	5,430	5.8 %	5,712	5,071	12.6 %



1. Adjusted gross profits is a non-GAAP financial measure explained later in this presentation. The difference between adjusted gross profits and gross profits is not material.

2. Includes \$7.0 million of restructuring charges related to workforce reductions and reprioritizing our technology investments in the three and twelve Months Ended December 31, 2022.

# Q4 2022 All Other and Corporate Results

<i>\$ in thousands</i>	Three Months Ended December 31			Twelve Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$490,444	\$461,767	6.2 %	\$2,057,150	\$1,864,431	10.3 %
Total Adjusted Gross Profits <sup>(1)</sup>	\$77,159	\$71,652	7.7 %	\$313,000	\$285,595	9.6 %
Income (loss) from Operations <sup>(2)</sup>	-\$26,732	-\$7,834	NM	-\$15,884	-\$13,999	NM
Depreciation and Amortization	\$13,070	\$10,703	22.1 %	\$47,298	\$42,193	12.1 %
Total Assets	\$1,142,171	\$835,295	36.7 %	\$1,142,171	\$835,295	36.7 %
Average Headcount	4,676	4,080	14.6 %	4,524	3,926	15.2 %

# Non-GAAP Reconciliations

Our adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers. Adjusted gross profit margin is calculated as adjusted gross profit divided by total revenues. We believe adjusted gross profit and adjusted gross profit margin are useful measures of our ability to source, add value, and sell services and products that are provided by third parties, and we consider adjusted gross profit to be a primary performance measurement. The reconciliation of gross profit to adjusted gross profit and gross profit margin to adjusted gross profit margin are presented below:

<i>\$ in thousands</i>	Three Months Ended December 31				Twelve Months Ended December 31,			
	2022		2021		2022		2021	
Revenues:								
Transportation	\$4,798,027		\$6,245,998		\$23,516,384		\$22,046,574	
Sourcing	268,794		255,850		1,180,241		1,055,564	
Total Revenues	5,066,821		6,501,848		24,696,625		23,102,138	
Costs and expenses:								
Purchased transportation and related services	4,056,076		5,413,594		20,035,715		18,994,574	
Purchased produced sourced for resale	242,571		231,913		1,067,733		955,475	
Direct internally developed software amortization	6,656		5,607		25,487		20,208	
Total direct costs	4,305,303		5,651,114		21,128,935		19,970,257	
<b>Gross profit &amp; Gross profit margin</b>	<b>\$761,518</b>	<b>15.0 %</b>	<b>\$850,734</b>	<b>13.1 %</b>	<b>\$3,567,690</b>	<b>14.4 %</b>	<b>\$3,131,881</b>	<b>13.6 %</b>
Plus: Direct internally developed software amortization	6,656		5,607		25,487		20,208	
<b>Adjusted gross profit/Adjusted gross profit margin</b>	<b>\$768,174</b>	<b>15.2 %</b>	<b>\$856,341</b>	<b>13.2 %</b>	<b>\$3,593,177</b>	<b>14.5 %</b>	<b>\$3,152,089</b>	<b>13.6 %</b>



# Non-GAAP Reconciliations

Our adjusted operating margin is a non-GAAP financial measure calculated as operating income divided by adjusted gross profit. We believe adjusted operating margin is a useful measure of our profitability in comparison to our adjusted gross profit which we consider a primary performance metric as discussed above. The reconciliation of operating margin to adjusted operating margin is presented below:

<i>\$ in thousands</i>	Three Months Ended December 31		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Total Revenues	\$ 5,066,821	\$ 6,501,848	\$ 24,696,625	\$ 23,102,138
Income from operations	164,034	287,406	1,266,782	1,082,108
<b>Operating margin</b>	<b>3.2 %</b>	<b>4.4 %</b>	<b>5.1 %</b>	<b>4.7 %</b>
Adjusted gross profit	\$ 768,174	\$ 856,341	\$ 3,593,177	\$ 3,152,089
Income from operations	164,034	287,406	1,266,782	1,082,108
<b>Adjusted operating margin</b>	<b>21.4 %</b>	<b>33.6 %</b>	<b>35.3 %</b>	<b>34.3 %</b>

# Non-GAAP Reconciliations

Our adjusted income (loss) from operations and adjusted net income per share (diluted) are non-GAAP financial measures. Adjusted income (loss) from operations and adjusted net income per share (diluted) is calculated as income (loss) from operations and net income per share (diluted) excluding the impact of restructuring and related costs. We believe that these measures provide useful information to investors and include them within our internal reporting to our chief operating decision maker. Accordingly, the discussion of our results of operations includes discussion on the changes in our adjusted income (loss) from operations and adjusted net income per share (diluted). The reconciliation of income (loss) from operations and net income per share (diluted) to adjusted income (loss) from operations and adjusted net income per share (diluted) is presented below (in thousands except per share data):

	Three Months Ended December 31, 2022				Twelve Months Ended December 31, 2022			
	NAST	Global Forwarding	All Other and Corporate	Consolidated	NAST	Global Forwarding	All Other and Corporate	Consolidated
Income (loss) from operations	\$ 162,550	\$ 28,216	\$ (26,732)	\$ 164,034	\$ 833,302	\$ 449,364	\$ (15,884)	\$ 1,266,782
Severance	5,404	3,482	9,986	18,872	5,404	3,482	9,986	18,872
Other personnel expenses	919	349	1,394	2,662	919	349	1,394	2,662
Other selling, general, and administrative	3,175	3,174	8,801	15,150	3,175	3,174	8,801	15,150
Total restructuring and related costs <sup>(1)</sup>	9,498	7,005	20,181	36,684	9,498	7,005	20,181	36,684
Adjusted income (loss) from operations	\$ 172,048	\$ 35,221	\$ (6,551)	\$ 200,718	\$ 842,800	\$ 456,369	\$ 4,297	\$ 1,303,466
Net income per share (diluted)				\$ 0.80				\$ 7.40
Restructuring and associated costs <sup>(1)</sup>				0.23				0.22
Adjusted net income per share (diluted)				\$ 1.03				\$ 7.62



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**INVESTOR RELATIONS:**

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**Thank you**

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