



Earnings Conference Call – Fourth Quarter 2017  
January 31, 2018

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



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**C.H. ROBINSON**

# Safe Harbor Statement

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



# Results Q4 2017

*in thousands, except per share amounts and headcount*

	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Total Revenues	\$3,959,786	\$3,414,975	16.0%	\$14,869,380	\$13,144,413	13.1%
Total Net Revenues	\$631,849	\$561,516	12.5%	\$2,368,050	\$2,277,528	4.0%
<i>Net Revenue Margin %</i>	16.0%	16.4%	(40 bps)	15.9%	17.3%	(140 bps)
Income from Operations	\$210,876	\$193,565	8.9%	\$775,119	\$837,531	(7.5%)
<i>Operating Margin %</i>	33.4%	34.5%	(110 bps)	32.7%	36.8%	(410 bps)
Net Income	\$152,556	\$122,303	24.7%	\$504,893	\$513,384	(1.7%)
Earnings Per Share (Diluted)	\$1.08	\$0.86	25.6%	\$3.57	\$3.59	(0.6%)
<hr/>						
Weighted Average Shares Outstanding (Diluted)	140,724	142,164	(1.0%)	141,382	142,991	(1.1%)
Depreciation and Amortization	\$23,637	\$21,953	7.7%	\$92,977	\$74,669	24.5%
Total Assets	\$4,235,834	\$3,687,758	14.9%	\$4,235,834	\$3,687,758	14.9%
Average Headcount	15,036	14,074	6.8%	14,687	13,670	7.4%
Ending Headcount	15,074	14,125	6.7%	15,074	14,125	6.7%

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



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# Summarized Income Statement

*in thousands*

Three Months Ended December 31

Twelve Months Ended December 31

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

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



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# Other Financial Information

*in thousands*

Three Months Ended December 31

Twelve Months Ended December 31

Cash Flow Data	Three Months Ended December 31			Twelve Months Ended December 31		
	2017	2016	% Change	2017	2016	% Change
Net Cash Provided by Operating Activities	\$162,152	\$152,580	6.3%	\$380,501	\$529,408	(28.1%)
Capital Expenditures	\$11,527	\$20,326	(43.3%)	\$57,945	\$91,437	(36.6%)

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

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



# Capital Distribution

*in thousands*

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

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

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

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



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# Net Revenue by Service Line Q4 2017

*in thousands*

Three Months Ended December 31

Twelve Months Ended December 31

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

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



# Transportation Results Q4 2017<sup>(1)</sup>

*in thousands*

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

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

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

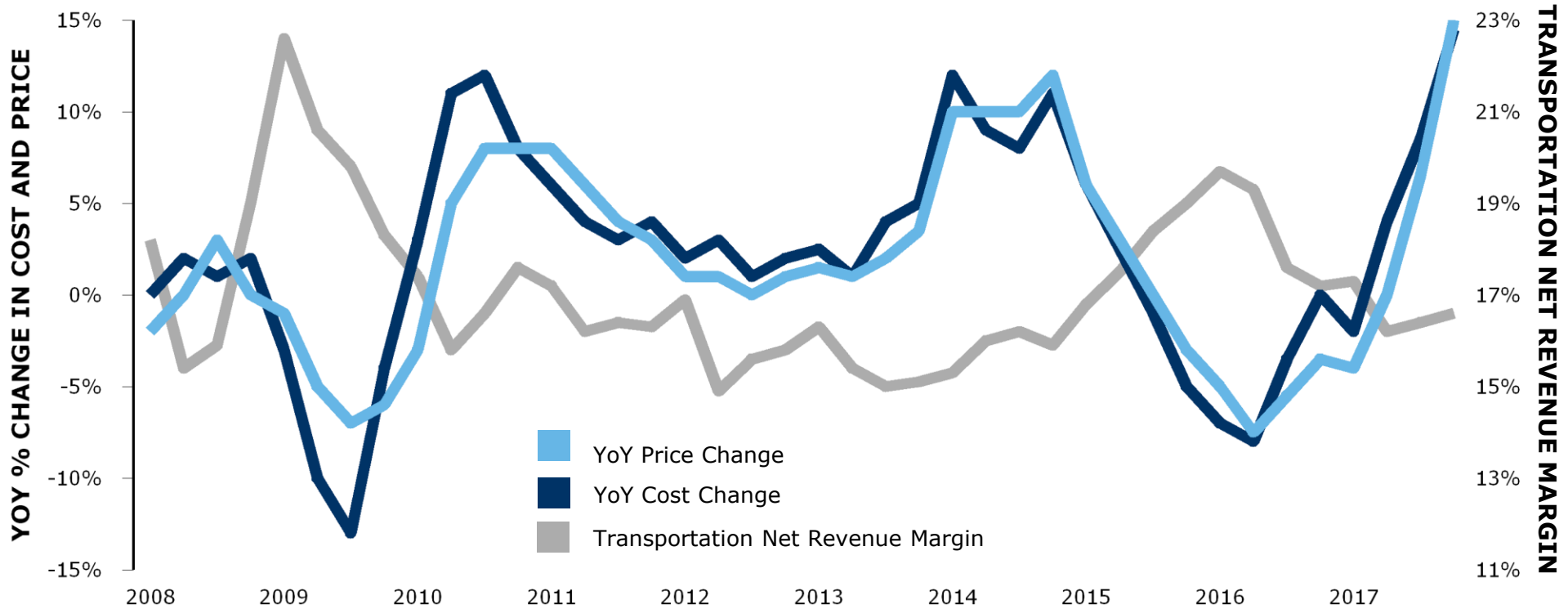
(1) Includes results across all segments.



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# North America Truckload Cost and Price Change<sup>(1)</sup>



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

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

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



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

*in thousands, except headcount*

Three Months Ended December 31

Twelve Months Ended December 31

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

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

*(1) Does not include intersegment revenues.*



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# NAST Results by Service Line Q4 2017

Truckload, Less Than Truckload, and Intermodal

*in thousands*

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

Truckload <sup>(1)</sup>	Quarter	YTD
Pricing <sup>(2)</sup>	15.0%	4.5%
Cost <sup>(2)</sup>	14.5%	6.5%
Volume	(3%)	4.5%
Net Revenue Margin	↔	↓

LTL <sup>(1)</sup>	Quarter	YTD
Pricing <sup>(2)</sup>	↑	↑
Volume	10.0%	8.0%
Net Revenue Margin	↓	↓

Intermodal <sup>(1)</sup>	Quarter	YTD
Pricing <sup>(2)</sup>	↑	↑
Volume	7.0%	12.0%
Net Revenue Margin	↓	↓

**TL**

- Net revenues increase in the fourth quarter was a result of improved pricing when compared to the fourth quarter of 2016.

**LTL**

- Net revenues increase in the fourth quarter was a result of 10 percent volume growth.

**IMDL**

- Net revenues decreased in the fourth quarter as a result of lower intermodal margins partially offset by an increase in volume.



# Global Forwarding Results Q4 2017

*in thousands, except headcount*

Three Months Ended December 31

Twelve Months Ended December 31

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

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

(1) Does not include intersegment revenues.



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# Global Forwarding Results by Service Line Q4 2017

## Ocean, Air, and Customs

*in thousands*

Three Months Ended December 31

Twelve Months Ended December 31

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

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

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

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



# Robinson Fresh Results Q4 2017

*in thousands, except headcount*

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

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

*(1) Does not include intersegment revenues.*



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# Robinson Fresh Results Q4 2017

## Sourcing

*in thousands*

Three Months Ended December 31

Twelve Months Ended December 31

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

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

(1) Does not include intersegment revenues.



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# Robinson Fresh Results Q4 2017

## Transportation

*in thousands*

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

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

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

(1) Does not include intersegment revenues.

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

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



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# All Other and Corporate Results Q4 2017

*in thousands, except headcount*

Three Months Ended December 31

Twelve Months Ended December 31

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

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

(1) Does not include intersegment revenues.



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# All Other and Corporate Results by Service Line Q4 2017

## Managed Services and Other Surface Transportation

*in thousands*

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

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



# Final Comments

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



# Appendix A: 2012 Summarized Adjusted Income Statement

*in thousands, except per share amounts*

	2012 Actual	Non-Recurring Acquisition Impacts	Non-Recurring Divestiture Impacts	Adjusted
<b>Total Net Revenues</b>	<b>\$1,717,571</b>			<b>\$1,717,571</b>
Personnel Expenses <sup>(1)</sup>	766,006	(385)	(34,207)	731,414
Other Operating Expenses <sup>(2)</sup>	276,245	(10,225)	(379)	265,641
<b>Total Operating Expenses</b>	<b>1,042,251</b>	<b>(10,610)</b>	<b>(34,586)</b>	<b>997,055</b>
<b>Income from Operations</b>	<b>675,320</b>	<b>10,610</b>	<b>34,586</b>	<b>720,516</b>
Investment & Other Income <sup>(3)</sup>	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
<b>Net Income</b>	<b>\$593,804</b>	<b>\$7,865</b>	<b>(\$154,662)</b>	<b>\$447,007</b>
Net Income Per Share (Diluted)	\$3.67			\$2.76
Weighted Average Shares (Diluted)	161,946	185 <sup>(4)</sup>	92 <sup>(5)</sup>	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.





**C.H. ROBINSON**