



Earnings Conference Call – Second Quarter 2017

July 20, 2017

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



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 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.



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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.



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Net Revenue by Service Line Q2 2017

in thousands

Three months ended June 30

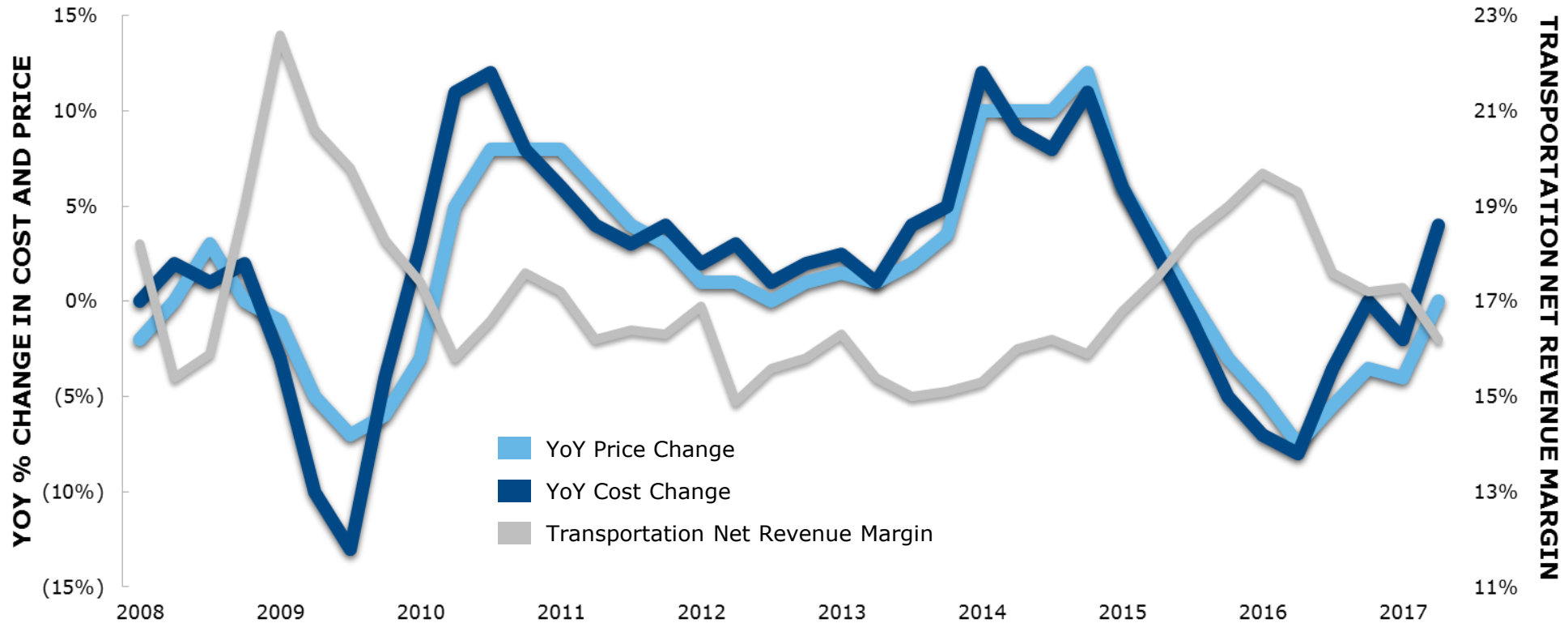
Six months ended June 30

Net Revenue by Service Line	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.



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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.



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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

	2017	2016	% Change
Total Revenues ⁽¹⁾	\$657,003	\$660,204	(0.5%)
Total Net Revenues	\$60,846	\$67,820	(10.3%)
Net Revenue Margin %	9.3%	10.3%	
Income from Operations	\$14,249	\$27,311	(47.8%)
Operating Margin %	23.4%	40.3%	
Depreciation and Amortization	\$1,198	\$839	42.8%
Total Assets	\$455,214	\$427,272	6.5%
Average Headcount	980	947	3.5%

Six months ended June 30

	2017	2016	% Change
Total Revenues ⁽¹⁾	\$1,207,448	\$1,224,297	(1.4%)
Total Net Revenues	\$117,683	\$126,005	(6.6%)
Net Revenue Margin %	9.7%	10.3%	
Income from Operations	\$28,901	\$45,044	(35.8%)
Operating Margin %	24.6%	35.7%	
Depreciation and Amortization	\$2,344	\$1,607	45.9%
Total Assets	\$455,214	\$427,272	6.5%
Average Headcount	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.



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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.



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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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