



Earnings Conference Call – First Quarter 2019
May 1, 2019

John Wiehoff, Chairman & CEO

Robert Biesterfeld, COO

Scott Hagen, Corporate Controller and Interim CFO

Robert Houghton, VP of 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 third party logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; changes in relationships with existing contracted 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, including contingent auto liability and insurance coverage; risks associated with operations outside of the United States; risks associated with the potential impact of changes in government regulations; risks associated with the produce industry, including food safety and contamination issues; fuel price increases or decreases, or fuel shortages; cyber-security related risks; the impact of war on the economy; changes to our capital structure; risks related to the elimination of LIBOR; and other risks and uncertainties detailed in our Annual and Quarterly Reports.



Q1 2019 – Key Themes

- Strong Q1 financial results
- Price and cost declines in most service lines
- Successfully adapting to changing market conditions
- Strength of our business model



Results Q1 2019

in thousands, except per share amounts and headcount

Three Months Ended March 31

	2019	2018	% Change
Total Revenues	\$3,751,210	\$3,925,327	(4.4%)
Total Net Revenues	\$678,800	\$625,925	8.4%
<i>Net Revenue Margin %</i>	<i>18.1%</i>	<i>15.9%</i>	<i>220 bps</i>
Personnel Expenses	\$340,098	\$328,297	3.6%
Selling, General, and Admin	\$114,152	\$106,043	7.6%
Income from Operations	\$224,550	\$191,585	17.2%
<i>Operating Margin %</i>	<i>33.1%</i>	<i>30.6%</i>	<i>250 bps</i>
Depreciation and Amortization	\$24,560	\$24,241	1.3%
Net Income	\$161,788	\$142,297	13.7%
Earnings Per Share (Diluted)	\$1.16	\$1.01	14.9%
Average Headcount	15,381	15,088	1.9%

- Net revenues increase driven primarily by margin improvement in truckload
- Operating income growth includes moderating variable compensation expense and modest headcount growth



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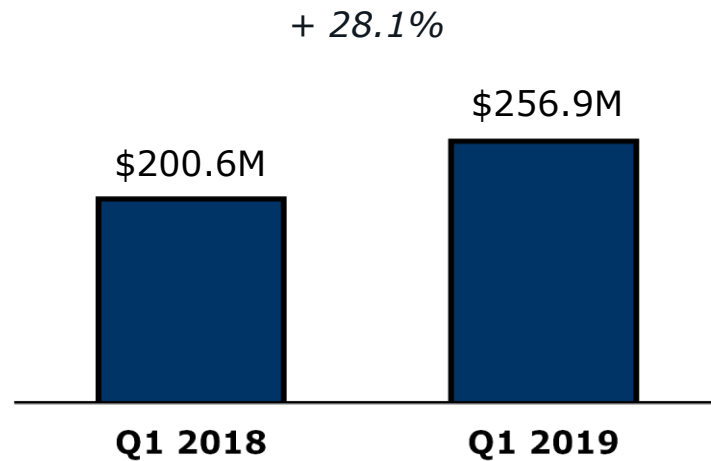
Q1 2019 Other Income Statement Items

- Q1 effective tax rate of 22.0% vs. 21.3% last year
- \$5 million unfavorable impact from currency revaluation
- Interest expense increase due to an increase in interest rates
- Weighted average diluted shares outstanding down 1.6 percent



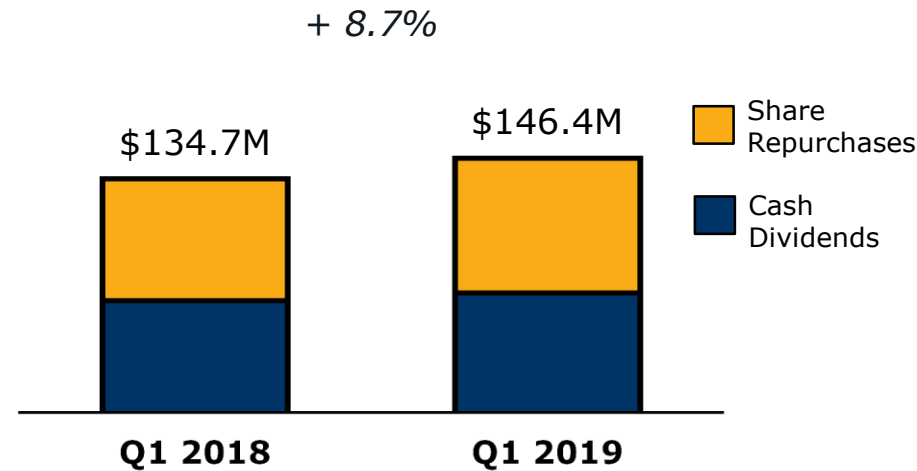
Q1 2019 Cash Flow and Capital Distribution

Cash Flow from Operations



- \$56.3 million increase in cash flow driven by improved working capital performance and higher net income
- \$13.9 million in capital expenditures

Capital Distribution



- \$146.4 million of net income returned to shareholders
 - \$69.7 million in cash dividends
 - \$76.7 million in share repurchases
 - 872,489 shares repurchased in the first quarter at an average price of \$87.87 per share



Q1 2019 Balance Sheet

in thousands

	March 31, 2019	December 31, 2018	% Change
Accounts Receivable, Net ⁽¹⁾	\$2,223,487	\$2,322,073	(4.2%)
Accounts Payable ⁽²⁾	\$1,186,658	\$1,182,927	0.3%
Net Operating Working Capital⁽³⁾	\$1,036,829	\$1,139,146	(9.0%)

- Total debt balance \$1.34 billion
 - \$600 million senior unsecured notes, 4.20% coupon
 - \$500 million private placement debt, 4.28% average coupon
 - \$250 million accounts receivable securitization debt facility, 3.15% average rate
- Adopted new lease accounting policy in 2019 Q1

(1) Accounts receivable amount includes contract assets as the result of a 2018 accounting policy change that recognizes revenues for in-transit shipments.

(2) Accounts payable amount includes outstanding checks and also includes accrued transportation expense as the result of a 2018 accounting policy change that recognizes revenues for in-transit shipments.

(3) Net operating working capital is defined as net accounts receivable, as described above, less accounts payable, as described above.



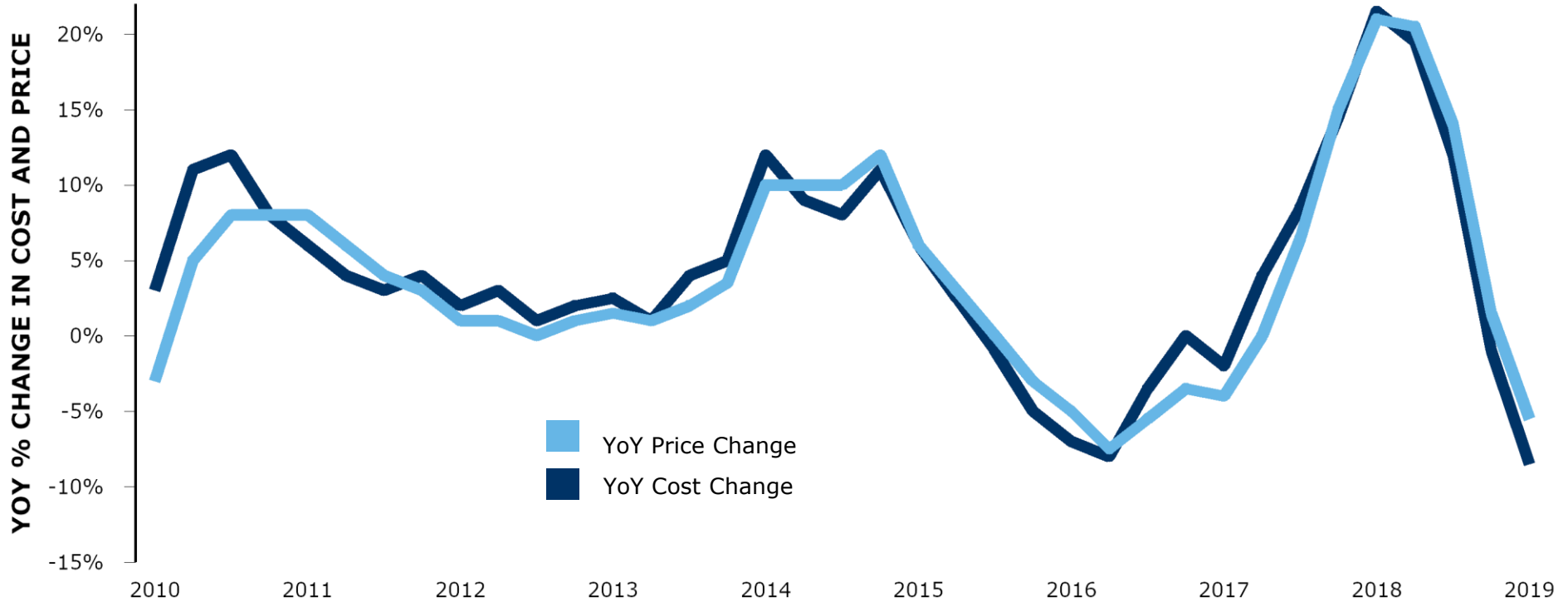
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Second Quarter 2019 Trends – April

- April to date total company net revenue per business day has increased approximately 5 percent when compared to April 2018
- Truckload volume per business day has decreased approximately 4 percent on a year-over-year basis in April



NAST Truckload Cost and Price Change⁽¹⁾



- NAST Truckload cost and price change chart represents truckload shipments in North America.
- Includes the impact of the truckload service line previously reported in the Robinson Fresh segment.

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

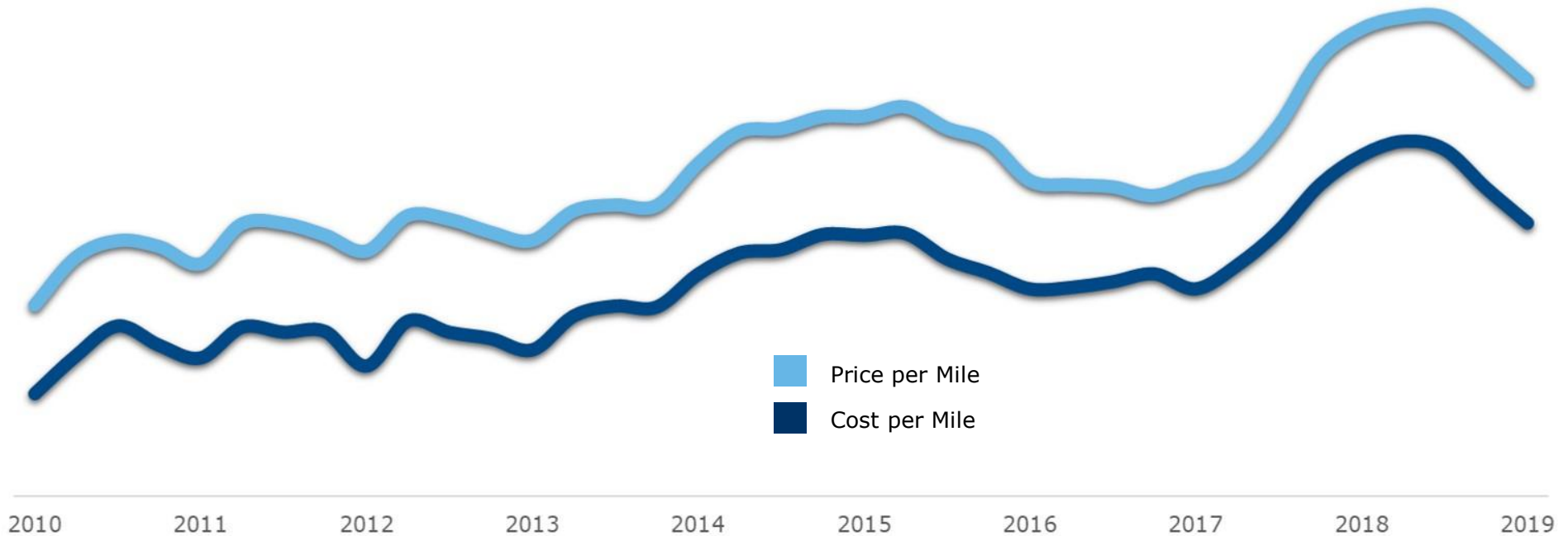
(2) Represents price and cost YoY change for North America shipments across all segments.

NAST Truckload	Q1
Volume	0.5%
Pricing ⁽¹⁾⁽²⁾	(5.5%)
Cost ⁽¹⁾⁽²⁾	(8.5%)
Net Revenue Margin	↑



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NAST Truckload Cost and Price Per Mile⁽¹⁾



- NAST Truckload cost and price per mile chart represents all truckload shipments in North America
- Continued price movements in response to changes in marketplace conditions

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



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Q1 2019 NAST Results by Service Line

Truckload, Less Than Truckload and Intermodal

in thousands

Three Months Ended March 31

Net Revenues	2019	2018	% Change
Truckload	\$359,031	\$312,952	14.7%
LTL	\$114,918	\$110,916	3.6%
Intermodal	\$5,976	\$6,217	(3.9%)
Other	\$6,625	\$8,317	(20.3%)
Total Net Revenues	\$486,550	\$438,402	11.0%
<i>Net Revenue Margin %</i>	<i>17.4%</i>	<i>15.1%</i>	<i>230 bps</i>

- Year-over-year price declines in truckload and LTL

- Net revenue margin expansion in truckload, LTL and intermodal

- Volume increase in truckload and LTL

- Added 5,000 new carriers in the quarter

	Truckload	LTL	Intermodal
Pricing ⁽¹⁾⁽²⁾	↓	↓	↑
Cost ⁽¹⁾⁽²⁾	↓	↓	↑
Volume	↑	↑	↓
Net Revenue Margin	↑	↑	↑

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

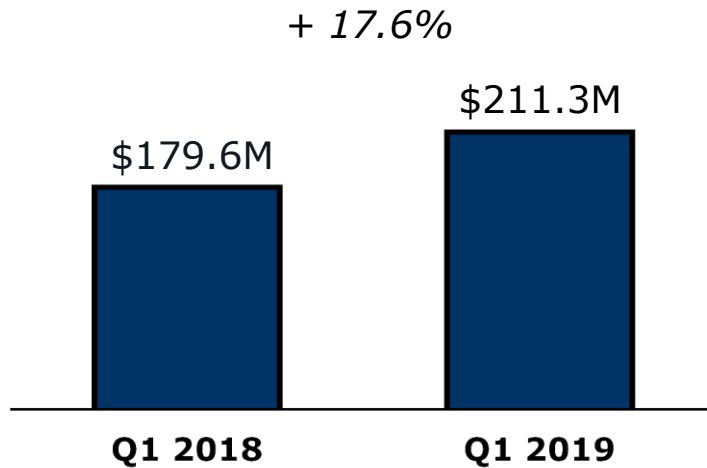
(2) Pricing and cost measures exclude the estimated impact of the change in fuel prices.



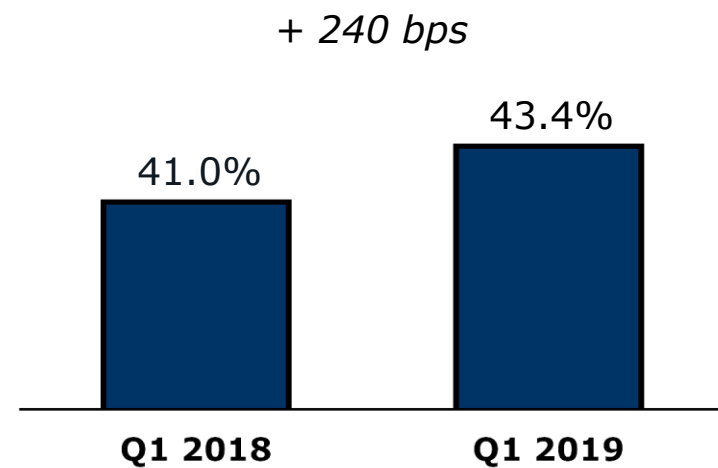
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Q1 2019 NAST Operating Income

Q1 Operating Income



Q1 Operating Margin %



- Increased net revenues
- Headcount increased 1.7 percent
- Continued investments in technology
- Four consecutive quarters of year-over-year operating margin expansion



Q1 2019 Global Forwarding Results by Service Line

Ocean, Air and Customs

in thousands

Three Months Ended March 31

Net Revenues	2019	2018	% Change
Ocean	\$71,457	\$68,694	4.0%
Air	\$26,136	\$26,037	0.4%
Customs	\$21,877	\$20,655	5.9%
Other	\$7,766	\$7,651	1.5%
Total	\$127,236	\$123,037	3.4%
<i>Net Revenue Margin %</i>	<i>23.7%</i>	<i>22.2%</i>	<i>150 bps</i>

- Ocean net revenue growth due to margin expansion
- Air net revenue growth due to margin expansion, largely offset by declining volume
- Customs net revenue growth includes transactions growth of 2.5 percent

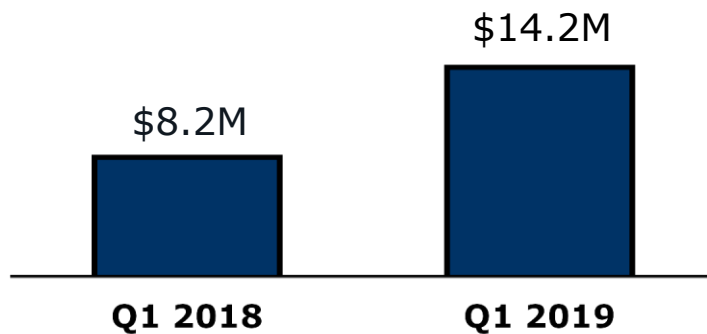
	Ocean	Air
Pricing	↓	↓
Volume	↔	↓
Net Revenue Margin	↑	↑



Q1 2019 Global Forwarding Operating Income

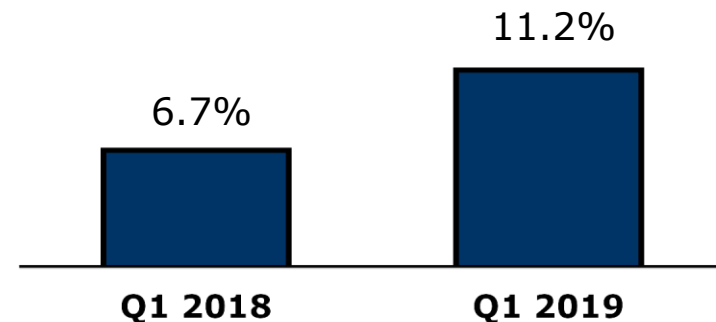
Q1 Operating Income

+ 72.8%



Q1 Operating Margin %

+ 450 bps



- Increased net revenues
- Improved employee productivity
- 1.3 percent decrease in average headcount



Q1 2019 All Other and Corporate Results

Robinson Fresh, Managed Services and Other Surface Transportation

in thousands

Three Months Ended March 31

Net Revenues	2019	2018	% Change
Robinson Fresh	\$28,658	\$30,237	(5.2%)
Managed Services	\$20,312	\$18,317	10.9%
Other Surface Transportation	\$16,044	\$15,932	0.7%
Total	\$65,014	\$64,486	0.8%

Robinson Fresh

- Case volume decline of 7 percent

Managed Services

- \$4 billion in freight under management

Other Surface Transportation

- Mid-single-digit volume growth in Europe truckload



Our Areas of Focus

- Grow market share
- Automate core processes
- Improve operating leverage

Long-Term Growth Targets⁽¹⁾

Net Revenues	5 - 10%
Operating Income	Greater than net revenue growth
Earnings Per Share	10%+

(1) Long-term growth targets represent an over time perspective and do not necessarily represent an expected annual growth rate.



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Final Comments

- We add value by helping our customers understand and navigate the marketplace
- Our people, processes and technology will allow us to continue to win in the marketplace
- John Wiehoff retiring as CEO on May 9, will remain Chairman
- Bob Biesterfeld to succeed Wiehoff as CEO





Appendix



Q1 2019 Transportation Results⁽¹⁾

in thousands

Three Months Ended March 31

Transportation	2019	2018	% Change
Total Revenues	\$3,504,932	\$3,637,640	(3.6%)
Total Net Revenues	\$651,676	\$596,038	9.3%
<i>Net Revenue Margin %</i>	<i>18.6%</i>	<i>16.4%</i>	<i>220 bps</i>

Transportation Net Revenue Margin %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Q1	17.4%	17.2%	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%
Q2	15.8%	16.2%	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	
Q3	16.6%	16.4%	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	
Q4	17.6%	16.3%	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	
Total	16.8%	16.5%	15.8%	15.4%	15.9%	17.9%	18.4%	16.6%	16.7%	

(1) Includes results across all segments.



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Q1 2019 NAST Results

in thousands, except headcount

Three Months Ended March 31

	2019	2018	% Change
Total Revenues	\$2,796,784	\$2,908,419	(3.8%)
Total Net Revenues	\$486,550	\$438,402	11.0%
<i>Net Revenue Margin %</i>	<i>17.4%</i>	<i>15.1%</i>	<i>230 bps</i>
Income from Operations	\$211,283	\$179,637	17.6%
<i>Operating Margin %</i>	<i>43.4%</i>	<i>41.0%</i>	<i>240 bps</i>
Depreciation and Amortization	\$6,259	\$6,331	(1.1%)
Total Assets	\$2,693,668	\$2,593,648	3.9%
Average Headcount	7,424	7,298	1.7%



Q1 2019 Global Forwarding Results

in thousands, except headcount

Three Months Ended March 31

	2019	2018	% Change
Total Revenues	\$537,567	\$553,754	(2.9%)
Total Net Revenues	\$127,236	\$123,037	3.4%
<i>Net Revenue Margin %</i>	<i>23.7%</i>	<i>22.2%</i>	<i>150 bps</i>
Income from Operations	\$14,203	\$8,221	72.8%
<i>Operating Margin %</i>	<i>11.2%</i>	<i>6.7%</i>	<i>450 bps</i>
Depreciation and Amortization	\$8,926	\$8,909	0.2%
Total Assets	\$1,001,881	\$805,184	24.4%
Average Headcount	4,707	4,767	(1.3%)



Q1 2019 All Other and Corporate Results

in thousands, except headcount

Three Months Ended March 31

	2019	2018	% Change
Total Revenues	\$416,859	\$463,154	(10.0%)
Total Net Revenues	\$65,014	\$64,486	0.8%
Income from Operations	(\$936)	\$3,727	<i>NM</i>
Depreciation and Amortization	\$9,375	\$9,001	4.2%
Total Assets	\$1,001,895	\$908,944	10.2%
Average Headcount	3,250	3,023	7.5%





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