



C.H. ROBINSON

Q1 2021

Earnings Presentation

April 27, 2021

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Mike Zechmeister, CFO
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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; changes due to catastrophic events including pandemics such as COVID-19; and other risks and uncertainties detailed in our Annual and Quarterly Reports.



→ Q1 2021 Opening Remarks

- 125% improvement in Diluted EPS
- 26% increase in Adjusted Gross Profit per business day, led by our Ocean and Truckload service lines
- Global Forwarding sustaining its strong execution
- Capturing more truckload spot market opportunities & repricing our contractual truckload business to reflect the current environment
- Technology and transformation initiatives providing meaningful growth opportunities and efficiencies

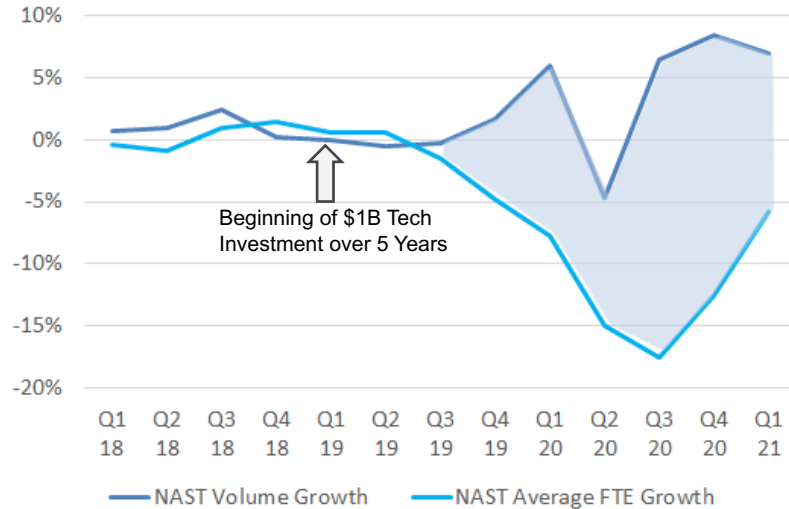


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→ Technology Advancements & Transformation Efforts Providing Meaningful Efficiencies

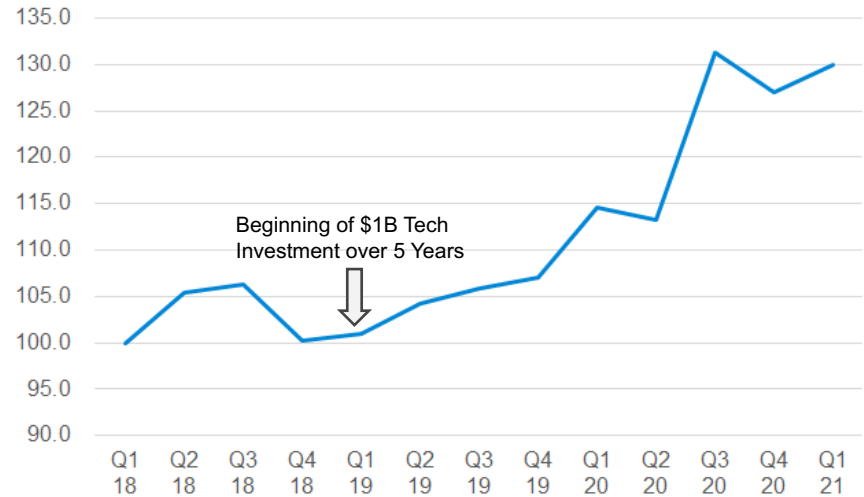
NAST Volume Continues to Grow Faster than Headcount

2020 Excludes Volume & Headcount from Acquisition of Prime Distribution



NAST Shipments/Person/Day

Indexed to 100 in Q1 2018



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→ Strategies Creating Shareholder Value

- Creating better outcomes for our customers and carriers
 - Utilizing our unmatched combination of experience, scale and information advantage
 - Leveraging our broad service portfolio
- Focusing on profitable market share growth
- Delivering industry leading technology to unlock growth and efficiency
- Fostering sustainability and an inclusive culture that is supportive of our employees and the communities we serve



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→ Results Q1 2021

\$ in thousands, except per share amounts	Three Months Ended March 31		
	2021	2020	% CHANGE
Total Revenues	\$4,803,869	\$3,805,008	26.3 %
Total Adjusted Gross Profits ⁽¹⁾	\$702,380	\$567,953	23.7 %
Adjusted Gross Profit Margin %	14.6 %	14.9 %	(30 bps)
Personnel Expenses	\$360,835	\$330,220	9.3 %
Selling, General, and Admin	\$118,216	\$128,293	(7.9)%
Income from Operations	\$223,329	\$109,440	104.1 %
Adjusted Operating Margin %	31.8 %	19.3 %	1,250 bps
Depreciation and Amortization	\$23,278	\$24,393	(4.6)%
Net Income	\$173,305	\$78,146	121.8 %
Earnings Per Share (Diluted)	\$1.28	\$0.57	124.6 %
Average Headcount	14,997	15,450	(2.9)%

- Increase in adjusted gross profits driven primarily by higher pricing in our truckload, ocean & air service lines, higher volume in our ocean, less than truckload ("LTL") and air service lines and contributions from the acquisition of Prime Distribution Services
- Increase in operating expenses driven primarily by higher incentive compensation costs, partially offset by lower travel expenses and credit losses

(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.

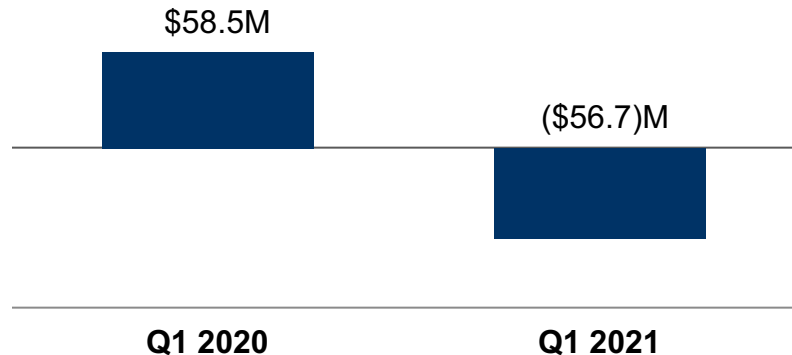


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→ Q1 2021 Cash Flow and Capital Distribution

Cash Flow from Operations

(196.9%)

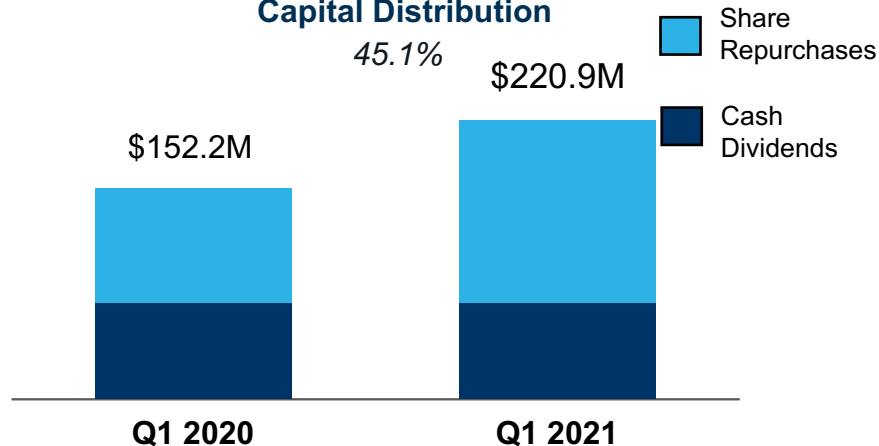


- \$115.2 million decrease in cash flow driven by an increase in accounts receivable, partially offset by increases in accounts payable and net income
- \$13.5 million in capital expenditures
- Expect 2021 capital expenditures to be \$55-65 million

Capital Distribution

45.1%

\$220.9M



- \$220.9 million returned to shareholders
- \$70.0 million in cash dividends
- \$150.9 million in share repurchases
 - 1,625,550 shares repurchased at an average price of \$92.84 per share



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→ Q1 2021 Balance Sheet

<i>\$ in thousands</i>	March 31, 2021	March 31, 2020	% CHANGE
Accounts Receivable, Net ⁽¹⁾	\$3,114,951	\$2,216,171	40.6%
Accounts Payable ⁽²⁾	\$1,653,323	\$1,244,454	32.9%
Net Operating Working Capital⁽³⁾	\$1,461,628	\$971,717	50.4%

- Increases in accounts receivable and accounts payable driven by increases in total sales and the cost of purchased transportation, respectively, as well increases in DSO and DPO
- Total debt balance \$1.34 billion
 - \$600 million senior unsecured notes maturing April 2028, 4.20% coupon
 - \$500 million private placement debt, 4.28% average coupon
 - \$175 million maturing in August 2023, \$150 million maturing in August 2028 and \$175 million maturing in August 2033
 - \$250 million outstanding on \$1 billion credit facility maturing October 2023, 1.21% average interest rate (LIBOR + 112.5 bps)
 - 3.9% weighted average interest rate in the quarter

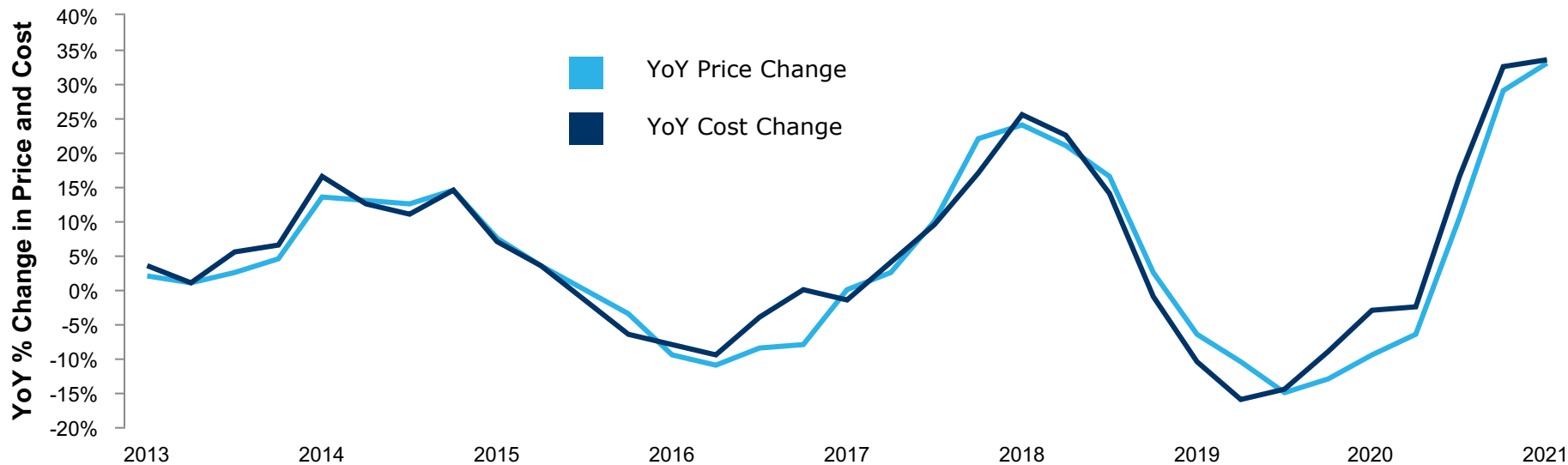
(1) Accounts receivable amount includes contract assets, net of allowance for credit loss.

(2) Accounts payable amount includes outstanding checks and accrued transportation expense.

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



→ Truckload Price and Cost Change⁽¹⁾⁽²⁾⁽³⁾



- 55% / 45% truckload contractual to transactional volume mix compared to 65% / 35% in Q1 last year
- Average routing guide depth of 1.7 in Managed Services business vs. 1.2 in Q1 last year

Truckload

	Q1
Volume ⁽²⁾⁽⁴⁾	-6.5%
Pricing ⁽¹⁾⁽²⁾⁽³⁾	+33.0%
Cost ⁽¹⁾⁽²⁾⁽³⁾	+33.5%
Adjusted Gross Profit Margin	↑

(1) Price and cost change represents YoY change for North America truckload shipments across all segments.

(2) Growth rates are rounded to the nearest 0.5 percent.

(3) Pricing and cost measures exclude fuel surcharges and costs.

(4) Truckload volume growth represents YoY change for NAST truckload shipments.



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→ Q1 2021 NAST Results by Service Line

Truckload and Less Than Truckload

Adjusted Gross Profits ³ (\$ in thousands)	Three Months Ended March 31		
	2021	2020	% Change
Truckload	\$280,304	\$243,686	15.0 %
LTL	\$120,117	\$112,330	6.9 %
Other ⁽¹⁾	\$20,687	\$16,762	23.4 %
Total Adjusted Gross Profits	\$421,108	\$372,778	13.0 %
<i>Adjusted Gross Profit Margin %</i>	<i>13.1 %</i>	<i>13.2 %</i>	<i>(10 bps)</i>

- Truckload adjusted gross profit per load increased 23% due to an increased mix of transactional volume and higher contractual pricing to reflect the rising cost environment⁽²⁾
- Added 6,900 new carriers in the quarter

- LTL volume per business day up 17%⁽²⁾
- Increase in other adjusted gross profit due primarily to Prime Distribution's value-added warehousing services
- Prime Distribution adjusted gross profit impact to NAST⁽²⁾:
 - LTL +3 ppts
 - Other +41 ppts
 - Total NAST +3 ppts

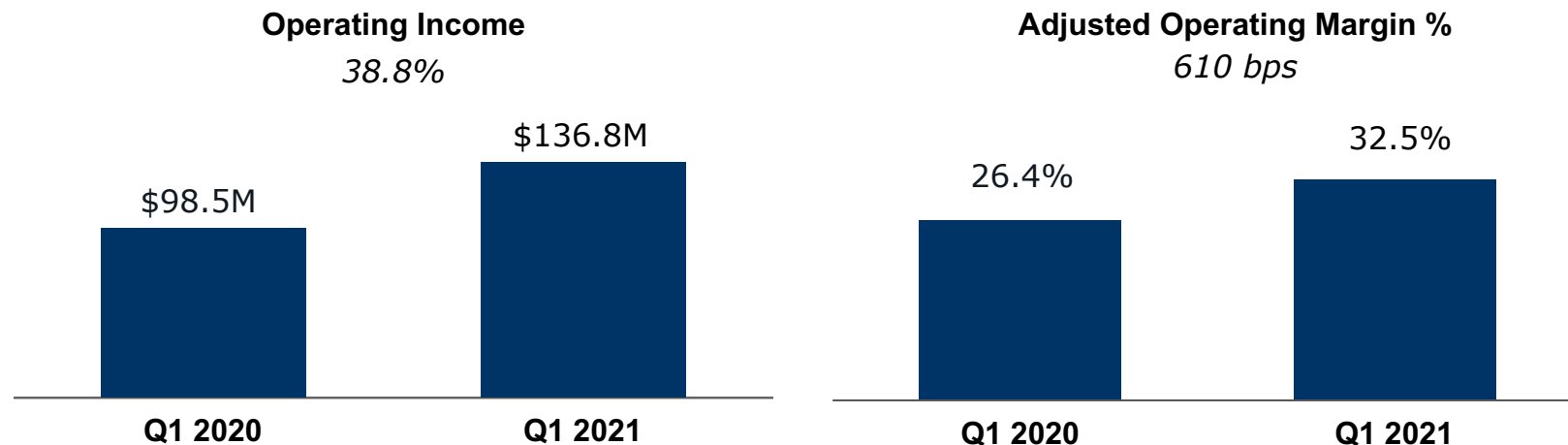
(1) Intermodal service line included in Other.

(2) Growth rates are rounded to the nearest percent.

(3) 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.



→ Q1 2021 NAST Operating Income



- Increase in adjusted gross profits due to higher pricing in truckload, higher volume in LTL & contributions from Prime Distribution acquisition
- Operating expenses increased 3.7%, primarily due to higher incentive compensation costs
- Average headcount decreased 7.1%
 - Prime Distribution acquisition contributed 2.5 percentage points of growth to NAST headcount⁽¹⁾

(1) Growth rates are rounded to the nearest 0.5 percent.



→ Q1 2021 Global Forwarding Results by Service Line

Ocean, Air and Customs

Adjusted Gross Profits ² (\$ in thousands)	Three Months Ended March 31		
	2021	2020	% Change
Ocean	\$135,396	\$69,810	93.9 %
Air	\$45,247	\$26,877	68.3 %
Customs	\$24,223	\$21,193	14.3 %
Other	\$9,434	\$10,434	(9.6)%
Total Adjusted Gross Profits	\$214,300	\$128,314	67.0 %
<i>Adjusted Gross Profit Margin %</i>	<i>18.5 %</i>	<i>24.2 %</i>	<i>(570 bps)</i>

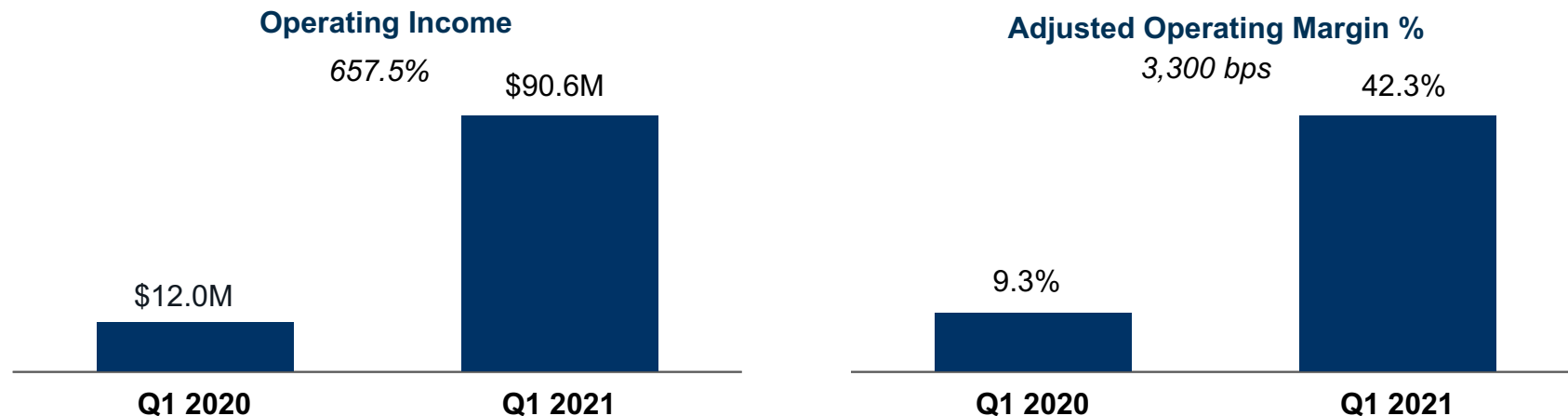
- Ocean and air adjusted gross profit increased due to higher pricing and a 27.0% increase in ocean volume and a 7.0% increase in air shipments⁽¹⁾
- Ocean market impacted by strong demand and tight supply
- Air market impacted by reduced air cargo capacity, increased charter flights and larger shipment sizes
- Customs adjusted gross profit increased due to a 13.5% increase in transaction volume⁽¹⁾

(1) Growth rates are rounded to the nearest 0.5 percent.

(2) 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.



→ Q1 2021 Global Forwarding Operating Income



- Improved operating leverage from
 - 67.0% increase in adjusted gross profits
 - 1.8% decrease in average headcount
 - 6.1% decrease in SG&A expenses
- Adjusted operating margin above our long-term target of 30%



→ Q1 2021 All Other and Corporate Results

Robinson Fresh, Managed Services and Other Surface Transportation

Adjusted Gross Profits ¹ (\$ in thousands)	Three Months Ended March 31		
	2021	2020	% Change
Robinson Fresh	\$24,948	\$27,458	(9.1)%
Managed Services	\$25,556	\$22,527	13.4%
Other Surface Transportation	\$16,468	\$16,876	(2.4)%
Total	\$66,972	\$66,861	0.2%

Robinson Fresh

- 9% decrease in adjusted gross profit driven by 3% volume decline and lower margins
- Operating expenses reduced by 5.5%

Managed Services

- 30% increase in volume and 32% increase in total freight under management
- Continued strong growth from both new and existing customers

Other Surface Transportation

- 2% decrease in Europe adjusted gross profit due to a 3% volume decline

(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.





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Appendix

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→ Q1 2021 Transportation Results⁽¹⁾

Transportation (\$ in thousands)	Three Months Ended March 31		
	2021	2020	% Change
Total Revenues	\$4,560,227	\$3,542,118	28.7%
Total Adjusted Gross Profits ⁽²⁾	\$678,942	\$542,005	25.3%
Adjusted Gross Profit Margin %	14.9%	15.3%	(40 bps)

Transportation Adjusted Gross Profit Margin %	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Q1	16.9%	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%	15.3%	14.9%
Q2	14.9%	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%	17.5%	
Q3	15.6%	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%	14.4%	
Q4	15.8%	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	15.6%	14.3%	
Total	15.8%	15.4%	15.9%	17.9%	18.4%	16.6%	16.7%	17.3%	15.3%	

(1) Includes results across all segments.

(2) 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.



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→ Q1 2021 NAST Results

\$ in thousands	Three Months Ended March 31		
	2021	2020	% Change
Total Revenues	\$3,211,423	\$2,823,745	13.7%
Total Adjusted Gross Profits ⁽¹⁾	\$421,108	\$372,778	13.0%
Adjusted Gross Profit Margin %	13.1%	13.2%	(10 bps)
Income from Operations	\$136,784	\$98,526	38.8%
Adjusted Operating Margin %	32.5%	26.4%	610 bps
Depreciation and Amortization	\$6,625	\$5,254	26.1%
Total Assets	\$3,218,084	\$2,942,719	9.4%
Average Headcount	6,537	7,038	(7.1%)

(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.



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→ Q1 2021 Global Forwarding Results

\$ in thousands	Three Months Ended March 31		
	2021	2020	% Change
Total Revenues	\$1,156,039	\$530,384	118.0%
Total Adjusted Gross Profits ⁽¹⁾	\$214,300	\$128,314	67.0%
Adjusted Gross Profit Margin %	18.5%	24.2%	(570 bps)
Income from Operations	\$90,589	\$11,959	657.5%
Adjusted Operating Margin %	42.3%	9.3%	3,300 bps
Depreciation and Amortization	\$5,649	\$9,149	(38.3%)
Total Assets	\$1,582,967	\$934,625	69.4%
Average Headcount	4,735	4,824	(1.8%)

(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.



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→ Q1 2021 All Other and Corporate Results

\$ in thousands	Three Months Ended March 31		
	2021	2020	% Change
Total Revenues	\$436,407	\$450,879	(3.2%)
Total Adjusted Gross Profits ⁽¹⁾	\$66,972	\$66,861	0.2%
Income from Operations	(\$4,044)	(\$1,045)	NM
Depreciation and Amortization	\$11,004	\$9,990	10.2%
Total Assets	\$795,572	\$970,976	(18.1%)
Average Headcount	3,725	3,588	3.8%

(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.



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→ 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 (in thousands):

Three Months Ended March 31				
	2021		2020	
Revenues:				
Transportation	\$	4,560,227	\$	3,542,118
Sourcing		243,642		262,890
Total Revenues		4,803,869		3,805,008
Costs and expenses:				
Purchased transportation and related services		3,881,285		3,000,113
Purchased products sourced for resale		220,204		236,942
Direct internally developed software amortization		4,647		3,745
Total direct costs		4,106,136		3,240,800
Gross profit & Gross profit margin		697,733	14.5 %	564,208
Plus: Direct internally developed software amortization		4,647		3,745
Adjusted gross profit / Adjusted gross profit margin	\$	702,380	14.6 %	\$ 567,953



→ 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:

Three Months Ended March 31		
	2021	2020
Total Revenues	\$ 4,803,869	\$ 3,805,008
Operating income	223,329	109,440
Operating margin	4.6 %	2.9 %
Adjusted gross profit	\$ 702,380	\$ 567,953
Operating income	223,329	109,440
Adjusted operating margin	31.8 %	19.3 %





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Thank you

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