
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended June 30, 2021
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period From to

Commission File Number: 000-23189



C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-1883630
(I.R.S. Employer
Identification No.)

**14701 Charlson Road
Eden Prairie, MN 55347**
(Address of principal executive officers, including zip code)

952-937-8500
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.10 par value	CHRW	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging Growth Company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 28, 2021, the number of shares outstanding of the registrant's Common Stock, par value \$0.10 per share, was 131,711,746.

C.H. ROBINSON WORLDWIDE, INC.
TABLE OF CONTENTS

PART I. Financial Information

Item 1.	Financial Statements (Unaudited)	3
	Condensed Consolidated Balance Sheets as of June 30, 2021, and December 31, 2020	3
	Condensed Consolidated Statements of Operations and Comprehensive Income for the Three and Six Months Ended June 30, 2021 and 2020	4
	Condensed Consolidated Statements of Stockholders' Investment for the Three and Six Months Ended June 30, 2021 and 2020	5
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2021 and 2020	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	31
Item 4.	Controls and Procedures	32

PART II. Other Information

Item 1.	Legal Proceedings	33
Item 1A.	Risk Factors	33
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 3.	Defaults on Senior Securities	33
Item 4.	Mine Safety Disclosures	33
Item 5.	Other Information	33
Item 6.	Exhibits	34
	Signatures	35

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Balance Sheets
(unaudited, in thousands, except per share data)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 172,803	\$ 243,796
Receivables, net of allowance for credit loss of \$35,430 and \$38,113	3,166,769	2,449,577
Contract assets, net of allowance for credit loss	292,760	197,176
Prepaid expenses and other	90,230	51,152
Total current assets	3,722,562	2,941,701
Property and equipment, net of accumulated depreciation and amortization	174,194	178,949
Goodwill	1,493,711	1,487,187
Other intangible assets, net of accumulated amortization	103,640	113,910
Right-of-use lease assets	299,313	319,785
Deferred tax assets	26,057	18,640
Other assets	87,087	84,086
Total assets	\$ 5,906,564	\$ 5,144,258
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	\$ 1,622,947	\$ 1,195,099
Outstanding checks	66,421	88,265
Accrued expenses:		
Compensation	150,393	138,460
Transportation expense	226,741	153,574
Income taxes	29,711	43,700
Other accrued liabilities	153,092	154,460
Current lease liabilities	65,859	66,174
Current portion of debt	271,215	—
Total current liabilities	2,586,379	1,839,732
Long-term debt	1,095,798	1,093,301
Noncurrent lease liabilities	249,068	268,572
Noncurrent income taxes payable	25,968	26,015
Deferred tax liabilities	28,642	22,182
Other long-term liabilities	14,539	14,523
Total liabilities	4,000,394	3,264,325
Stockholders' investment:		
Preferred stock, \$0.10 par value, 20,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.10 par value, 480,000 shares authorized; 179,207 and 179,232 shares issued, 132,135 and 134,298 outstanding	13,213	13,430
Additional paid-in capital	597,788	566,022
Retained earnings	4,601,227	4,372,833
Accumulated other comprehensive loss	(53,446)	(45,998)
Treasury stock at cost (47,072 and 44,934 shares)	(3,252,612)	(3,026,354)
Total stockholders' investment	1,906,170	1,879,933
Total liabilities and stockholders' investment	\$ 5,906,564	\$ 5,144,258

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited, in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Transportation	\$ 5,240,448	\$ 3,348,611	\$ 9,800,675	\$ 6,890,729
Sourcing	292,278	279,235	535,920	542,125
Total revenues	5,532,726	3,627,846	10,336,595	7,432,854
Costs and expenses:				
Purchased transportation and related services	4,519,305	2,762,590	8,400,590	5,762,703
Purchased products sourced for resale	264,245	250,803	484,449	487,745
Personnel expenses	362,901	300,483	723,736	630,703
Other selling, general, and administrative expenses	125,671	125,183	243,887	253,476
Total costs and expenses	5,272,122	3,439,059	9,852,662	7,134,627
Income from operations	260,604	188,787	483,933	298,227
Interest and other expense	(13,497)	(10,211)	(24,757)	(25,439)
Income before provision for income taxes	247,107	178,576	459,176	272,788
Provision for income taxes	53,318	34,637	92,082	50,703
Net income	193,789	143,939	367,094	222,085
Other comprehensive (loss) income, net of tax	(162)	24,253	(7,448)	(7,942)
Comprehensive income	\$ 193,627	\$ 168,192	\$ 359,646	\$ 214,143
Basic net income per share	\$ 1.45	\$ 1.07	\$ 2.74	\$ 1.64
Diluted net income per share	\$ 1.44	\$ 1.06	\$ 2.71	\$ 1.64
Basic weighted average shares outstanding	133,275	135,010	133,888	135,241
Dilutive effect of outstanding stock awards	1,581	600	1,388	535
Diluted weighted average shares outstanding	134,856	135,610	135,276	135,776

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Statements of Stockholders' Investment
(unaudited, in thousands, except per share data)

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Investment
Balance December 31, 2020	134,298	\$ 13,430	\$ 566,022	\$ 4,372,833	\$ (45,998)	\$ (3,026,354)	\$ 1,879,933
Net income				173,305			173,305
Foreign currency adjustments					(7,286)		(7,286)
Dividends declared, \$0.51 per share				(69,606)			(69,606)
Stock issued for employee benefit plans	357	36	(21,805)			18,766	(3,003)
Issuance of restricted stock, net of forfeitures	(26)	(3)	3				—
Stock-based compensation expense	—	—	23,989				23,989
Repurchase of common stock	(1,386)	(139)				(129,006)	(129,145)
Balance March 31, 2021	133,243	13,324	568,209	4,476,532	(53,284)	(3,136,594)	1,868,187
Net income				193,789			193,789
Foreign currency adjustments					(162)		(162)
Dividends declared, \$0.51 per share				(69,094)			(69,094)
Stock issued for employee benefit plans	250	25	418			16,151	16,594
Stock-based compensation expense	—	—	29,161				29,161
Repurchase of common stock	(1,358)	(136)				(132,169)	(132,305)
Balance June 30, 2021	132,135	\$ 13,213	\$ 597,788	\$ 4,601,227	\$ (53,446)	\$ (3,252,612)	\$ 1,906,170

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Investment
Balance December 31, 2019	134,895	\$ 13,490	\$ 546,646	\$ 4,144,834	\$ (76,149)	\$ (2,958,091)	\$ 1,670,730
Net income				78,146			78,146
Foreign currency adjustments					(32,195)		(32,195)
Dividends declared, \$0.51 per share				(69,871)			(69,871)
Stock issued for employee benefit plans	343	34	(24,192)			21,632	(2,526)
Issuance of restricted stock, net of forfeitures	321	32	(32)				—
Stock-based compensation expense	—	—	11,397				11,397
Repurchase of common stock	(973)	(97)				(68,466)	(68,563)
Balance March 31, 2020	134,586	13,459	533,819	4,153,109	(108,344)	(3,004,925)	1,587,118
Net income				143,939			143,939
Foreign currency adjustments					24,253		24,253
Dividends declared, \$0.51 per share				(69,791)			(69,791)
Stock issued for employee benefit plans	138	13	(1,165)			9,007	7,855
Stock-based compensation expense	—	—	10,954				10,954
Balance June 30, 2020	134,724	\$ 13,472	\$ 543,608	\$ 4,227,257	\$ (84,091)	\$ (2,995,918)	\$ 1,704,328

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Six Months Ended June 30,	
	2021	2020
OPERATING ACTIVITIES		
Net income	\$ 367,094	\$ 222,085
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	46,215	50,151
Provision for credit losses	(36)	9,374
Stock-based compensation	53,150	22,351
Deferred income taxes	(2,474)	(729)
Excess tax benefit on stock-based compensation	(9,367)	(11,999)
Other operating activities	933	12,341
Changes in operating elements, net of acquisitions:		
Receivables	(717,340)	(48,937)
Contract assets	(96,154)	(22,451)
Prepaid expenses and other	(38,971)	8,744
Accounts payable and outstanding checks	406,875	220,276
Accrued compensation	12,115	12,312
Accrued transportation expense	73,167	20,284
Accrued income taxes	(4,431)	14,423
Other accrued liabilities	210	(6,345)
Other assets and liabilities	1,612	3,763
Net cash provided by operating activities	92,598	505,643
INVESTING ACTIVITIES		
Purchases of property and equipment	(12,856)	(11,621)
Purchases and development of software	(16,981)	(13,418)
Acquisitions, net of cash acquired	(14,749)	(223,230)
Other investing activities	—	5,525
Net cash used for investing activities	(44,586)	(242,744)
FINANCING ACTIVITIES		
Proceeds from stock issued for employee benefit plans	36,674	20,295
Stock tendered for payment of withholding taxes	(23,083)	(14,966)
Repurchase of common stock	(262,904)	(68,563)
Cash dividends	(139,756)	(137,104)
Proceeds from short-term borrowings	1,661,000	979,600
Payments on short-term borrowings	(1,390,038)	(1,122,600)
Net cash used for financing activities	(118,107)	(343,338)
Effect of exchange rates on cash and cash equivalents	(898)	(5,183)
Net change in cash and cash equivalents	(70,993)	(85,622)
Cash and cash equivalents, beginning of period	243,796	447,858
Cash and cash equivalents, end of period	\$ 172,803	\$ 362,236

See accompanying notes to the condensed consolidated financial statements.

C.H. ROBINSON WORLDWIDE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

C.H. Robinson Worldwide, Inc., and our subsidiaries (“the company,” “we,” “us,” or “our”) are a global provider of transportation services and logistics solutions operating through a network of offices located in North America, Europe, Asia, Oceania, and South America. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc., and our majority owned and controlled subsidiaries. Our minority interests in subsidiaries are not significant. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

Our reportable segments are NAST and Global Forwarding with all other segments included in All Other and Corporate. The All Other and Corporate reportable segment includes Robinson Fresh, Managed Services, Other Surface Transportation outside of North America, and other miscellaneous revenues and unallocated corporate expenses. For financial information concerning our reportable segments, refer to Note 9, *Segment Reporting*.

The condensed consolidated financial statements, which are unaudited, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

Consistent with SEC rules and regulations, we have condensed or omitted certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States. You should read the condensed consolidated financial statements and related notes in conjunction with the consolidated financial statements and notes in our Annual Report on Form 10-K for the year ended December 31, 2020.

RECENTLY ISSUED ACCOUNTING STANDARDS

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional practical expedients to simplify accounting for reference rate reform. Amongst other practical expedients, the update allows for contract modifications due to reference rate reform for certain receivables and debt contracts to be accounted for by prospectively adjusting the effective interest rate. The amendments in this ASU are effective for all entities beginning on March 12, 2020, and companies may elect to apply the amendments prospectively through December 31, 2022. As of June 30, 2021, we have not utilized any of the expedients discussed within this ASU. We will continue to assess our agreements to determine if LIBOR is included and if the expedients will be utilized during the allowed period through December 31, 2022.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2020, includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements.

NOTE 2. GOODWILL AND OTHER INTANGIBLE ASSETS

The change in carrying amount of goodwill is as follows (in thousands):

	NAST	Global Forwarding	All Other and Corporate	Total
Balance, December 31, 2020	\$ 1,203,972	\$ 213,982	\$ 69,233	\$ 1,487,187
Acquisitions	243	—	10,754	10,997
Foreign currency translation	(2,948)	(760)	(765)	(4,473)
Balance June 30, 2021	<u>\$ 1,201,267</u>	<u>\$ 213,222</u>	<u>\$ 79,222</u>	<u>\$ 1,493,711</u>

Goodwill is tested at least annually for impairment on November 30, or more frequently if events or changes in circumstances indicate that the asset might be impaired. We first perform a qualitative assessment to determine whether it is more likely than not that the fair value of our reporting units is less than their respective carrying value (“Step Zero Analysis”). If the Step Zero Analysis indicates it is more likely than not that the fair value of our reporting units is less than their respective carrying value, an additional impairment assessment is performed (“Step One Analysis”). We considered whether there were any changes in circumstances indicating that our goodwill might be impaired, including consideration of the impacts of the novel coronavirus

(“COVID-19”) on financial markets and our business operations, and determined the more likely than not criteria had not been met, and therefore a Step One Analysis was not required as of June 30, 2021.

Identifiable intangible assets consisted of the following (in thousands):

	June 30, 2021			December 31, 2020		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Finite-lived intangibles						
Customer relationships	\$ 173,571	\$ (78,531)	\$ 95,040	\$ 171,684	\$ (67,312)	\$ 104,372
Trademarks	—	—	—	1,875	(937)	938
Total finite-lived intangibles	173,571	(78,531)	95,040	173,559	(68,249)	105,310
Indefinite-lived intangibles						
Trademarks	8,600	—	8,600	8,600	—	8,600
Total intangibles	<u>\$ 182,171</u>	<u>\$ (78,531)</u>	<u>\$ 103,640</u>	<u>\$ 182,159</u>	<u>\$ (68,249)</u>	<u>\$ 113,910</u>

Amortization expense for other intangible assets is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Amortization expense	\$ 6,200	\$ 9,655	\$ 13,286	\$ 18,031

Finite-lived intangible assets, by reportable segment, as of June 30, 2021, will be amortized over their remaining lives as follows (in thousands):

	NAST	Global Forwarding	All Other and Corporate	Total
Remaining 2021	\$ 4,048	\$ 7,752	\$ 597	\$ 12,397
2022	8,096	15,505	1,195	24,796
2023	8,096	12,744	1,195	22,035
2024	7,996	3,867	1,195	13,058
2025	7,857	2,530	1,195	11,582
Thereafter	9,167	411	1,594	11,172
Total				<u>\$ 95,040</u>

NOTE 3. FAIR VALUE MEASUREMENT

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs reflecting the reporting entity’s own assumptions or external inputs from inactive markets.

A financial asset or liability’s classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

We had no Level 3 assets or liabilities as of and during the periods ended June 30, 2021 and December 31, 2020. There were no transfers between levels during the period.

NOTE 4. FINANCING ARRANGEMENTS

The components of our short-term and long-term debt and the associated interest rates were as follows (dollars in thousands):

	Average interest rate as of		Maturity	Carrying value as of	
	June 30, 2021	December 31, 2020		June 30, 2021	December 31, 2020
Revolving credit facility	1.22 %	— %	October 2023	\$ 271,000	\$ —
Senior Notes, Series A	3.97 %	3.97 %	August 2023	175,000	175,000
Senior Notes, Series B	4.26 %	4.26 %	August 2028	150,000	150,000
Senior Notes, Series C	4.60 %	4.60 %	August 2033	175,000	175,000
Combinex credit facility	2.14 %	— %	January 2027	2,280	—
Senior Notes ⁽¹⁾	4.20 %	4.20 %	April 2028	593,733	593,301
Total debt				1,367,013	1,093,301
Less: Current maturities and short-term borrowing				(271,215)	—
Long-term debt				\$ 1,095,798	\$ 1,093,301

⁽¹⁾ Net of unamortized discounts and issuance costs.

SENIOR UNSECURED REVOLVING CREDIT FACILITY

We have a senior unsecured revolving credit facility (the "Credit Agreement") with a total availability of \$1 billion and a maturity date of October 24, 2023. Borrowings under the Credit Agreement generally bear interest at a variable rate determined by a pricing schedule or the base rate (which is the highest of (a) the administrative agent's prime rate, (b) the federal funds rate plus 0.50 percent, or (c) the sum of applicable LIBOR plus 1.13 percent). In addition, there is a commitment fee on the average daily undrawn stated amount under each letter of credit issued under the facility ranging from 0.075 percent to 0.200 percent. The recorded amount of borrowings outstanding, if any, approximates fair value because of the short maturity period of the debt.

The Credit Agreement contains various restrictions and covenants that require us to maintain certain financial ratios, including a maximum leverage ratio of 3.50 to 1.00. The Credit Agreement also contains customary events of default. If an event of default under the Credit Agreement occurs and is continuing, then the administrative agent may declare any outstanding obligations under the Credit Agreement to be immediately due and payable. In addition, if we become the subject of voluntary or involuntary proceedings under any bankruptcy, insolvency, or similar law, then any outstanding obligations under the Credit Agreement will automatically become immediately due and payable.

NOTE PURCHASE AGREEMENT

On August 23, 2013, we entered into a Note Purchase Agreement with certain institutional investors (the "Purchasers"). On August 27, 2013, the Purchasers purchased an aggregate principal amount of \$500 million of our Senior Notes, Series A, Senior Notes Series B, and Senior Notes Series C (collectively the "Notes"). Interest on the Notes is payable semi-annually in arrears. The fair value of the Notes approximated \$549.3 million at June 30, 2021.

The Note Purchase Agreement contains various restrictions and covenants that require us to maintain certain financial ratios, including a maximum leverage ratio of 3.00 to 1.00, a minimum interest coverage ratio of 2.00 to 1.00, and a maximum consolidated priority debt to consolidated total asset ratio of 15 percent.

The Note Purchase Agreement provides for customary events of default. The occurrence of an event of default would permit certain Purchasers to declare certain Notes then outstanding to be immediately due and payable. Under the terms of the Note Purchase Agreement, the Notes are redeemable, in whole or in part, at 100 percent of the principal amount being redeemed together with a "make-whole amount" (as defined in the Note Purchase Agreement), and accrued and unpaid interest with respect to each Note. The obligations of the company under the Note Purchase Agreement and the Notes are guaranteed by C.H. Robinson Company, a Delaware corporation and a wholly-owned subsidiary of the company, and by C.H. Robinson Company, Inc., a Minnesota corporation and an indirect wholly-owned subsidiary of the company.

COMBINEX CREDIT FACILITY

On June 3, 2021, we assumed a credit facility as part of our acquisition of Combinex Holding B.V. (“Combinex”) with total availability of approximately \$3.6 million and a maturity date of January 18, 2027. Borrowings under the Combinex credit facility bear interest at 2.14 percent. For more information regarding the Combinex acquisition, refer to Note 8, *Acquisitions*.

SENIOR NOTES

On April 9, 2018, we issued senior unsecured notes (“Senior Notes”) through a public offering. The Senior Notes bear an annual interest rate of 4.20 percent payable semi-annually on April 15 and October 15, until maturity on April 15, 2028. Taking into effect the amortization of the original issue discount and all underwriting and issuance expenses, the Senior Notes have an effective yield to maturity of approximately 4.39 percent per annum. The fair value of the Senior Notes, excluding debt discounts and issuance costs, approximated \$686.0 million as of June 30, 2021, based primarily on the market prices quoted from external sources. The carrying value of the Senior Notes was \$593.7 million as of June 30, 2021.

We may redeem the Senior Notes, in whole or in part, at any time and from time to time prior to their maturity at the applicable redemption prices described in the Senior Notes. Upon the occurrence of a “change of control triggering event” as defined in the Senior Notes (generally, a change of control of us accompanied by a reduction in the credit rating for the Senior Notes), we will generally be required to make an offer to repurchase the Senior Notes from holders at 101 percent of their principal amount plus accrued and unpaid interest to the date of repurchase.

The Senior Notes were issued under an indenture that contains covenants imposing certain limitations on our ability to incur liens or enter into sale and leaseback transactions above certain limits; and consolidate, or merge or transfer substantially all of our assets and those of our subsidiaries on a consolidated basis. It also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include among other things nonpayment, breach of covenants in the indenture, and certain events of bankruptcy and insolvency. If an event of default occurs and is continuing with respect to the Senior Notes, the trustee or holders of at least 25 percent in principal amount outstanding of the Senior Notes may declare the principal and the accrued and unpaid interest, if any, on all of the outstanding Senior Notes to be due and payable. These covenants and events of default are subject to a number of important qualifications, limitations, and exceptions that are described in the indenture. The indenture does not contain any financial ratios or specified levels of net worth or liquidity to which we must adhere.

In addition to the above financing agreements, we have a \$15 million discretionary line of credit with US Bank of which \$8 million is currently utilized for standby letters of credit related to insurance collateral as of June 30, 2021. These standby letters of credit are renewed annually and were undrawn as of June 30, 2021.

We estimate the fair value of our financing arrangements primarily using an expected present value technique, which is based on observable market inputs using interest rates currently available to companies of similar credit standing for similar terms and remaining maturities, and considering our risk. These are considered Level 2 financial liabilities.

U.S. TRADE ACCOUNTS RECEIVABLE SECURITIZATION

We had a receivables securitization facility (the “Receivables Securitization Facility”) that expired on December 17, 2020 and was not renewed. The Receivables Securitization Facility was based on the securitization of certain of our U.S. trade accounts receivable and provided funding of up to \$250 million. The trade accounts receivable under the facility were owned by C.H. Robinson Receivables LLC and were not available to the creditors of C.H. Robinson Worldwide, Inc., and our subsidiaries. The interest rate on borrowings under the Receivables Securitization Facility was based on one-month LIBOR plus 0.65 percent. There was also a commitment fee we were required to pay on any unused portion of the facility.

NOTE 5. INCOME TAXES

Our effective tax rate for the three months ended June 30, 2021 and 2020 was 21.6 percent and 19.4 percent, respectively, and our effective tax rate for the six months ended June 30, 2021 and 2020 was 20.1 percent and 18.6 percent, respectively. The effective income tax rate for the three months ended June 30, 2021 was higher than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit which increased our effective tax rate by 2.0 percentage points. This impact on the tax rate was partially offset by foreign tax impacts. The effective income tax rate for the six months ended June 30, 2021 was lower than the statutory federal income tax rate primarily due to share-based payment awards, which reduced the effective tax rate by 1.5 percentage points, the combined tax impact of Global Intangible Low-tax Income ("GILTI") and Foreign Derived Intangible Income ("FDII"), which reduced the effective tax rate by 0.6 percentage points, and foreign tax impacts, which reduced the effective tax rate by 0.5 percentage points. These impacts were partially offset by state income tax expense, net of federal benefit, which increased the effective tax rate. For the three and six months ended June 30, 2020, our effective tax rate was lower than the statutory federal income tax rate primarily due to the tax impact of share-based payment awards, including the tax benefit from the delivery of a one-time deferred stock award that was granted to the company's prior Chief Executive Officer in 2000, which reduced the effective tax rate by 4.5 percentage points and 4.2 percentage points, respectively. This impact was partially offset by state income tax expense, net of federal benefit, which increased the effective tax rate.

We have asserted that the unremitted earnings of a limited number of our foreign subsidiaries are permanently reinvested to support expansion of our international business. If we repatriated all foreign earnings that are considered to be permanently reinvested, the estimated effect on income taxes payable would be an increase of approximately \$2.0 million as of June 30, 2021.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") in response to the COVID-19 pandemic. The CARES Act allowed for a deferral of the employer share of federal payroll taxes otherwise due through December 31, 2020. 50 percent of the deferred amount is due December 31, 2021 and the remaining 50 percent is due December 31, 2022. This provision allowed us to defer certain federal payroll deposits and invest this cash back into the business without any interest cost. The CARES Act also provided for a tax credit related to wages and health benefits provided to an employee whose work from March 17, 2020 through June 30, 2021 was impacted by COVID-19. The Consolidated Appropriations Act signed into law on December 27, 2020, extended the tax credit through June 30, 2021, and increased the maximum credit per employee from \$5,000 per year in 2020 to \$7,000 per quarter in 2021. Through June 30, 2021, we have recognized a payroll deferral and tax credit of \$28.5 million and \$0.7 million, respectively, under the CARES Act and The Consolidated Appropriations Act. We will continue evaluating the impact of both acts over the remainder of 2021.

As of June 30, 2021, we have \$43.0 million of unrecognized tax benefits and related interest and penalties. It is possible the amount of unrecognized tax benefit could change in the next 12 months as a result of a lapse of the statute of limitations and settlements with taxing authorities. The total liability for unrecognized tax benefits is expected to decrease by approximately \$6.2 million in the next 12 months due to the lapsing of statutes of limitations. With few exceptions, we are no longer subject to audits of U.S. federal, state and local, or non-U.S. income tax returns before 2014. We are currently under an Internal Revenue Service audit for 2015, 2016 and 2017 tax years.

NOTE 6. STOCK AWARD PLANS

Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense as it vests. A summary of our total compensation expense recognized in our condensed consolidated statements of operations and comprehensive income for stock-based compensation is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Stock options	\$ 4,027	\$ 5,025	\$ 7,994	\$ 10,038
Stock awards	24,401	5,291	43,349	10,694
Company expense on ESPP discount	733	638	1,807	1,619
Total stock-based compensation expense	<u>\$ 29,161</u>	<u>\$ 10,954</u>	<u>\$ 53,150</u>	<u>\$ 22,351</u>

On May 9, 2019, our shareholders approved an amendment and restatement of our 2013 Equity Incentive Plan (the "Plan") to increase the number of shares authorized for award by 4,000,000 shares. The Plan allows us to grant certain stock awards, including stock options at fair market value and performance shares and restricted stock units, to our key employees and outside directors. A maximum of 17,041,803 shares can be granted under this plan following the amendment and restatement. Approximately 1,798,328 shares were available for stock awards under the plan as of June 30, 2021. Shares subject to awards

that expire or are canceled without delivery of shares or that are settled in cash generally become available again for issuance under the plan.

Stock Options - We have awarded stock options to certain key employees through 2020. The fair value of these options was established based on the market price on the date of grant calculated using the Black-Scholes option pricing model. Changes in measured stock price volatility and interest rates were the primary reasons for changes in the fair value. These grants are being expensed based on the terms of the awards. As of June 30, 2021, unrecognized compensation expense related to stock options was \$34.8 million. The amount of future expense to be recognized will be based on the passage of time and the employees' continued employment.

Stock Awards - We have awarded performance-based restricted shares through 2020. We have also awarded performance-based restricted stock units and time-based restricted stock units to certain key employees and non-employee directors. Performance-based awards are subject to certain vesting requirements based on our earnings and adjusted gross profit growth. Time-based awards vest primarily based on the employee's continued employment. The awards also contain restrictions on the awardees' ability to sell or transfer vested awards for a specified period of time. The fair value of these awards is established based on the market price on the date of grant, discounted for post-vesting holding restrictions. The discounts on outstanding grants vary from 12 percent to 24 percent and are calculated using the Black-Scholes option pricing model-protective put method. Differences in post-holding restrictions, measured stock price volatility and interest rates are the primary reasons for changes in the discount. These grants are being expensed based on the terms of the awards.

We granted 280,255 performance-based restricted stock units and 619,689 time-based restricted stock units on February 3, 2021. The performance-based and time-based awards had a weighted average grant date fair value of \$74.76 and \$71.28, respectively, and are eligible to vest over a three-year period with a first vesting date of December 31, 2021. The performance-based awards vest based on our earnings and adjusted gross profit growth and include an upside opportunity of 200 percent upon attaining established earnings and adjusted gross profit growth targets.

We have also issued restricted stock units to certain key employees and non-employee directors, which are fully vested upon issuance. These units contain restrictions on the awardees' ability to sell or transfer vested units for a specified period of time. The fair value of these units is established using the same method discussed above. These grants have been expensed during the year they were earned.

As of June 30, 2021, there was unrecognized compensation expense of \$131.9 million related to previously granted full value awards. The amount of future expense to be recognized will be based on the passage of time, the company's earnings and adjusted gross profit growth, and certain other conditions.

Employee Stock Purchase Plan - Our 1997 Employee Stock Purchase Plan ("ESPP") allows our employees to contribute up to \$10,000 of their annual cash compensation to purchase company stock. Purchase price is determined using the closing price on the last day of each quarter discounted by 15 percent. Shares vest immediately. The following is a summary of the employee stock purchase plan activity (dollars in thousands):

Three Months Ended June 30, 2021					
Shares purchased by employees		Aggregate cost to employees		Expense recognized by the company	
52,157	\$	4,153	\$	733	

NOTE 7. LITIGATION

We are not subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations, including certain contingent auto liability cases. For some legal proceedings, we have accrued an amount that reflects the aggregate liability deemed probable and estimable, but this amount is not material to our condensed consolidated financial position, results of operations, or cash flows. Because of the preliminary nature of many of these proceedings, the difficulty in ascertaining the applicable facts relating to many of these proceedings, the inconsistent treatment of claims made in many of these proceedings, and the difficulty of predicting the settlement value of many of these proceedings, we are often unable to estimate an amount or range of any reasonably possible losses. However, based upon our historical experience, the resolution of these proceedings is not expected to have a material effect on our consolidated financial position, results of operations, or cash flows.

NOTE 8. ACQUISITIONS

Combinex Holding B.V.

On June 3, 2021 we acquired all of the outstanding shares of Combinex to strengthen our European road transportation presence. Total purchase consideration, net of cash acquired was \$14.7 million, which was paid in cash.

Identifiable intangible assets and estimated useful lives are as follows (dollars in thousands):

	Estimated Life (years)		
Customer relationships	7	\$	3,942

There was \$10.8 million of goodwill recorded related to the acquisition of Combinex. The Combinex goodwill is a result of acquiring and retaining the Combinex workforce and expected synergies from integrating its business into ours. Purchase accounting is considered preliminary. The goodwill will not be deductible for tax purposes. The results of operations of Combinex have been included as part of the All Other and Corporate segment in our consolidated financial statements since June 3, 2021.

Prime Distribution Services

On March 2, 2020, we acquired all of the outstanding shares of Prime Distribution Services (“Prime Distribution”), a leading provider of retail consolidation services in North America, for \$222.7 million in cash. This acquisition adds scale and value-added warehouse capabilities to our retail consolidation platform, adding to our global suite of services.

The following is a summary of the allocation of purchase consideration to the estimated fair value of net assets for the acquisition of Prime Distribution.

Current assets	\$	8,879
Property and equipment		7,356
Right-of-use lease assets		35,017
Other intangible assets		55,000
Goodwill		176,727
Total assets		282,979
Current liabilities		12,243
Lease liabilities		35,017
Deferred tax liabilities		13,001
Net assets acquired	\$	222,718

Identifiable intangible assets and estimated useful lives are as follows (dollars in thousands):

	Estimated Life (years)		
Customer relationships	7	\$	55,000

There was \$176.7 million of goodwill recorded related to the acquisition of Prime Distribution. The Prime Distribution goodwill is a result of acquiring and retaining the Prime Distribution workforce and expected synergies from integrating its business into ours. Purchase accounting is considered complete. The goodwill will not be deductible for tax purposes. The acquisition was effective as of February 29, 2020, and therefore the results of operations of Prime Distribution have been included as part of the North American Surface Transportation segment in our consolidated financial statements since March 1, 2020.

NOTE 9. SEGMENT REPORTING

Our reportable segments are based on our method of internal reporting, which generally segregates the segments by service line and the primary services they provide to our customers. We identify two reportable segments in addition to All Other and Corporate as summarized below:

- **North American Surface Transportation**—NAST provides freight transportation services across North America through a network of offices in the United States, Canada, and Mexico. The primary services provided by NAST include truckload and less than truckload (“LTL”) transportation services.
- **Global Forwarding**—Global Forwarding provides global logistics services through an international network of offices in North America, Asia, Europe, Oceania, and South America and also contracts with independent agents worldwide. The primary services provided by Global Forwarding include ocean freight services, air freight services, and customs brokerage.
- **All Other and Corporate**—All Other and Corporate includes our Robinson Fresh and Managed Services segments, as well as Other Surface Transportation outside of North America and other miscellaneous revenues and unallocated corporate expenses. Robinson Fresh provides sourcing services including the buying, selling, and marketing of fresh fruits, vegetables, and other perishable items. Managed Services provides Transportation Management Services, or Managed TMS[®]. Other Surface Transportation revenues are primarily earned by Europe Surface Transportation. Europe Surface Transportation provides transportation and logistics services including truckload and groupage services across Europe.

The internal reporting of segments is defined, based in part, on the reporting and review process used by our chief operating decision maker (“CODM”), our Chief Executive Officer. The accounting policies of our reportable segments are the same as those described in the summary of significant accounting policies. We do not report our intersegment revenues by reportable segment to our CODM and do not believe they are a meaningful metric for evaluating the performance of our reportable segments.

Reportable segment information as of, and for the three and six months ended June 30, 2021 and 2020, is as follows (dollars in thousands):

	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended June 30, 2021				
Total revenues	\$ 3,585,481	\$ 1,450,794	\$ 496,451	\$ 5,532,726
Income from operations	151,092	108,212	1,300	260,604
Depreciation and amortization	6,534	6,276	10,127	22,937
Total assets ⁽¹⁾	3,278,540	1,852,473	775,551	5,906,564
Average headcount	6,580	4,909	3,916	15,405
	NAST	Global Forwarding	All Other and Corporate	Consolidated
Three Months Ended June 30, 2020				
Total revenues	\$ 2,475,292	\$ 707,820	\$ 444,734	\$ 3,627,846
Income (loss) from operations	136,846	58,775	(6,834)	188,787
Depreciation and amortization	7,201	9,206	9,351	25,758
Total assets ⁽¹⁾	2,793,290	1,029,203	1,003,196	4,825,689
Average headcount	6,960	4,726	3,608	15,294
	NAST	Global Forwarding	All Other and Corporate	Consolidated
Six Months Ended June 30, 2021				
Total revenues	\$ 6,796,904	\$ 2,606,833	\$ 932,858	\$ 10,336,595
Income (loss) from operations	287,876	198,801	(2,744)	483,933
Depreciation and amortization	13,159	11,925	21,131	46,215
Total assets ⁽¹⁾	3,278,540	1,852,473	775,551	5,906,564
Average headcount	6,578	4,832	3,823	15,233
	NAST	Global Forwarding	All Other and Corporate	Consolidated
Six Months Ended June 30, 2020				
Total revenues	\$ 5,299,037	\$ 1,238,204	\$ 895,613	\$ 7,432,854
Income (loss) from operations	235,372	70,734	(7,879)	298,227
Depreciation and amortization	12,455	18,355	19,341	50,151
Total assets ⁽¹⁾	2,793,290	1,029,203	1,003,196	4,825,689
Average headcount	6,981	4,763	3,594	15,338

⁽¹⁾ All cash and cash equivalents are included in All Other and Corporate.

NOTE 10. REVENUE FROM CONTRACTS WITH CUSTOMERS

A summary of our total revenues disaggregated by major service line and timing of revenue recognition is presented below for each of our reportable segments for the three and six months ended June 30, 2021 and 2020 (in thousands):

Three Months Ended June 30, 2021				
	NAST	Global Forwarding	All Other and Corporate	Total
Major Service Lines				
Transportation and logistics services ⁽¹⁾	\$ 3,585,481	\$ 1,450,794	\$ 204,173	\$ 5,240,448
Sourcing ⁽²⁾	—	—	292,278	292,278
Total	<u>\$ 3,585,481</u>	<u>\$ 1,450,794</u>	<u>\$ 496,451</u>	<u>\$ 5,532,726</u>
Three Months Ended June 30, 2020				
	NAST	Global Forwarding	All Other and Corporate	Total
Major Service Lines				
Transportation and logistics services ⁽¹⁾	\$ 2,475,292	\$ 707,820	\$ 165,499	\$ 3,348,611
Sourcing ⁽²⁾	—	—	279,235	279,235
Total	<u>\$ 2,475,292</u>	<u>\$ 707,820</u>	<u>\$ 444,734</u>	<u>\$ 3,627,846</u>
Six Months Ended June 30, 2021				
	NAST	Global Forwarding	All Other and Corporate	Total
Major Service Lines				
Transportation and logistics services ⁽¹⁾	\$ 6,796,904	\$ 2,606,833	\$ 396,938	\$ 9,800,675
Sourcing ⁽²⁾	—	—	535,920	535,920
Total	<u>\$ 6,796,904</u>	<u>\$ 2,606,833</u>	<u>\$ 932,858</u>	<u>\$ 10,336,595</u>
Six Months Ended June 30, 2020				
	NAST	Global Forwarding	All Other and Corporate	Total
Major Service Lines				
Transportation and logistics services ⁽¹⁾	\$ 5,299,037	\$ 1,238,204	\$ 353,488	\$ 6,890,729
Sourcing ⁽²⁾	—	—	542,125	542,125
Total	<u>\$ 5,299,037</u>	<u>\$ 1,238,204</u>	<u>\$ 895,613</u>	<u>\$ 7,432,854</u>

⁽¹⁾ Transportation and logistics services performance obligations are completed over time.

⁽²⁾ Sourcing performance obligations are completed at a point in time.

We typically do not receive consideration and amounts are not due from our customer prior to the completion of our performance obligation and as such contract liabilities, as of June 30, 2021, and revenue recognized in the three and six months ended June 30, 2021 and 2020 resulting from contract liabilities, were not significant. Contract assets and accrued expenses-transportation expense fluctuate from period to period primarily based upon shipments in-transit at period end.

NOTE 11. LEASES

We determine if our contractual agreements contain a lease at inception. A lease is identified when a contract allows us the right to control an identified asset for a period of time in exchange for consideration. Our lease agreements consist primarily of operating leases for office space, warehouses, office equipment, and a small number of intermodal containers. We do not have material financing leases. Frequently, we enter into contractual relationships with a wide variety of transportation companies for freight capacity, and utilize those relationships to efficiently and cost-effectively arrange the transport of our customers' freight. These contracts typically have a term of 12 months or less and do not allow us to direct the use or obtain substantially all of the economic benefits of a specifically identified asset. Accordingly, these agreements are not considered leases. In addition, we have made a policy election to not apply the guidance of ASC 842 to leases with a term of 12 months or less as allowed by the standard. These leases are recognized as expense on a straight-line basis over the lease term.

Our operating leases are included on the consolidated balance sheets as right-of-use lease assets and lease liabilities. A right-of-use lease asset represents our right to use an underlying asset over the term of a lease while a lease liability represents our obligation to make lease payments arising from the lease. Current and noncurrent lease liabilities are recognized at commencement date at the present value of lease payments, including non-lease components, which consist primarily of common area maintenance charges. Right-of-use lease assets are also recognized at commencement date as the total lease liability plus prepaid rents and less any deferred rent liability that existed under ASC 840, *Leases*, upon transition. As most of our leases do not provide an implicit rate, we use our fully collateralized incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is influenced by our credit rating and lease term and as such may differ for individual leases.

Our lease agreements typically do not contain variable lease payments, residual value guarantees, purchase options, or restrictive covenants. Many of our leases include the option to renew for a period of months to several years. The term of our leases may include the option to renew when it is reasonably certain that we will exercise that option although these occurrences are seldom. We have lease agreements with lease components (e.g., payments for rent) and non-lease components (e.g., payments for common area maintenance and parking), which are all accounted for as a single lease component.

We do not have material lease agreements that have not yet commenced that are expected to create significant rights or obligations as of June 30, 2021.

Information regarding lease expense, remaining lease term, discount rate, and other select lease information is presented below as of June 30, 2021, and for the three and six months ended June 30, 2021 (dollars in thousands):

Lease Costs	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating lease expense	\$ 21,459	\$ 21,508	\$ 43,021	\$ 41,482
Short-term lease expense	1,462	4,027	3,063	6,599
Total lease expense	\$ 22,921	\$ 25,535	\$ 46,084	\$ 48,081

Other Lease Information	Six Months Ended June 30,	
	2021	2020
Operating cash flows from operating leases	\$ 42,495	\$ 38,655
Right-of-use lease assets obtained in exchange for new lease liabilities	18,299	70,993

Lease Term and Discount Rate		As of June 30, 2021
Weighted average remaining lease term (in years) ⁽¹⁾		6.6
Weighted average discount rate		3.1 %

⁽¹⁾ The weighted average remaining lease term is significantly impacted by a 15-year lease related to office space in Chicago, IL, that commenced in 2018. Excluding this lease, the weighted average remaining lease term of our agreements is 4.5 years.

The maturities of lease liabilities as of June 30, 2021, were as follows (in thousands):

Maturity of Lease Liabilities	Operating Leases
Remaining 2021	\$ 35,276
2022	75,020
2023	61,688
2024	41,950
2025	31,565
Thereafter	107,570
Total lease payments	353,069
Less: Interest	(38,142)
Present value of lease liabilities	\$ 314,927

In addition to minimum lease payments, we are typically responsible under our lease agreements to pay our pro rata share of maintenance expenses, common charges, and real estate taxes of the buildings in which we lease space. Under ASC 842, we have elected to account for non-lease components such as common area maintenance and parking as a single lease component.

NOTE 12. ALLOWANCE FOR CREDIT LOSSES

Our allowance for credit losses is computed using a number of factors including our past credit loss experience, the aging of amounts due from our customers, and our customers' credit ratings, in addition to other customer specific factors. We have also assessed the current macroeconomic environment, including the impact of the COVID-19 pandemic, to determine our ending allowance for credit losses for both accounts receivable and contract assets. The allowance for credit losses on contract assets was not significant.

A rollforward of our allowance for credit losses on our accounts receivable balance is presented below for the six months ended June 30, 2021:

Balance, December 31, 2020	\$	38,113
Provision		(607)
Write-offs		(2,076)
Balance, June 30, 2021	\$	<u>35,430</u>

Recoveries of amounts previously written off were not significant for the three and six months ended June 30, 2021.

NOTE 13. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss is included in Stockholders' investment on our condensed consolidated balance sheets. The recorded balance at June 30, 2021 and December 31, 2020, was \$53.4 million and \$46.0 million, respectively. Accumulated other comprehensive loss is comprised solely of foreign currency adjustments at June 30, 2021 and December 31, 2020.

Other comprehensive loss and income was \$0.2 million and \$24.3 million for the three months ended June 30, 2021 and 2020, respectively. Other comprehensive loss was \$7.4 million and \$7.9 million for the six months ended June 30, 2021 and 2020, respectively. Other comprehensive loss and income consisted of foreign currency adjustments, including foreign currency translation, for the three and six months ended June 30, 2021 and 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes.

FORWARD-LOOKING INFORMATION

Our quarterly report on Form 10-Q, including this discussion and analysis of our financial condition and results of operations and our disclosures about market risk, contains certain “forward-looking statements.” These statements represent our expectations, beliefs, intentions, or strategies concerning future events that, by their nature, involve risks and uncertainties. Forward-looking statements include, among others, statements about our future performance, the continuation of historical trends, the sufficiency of our sources of capital for future needs, the effects of acquisitions or dispositions, the expected impact of recently issued accounting pronouncements, and the outcome or effects of litigation. Risks that could cause actual results to differ materially from our current expectations include, but are not limited to, 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; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; 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 associated with litigation, including contingent auto liability and insurance coverage; risks related to the elimination of LIBOR; risks associated with the potential impact of changes in government 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. Therefore, actual results may differ materially from our expectations based on these and other risks and uncertainties, including those described in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission on February 19, 2021 as well as the updates to these risk factors included in Part II—“Item 1A, Risk Factors,” herein.

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.

OVERVIEW

C.H. Robinson Worldwide, Inc. (“C.H. Robinson,” “the company,” “we,” “us,” or “our”) is one of the world's largest logistics platforms. Our mission is to improve the world's supply chains through our people, processes, and technology by delivering exceptional value to our customers and suppliers. We provide freight transportation services and logistics solutions to companies of all sizes in a wide variety of industries. We operate through a network of offices in North America, Europe, Asia, Oceania, and South America. We offer a global suite of services using tailored, market-leading solutions built by and for supply chain experts. Our global network of supply chain experts work with our customers to drive better supply chain outcomes by leveraging our experience, data, digital solutions, and scale.

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. Accordingly, the discussion of our results of operations often focuses on the changes in our adjusted gross profit and adjusted gross profit margin. The reconciliation of gross profit to adjusted gross profit and gross profit margin to adjusted gross profit margin is presented below (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Transportation	\$ 5,240,448	\$ 3,348,611	\$ 9,800,675	\$ 6,890,729
Sourcing	292,278	279,235	535,920	542,125
Total revenues	<u>5,532,726</u>	<u>3,627,846</u>	<u>10,336,595</u>	<u>7,432,854</u>
Costs and expenses:				
Purchased transportation and related services	4,519,305	2,762,590	8,400,590	5,762,703
Purchased products sourced for resale	264,245	250,803	484,449	487,745
Direct internally developed software amortization	4,802	3,991	9,449	7,736
Total direct costs	<u>4,788,352</u>	<u>3,017,384</u>	<u>8,894,488</u>	<u>6,258,184</u>
Gross profit / Gross profit margin	<u>744,374</u> 13.5 %	<u>610,462</u> 16.8 %	<u>1,442,107</u> 14.0 %	<u>1,174,670</u> 15.8 %
Plus: Direct internally developed software amortization	<u>4,802</u>	<u>3,991</u>	<u>9,449</u>	<u>7,736</u>
Adjusted gross profit / Adjusted gross profit margin	<u>\$ 749,176</u> 13.5 %	<u>\$ 614,453</u> 16.9 %	<u>\$ 1,451,556</u> 14.0 %	<u>\$ 1,182,406</u> 15.9 %

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 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Total revenues	\$ 5,532,726	\$ 3,627,846	\$ 10,336,595	\$ 7,432,854
Operating income	260,604	188,787	483,933	298,227
Operating margin	4.7 %	5.2 %	4.7 %	4.0 %
Adjusted gross profit	\$ 749,176	\$ 614,453	\$ 1,451,556	\$ 1,182,406
Operating income	260,604	188,787	483,933	298,227
Adjusted operating margin	34.8 %	30.7 %	33.3 %	25.2 %

MARKET TRENDS

The North American surface transportation market continues to be impacted by tight carrier capacity due to driver availability challenges and strong demand resulting in historically high pricing for purchased transportation. Industry freight volumes, as measured by the Cass Freight Index, increased approximately 30 percent during the second quarter of 2021 compared to the second quarter of 2020. The second quarter of 2020 was significantly impacted by the COVID-19 pandemic and restrictions in place to control the outbreak which drove down industry freight volumes by approximately 21 percent in the prior year. One of the metrics we use to measure market conditions is the truckload routing guide depth from our Managed Services business. Routing guide depth represents the number of carriers contacted prior to acceptance when procuring a transportation provider. The average routing guide depth of tender in the second quarter of 2021 was 1.7, representing that on average, the first or second carrier in a shipper's routing guide was executing the shipment in most cases. This routing guide penetration compares to 1.2 in the second quarter of 2020 and is reflective of the tight carrier capacity in the second quarter of 2021. As capacity continues to tighten and routing guides continue to degrade more loads move to the spot market driving sharp increases in purchased transportation costs.

The global forwarding market continues to experience strong demand which is outpacing supply in addition to unprecedented disruptions due to port congestion and shipping container shortages. These disruptions combined with strong demand across most industries, most notably retail, have resulted in significant increases in purchased transportation costs for both ocean and air freight. Due to the unprecedented challenges in the ocean freight market conversions to air freight have become increasingly common. This resulted in a continued increase in charter flights and larger than normal shipment sizes as traditional air freight capacity remains strained by a reduction of commercial flights since the beginning of the COVID-19 pandemic.

BUSINESS TRENDS

Our second quarter of 2021 surface transportation results are largely consistent with the overall market trends summarized above, although our volume changes did not experience the significant volatility seen in the industry as measured by the Cass Freight Index. Industry freight volumes increased approximately 30 percent compared to a 21 percent decline in the second quarter of 2020. Our combined NAST truckload and less than truckload ("LTL") volume increase of 16.0 percent compared to a 3.0 percent decrease in the second quarter of 2020. We have continued to work with our customers to meet our contractual commitments since the beginning of the COVID-19 pandemic which has resulted in a higher than normal percentage of shipments with negative adjusted gross profit margins and less volatility in our combined NAST truckload and LTL volumes as compared to the Cass Freight Index. We continue to reshape our portfolio by adapting our pricing to reflect the rising cost environment and participating to a greater extent in the spot market. The strong demand and tight carrier capacity conditions resulted in our average truckload linehaul cost per mile, excluding fuel costs, increasing 47.5 percent in the second quarter of 2021. Our average truckload linehaul rate charged to our customers, excluding fuel surcharges, increased approximately 42.0 percent in the second quarter of 2021.

In our global forwarding business, we continued to experience significant increases in purchased transportation costs for both ocean and air freight due to the disruptions and capacity shortages impacting the global forwarding market. This along with increased volumes has resulted in strong growth in both total revenue and cost of transportation for our ocean and air freight services. Ocean volumes increased 29.0 percent with strong growth in all regions we serve driven by higher award sizes from existing customers, new customer growth, and the adverse impact of the COVID-19 pandemic on the second quarter of 2020 results. In addition, we experienced strong growth in our air freight services driven by ocean freight conversions resulting from the significant disruptions experienced in the industry.

On March 2, 2020, we acquired all of the outstanding shares of Prime Distribution Services ("Prime Distribution"), a leading provider of retail consolidation services in North America for \$222.7 million in cash. This acquisition adds scale and value-added warehouse capabilities to our retail consolidation platform, adding to our global suite of services. The acquisition was effective as of February 29, 2020, and therefore the results of operations of Prime Distribution have been included as part of the North American Surface Transportation segment in our consolidated financial statements since March 1, 2020. On June 3, 2021, we acquired Combinex Holding B.V. ("Combinex") to further expand our European road transportation presence. Our consolidated results include the results of Combinex as of June 3, 2021.

SIGNIFICANT DEVELOPMENTS

During the three months ended June 30, 2021, our financial results and operations were impacted by the COVID-19 pandemic described above and discussed throughout Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The extent to which the COVID-19 pandemic impacts our financial results and operations for the remainder of 2021 and going forward will depend on future developments which are highly uncertain and cannot be predicted, including fluctuations in the severity of the outbreak and the actions being taken to contain and treat it.

We have taken a variety of measures to ensure the availability, continuity, and security of our critical infrastructure, ensure the health and safety of our employees around the globe, and provide service and supply chain continuity to our customers and contracted carriers in order to deliver critical and essential goods and services. We have also adopted work-from-home arrangements, and as of June 30, 2021, over 60 percent of our employees were working remotely executing their duties and responsibilities although many of our employees began returning to our physical offices under a more flexible work model in July 2021. We do not believe these policies and initiatives will adversely impact our operations.

Due to the ongoing uncertainty around the severity and duration of the outbreak, including the emergence of COVID-19 variants, we are not able at this time to estimate the impact COVID-19 may have on our financial results and operations for the remainder of 2021 and going forward. However, the impact could be material in all business segments and could be material during any future period affected either directly or indirectly by this pandemic. Many businesses have experienced and may continue to experience reduced production and output which has resulted and could continue to result in a decrease in freight volumes across a number of industries, reducing our contractual and spot-market opportunities. In addition, a significant number of our contracted carriers have reduced and may continue to reduce their capacity or charge higher prices in light of the volatile market conditions which has reduced and may continue to reduce our adjusted gross profit margins as we honor our contractual freight rates.

SELECTED OPERATING PERFORMANCE AND OTHER SIGNIFICANT ITEMS

The following summarizes select second quarter 2021 year-over-year operating comparisons to the second quarter 2020:

- Total revenues increased 52.5 percent to \$5.5 billion, driven primarily by higher pricing and higher volume across most of our services.
- Gross profits increased 21.9 percent to \$744.4 million. Adjusted gross profits increased 21.9 percent to \$749.2 million, primarily driven by higher volume in our ocean, truckload, LTL and air services and higher adjusted gross profit per shipment in our ocean and truckload services.
- Personnel expenses increased 20.8 percent to \$362.9 million, primarily driven by higher incentive compensation costs and also due to the benefit realized in the second quarter of 2020 from our short-term cost reduction initiatives. Average headcount increased 0.7 percent.
- Other selling, general, and administrative (“SG&A”) expenses increased 0.4 percent to \$125.7 million.
- Income from operations totaled \$260.6 million, up 38.0 percent due to the increase in adjusted gross profits.
- Adjusted operating margin of 34.8 percent increased 410 basis points.
- Interest and other expenses totaled \$13.5 million, consisting primarily of \$12.7 million of interest expense, which increased \$0.4 million versus last year due to a higher average debt balance. The second quarter also included a \$1.9 million unfavorable impact from foreign currency revaluation and realized foreign currency gains and losses.
- The effective tax rate in the quarter was 21.6 percent compared to 19.4 percent in the second quarter last year. The rate increase was due primarily to a tax benefit in the second quarter of 2020 from delivery of a one-time deferred stock award that was granted to the company's prior Chief Executive Officer in 2000.
- Diluted earnings per share (EPS) increased 35.8 percent to \$1.44.
- Cash flow from operations decreased \$413.0 million driven by a large increase in working capital during the six months ended June 30, 2021.

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes our results of operations (dollars in thousands, except per share data):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Revenues:						
Transportation	\$ 5,240,448	\$ 3,348,611	56.5 %	\$ 9,800,675	\$ 6,890,729	42.2 %
Sourcing	292,278	279,235	4.7 %	535,920	542,125	(1.1)%
Total revenues	5,532,726	3,627,846	52.5 %	10,336,595	7,432,854	39.1 %
Costs and expenses:						
Purchased transportation and related services	4,519,305	2,762,590	63.6 %	8,400,590	5,762,703	45.8 %
Purchased products sourced for resale	264,245	250,803	5.4 %	484,449	487,745	(0.7)%
Personnel expenses	362,901	300,483	20.8 %	723,736	630,703	14.8 %
Other selling, general, and administrative expenses	125,671	125,183	0.4 %	243,887	253,476	(3.8)%
Total costs and expenses	5,272,122	3,439,059	53.3 %	9,852,662	7,134,627	38.1 %
Income from operations	260,604	188,787	38.0 %	483,933	298,227	62.3 %
Interest and other expense	(13,497)	(10,211)	32.2 %	(24,757)	(25,439)	(2.7)%
Income before provision for income taxes	247,107	178,576	38.4 %	459,176	272,788	68.3 %
Provision for income taxes	53,318	34,637	53.9 %	92,082	50,703	81.6 %
Net income	\$ 193,789	\$ 143,939	34.6 %	\$ 367,094	\$ 222,085	65.3 %
Diluted net income per share	\$ 1.44	\$ 1.06	35.8 %	\$ 2.71	\$ 1.64	65.2 %
Average headcount	15,405	15,294	0.7 %	15,233	15,338	(0.7)%
Adjusted gross profit margin percentage⁽¹⁾						
Transportation	13.8 %	17.5 %	(3.7) pts	14.3 %	16.4 %	(2.1) pts
Sourcing	9.6 %	10.2 %	(0.6) pts	9.6 %	10.0 %	(0.4) pts
Total adjusted gross profit margin	13.5 %	16.9 %	(3.4) pts	14.0 %	15.9 %	(1.9) pts

⁽¹⁾ Adjusted gross profit margin is a non-GAAP financial measure explained above.

A reconciliation of our reportable segments to our consolidated results can be found in Note 9, *Segment Reporting*, in Part I, Financial Information of this Quarterly Report on Form 10-Q.

Consolidated Results of Operations—Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

Total revenues and direct costs. Total transportation revenues and purchased transportation and related services increased driven by higher pricing in truckload and ocean, in addition to increased volumes in all services. The higher pricing was driven by the tightening capacity and increased demand discussed above in the market trends section. Our sourcing total revenue and purchased products sourced for resale increased due to increased case volume in the food service industry as the prior period experienced a significant decrease in demand resulting from the COVID-19 pandemic.

Gross profits and adjusted gross profits. Our transportation adjusted gross profit increased due to improved pricing in truckload and ocean services in addition to volume increases in nearly all services. Our transportation adjusted gross profit margin decreased driven by declines across most services other than truckload. Sourcing adjusted gross profit decreased driven by lower adjusted gross profits per case, partially offset by an increase in case volumes.

Operating expenses. Personnel expenses increased primarily due to incentive compensation increases reflecting the strong results in the current period, an increase in average headcount, and the impact of steps taken to reduce costs in response to the

COVID-19 pandemic in the prior period, including furloughs, reduced work hours, and the temporary suspension of the company match to retirement plans for U.S. and Canadian employees and increased health insurance costs. Stock-based compensation expense recognized on performance-based equity awards granted prior to 2021 totaled \$7.7 million in the current period compared to none in the prior period. SG&A expenses increased slightly due to increased purchased services which was mostly offset by the impact of an \$11.5 million loss on the sale-leaseback on a company owned data center in the prior period.

Interest and other expense. Interest and other expense primarily consisted of interest expense of \$12.7 million in the second quarter of 2021 and a \$1.9 million unfavorable impact of foreign currency revaluation and realized foreign currency gains and losses. Interest expense increased \$0.4 million driven by a higher average debt balance in the second quarter of 2021 compared to the second quarter of 2020. The second quarter of 2020 included a \$1.8 million favorable impact of foreign currency revaluation and realized foreign currency gains and losses.

Provision for income taxes. Our effective income tax rate was 21.6 percent for the second quarter of 2021 compared to 19.4 percent for the second quarter of 2020. The effective income tax rate for the second quarter of 2021 was higher than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit, which increased our effective tax rate in the second quarter by 2.0 percent. This impact on the tax rate was partially offset by foreign tax impacts. The effective income tax rate for the second quarter of 2020 was lower than the statutory federal income tax rate due to the tax impact of share-based payment awards, including the tax benefit from the delivery of a one-time deferred stock award that was granted to the company's prior Chief Executive Officer in 2000, which reduced the effective tax rate by 4.5 percentage points, and foreign tax impacts recorded in the second quarter of 2020.

Consolidated Results of Operations—Six Months Ended June 30, 2021 Compared to the Six Months Ended June 30, 2020

Total revenues and direct costs. Total transportation revenues and purchased transportation and related services increased driven by higher pricing in truckload and ocean services and volume increases in our LTL, ocean and air freight services. The increased pricing in truckload and ocean has been driven by strong demand in addition to tight truckload carrier capacity and unprecedented disruptions in the ocean freight industry. Our sourcing total revenue and purchased products sourced for resale decreased due to lower pricing and costs per case which was partially offset by higher case volume in the foodservice industry as the prior year experienced a significant decrease in demand resulting from the COVID-19 pandemic.

Gross profits and adjusted gross profits. Our transportation adjusted gross profits increased driven by increased pricing in ocean and truckload services in addition to volume increases in our LTL, ocean and air freight services. Our transportation adjusted gross profit margin decreased driven by declines across most services. Sourcing adjusted gross profit decreased driven by lower adjusted gross profits per case, partially offset by an increase in case volumes.

Operating expenses. Personnel expenses increased primarily due to incentive compensation increases reflecting the strong results in the current year and the impact of steps taken to reduce costs in response to the COVID-19 pandemic in the prior year, including furloughs, reduced work hours, and the temporary suspension of the company match to retirement plans for U.S. and Canadian employees in addition to increased health insurance costs. Stock-based compensation expense recognized on performance-based equity awards granted prior to 2021 totaled \$19.7 million in the current year compared to none in the prior year. Partially offsetting these increases was a 0.7 percent decrease in average headcount. SG&A expenses decreased primarily due to lower credit losses and travel expenses. The prior year also included an \$11.5 million loss on the sale-leaseback of a company owned data center.

Interest and other expense. Interest and other expense primarily consisted of interest expense of \$24.9 million and a \$4.8 million unfavorable impact of foreign currency revaluation and realized foreign currency gains and losses in the six months ended June 30, 2021. These expenses were partially offset by a \$2.9 million local government subsidy in Asia for achieving specified performance criteria that was almost entirely offset by a reduction in foreign tax credits within the provision for income taxes. Interest expense was essentially flat compared to the six months ended June 30, 2020. The six months ended June 30, 2020 included a \$1.1 million unfavorable impact of foreign currency revaluation and realized foreign currency gains and losses.

Provision for income taxes. Our effective income tax rate was 20.1 percent for the six months ended June 30, 2021 and 18.6 percent for the six months ended June 30, 2020. The effective income tax rate for the six months ended June 30, 2021 was lower than the statutory federal income tax rate primarily due to the tax impact of share-based payment awards, which reduced the rate by 1.5 percentage points, the combined tax impact of Global Intangible Low-tax Income ("GILTI") and Foreign Derived Intangible Income ("FDII"), which reduced the effective tax rate by 0.6 percentage points, and foreign tax impacts which reduced the effective tax rate by 0.5 percentage points. These impacts were partially offset by state income tax expense, net of federal benefit, which increased the effective income tax rate. The effective income tax rate for the six months ended June 30, 2020 was lower the statutory federal income tax rate primarily due to the tax impact of share-based payment awards,

including the tax benefit from the delivery of a one-time deferred stock award that was granted to the company's prior Chief Executive Officer in 2000, which reduced the rate lower than the statutory rate by 4.2 percentage points, and foreign tax impacts in the six months ended June 30, 2020.

NAST Segment Results of Operations

(dollars in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Total revenues	\$ 3,585,481	\$ 2,475,292	44.9 %	\$ 6,796,904	\$ 5,299,037	28.3 %
Costs and expenses:						
Purchased transportation and related services	3,148,885	2,095,736	50.3 %	5,939,200	4,546,703	30.6 %
Personnel expenses	185,253	153,209	20.9 %	369,182	326,041	13.2 %
Other selling, general, and administrative expenses	100,251	89,501	12.0 %	200,646	190,921	5.1 %
Total costs and expenses	3,434,389	2,338,446	46.9 %	6,509,028	5,063,665	28.5 %
Income from operations	\$ 151,092	\$ 136,846	10.4 %	\$ 287,876	\$ 235,372	22.3 %

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Average headcount	6,580	6,960	(5.5)%	6,578	6,981	(5.8)%
Service line volume statistics						
Truckload			6.0 %			(0.5)%
LTL			23.5 %			19.0 %
Adjusted gross profits⁽¹⁾						
Truckload	\$ 286,574	\$ 252,165	13.6 %	\$ 566,878	\$ 495,851	14.3 %
LTL	128,155	105,428	21.6 %	248,272	217,758	14.0 %
Other	21,867	21,963	(0.4)%	42,554	38,725	9.9 %
Total adjusted gross profits	\$ 436,596	\$ 379,556	15.0 %	\$ 857,704	\$ 752,334	14.0 %

⁽¹⁾ Adjusted gross profit margin is a non-GAAP financial measure explained above.

Three Months Ended June 30, 2021 compared to the Three Months Ended June 30, 2020

Total revenues and direct costs. NAST total revenues increased primarily driven by higher truckload pricing and an increase in LTL and truckload volumes. Truckload pricing reached historic levels in the second quarter of 2021 driven by tight carrier capacity and strong demand as discussed above in the market trends section. Total purchased transportation and related services increased, driven by higher average truckload linehaul costs per mile and, to a lesser extent, truckload and LTL volume increases and higher purchased transportation costs per transaction in LTL services.

Gross profits and adjusted gross profits. NAST truckload adjusted gross profits increased driven primarily by increased volumes and improved pricing. NAST truckload adjusted gross profit per load increased 7 percent in the second quarter of 2021 compared to the second quarter of 2020. The improved pricing in truckload was the result of an increase in spot market opportunities and continued progress repricing our contractual truckload business to reflect the rising cost environment. Our average truckload linehaul rate per mile charged to our customers, which excludes fuel surcharges, increased approximately 42.0 percent in the second quarter of 2021 compared to the second quarter of 2020. Our truckload transportation costs, excluding fuel surcharges, increased approximately 47.5 percent.

NAST LTL adjusted gross profits increased due to increased volumes, partially offset by a slight decrease in adjusted gross profits per transaction.

NAST other adjusted gross profits decreased slightly as a small decrease in intermodal adjusted gross profits was mostly offset by an increase in warehousing services.

Operating expenses. NAST personnel expenses increased primarily due to incentive compensation increases reflecting the strong results in the current period and the impact of steps taken to reduce costs in response to the COVID-19 pandemic in the prior period, including furloughs, reduced work hours, and the temporary suspension of the company match to retirement plans for U.S. and Canadian employees. These increases were partially offset by a decrease in average headcount. NAST SG&A

expenses increased driven by increased investments in technology. The operating expenses of NAST and all other segments include allocated corporate expenses.

Six Months Ended June 30, 2021 compared to the Six Months Ended June 30, 2020

Total revenues and direct costs. NAST total revenues increased due to increased pricing in truckload and, to a lesser extent, increased volumes in LTL services. These increases were partially offset by a slight decrease in truckload volumes. The increased pricing in truckload has been driven by tight carrier capacity and strong demand in the current year. The prior year was adversely impacted by weakening demand during the early stages of the COVID-19 pandemic which resulted in a declining cost environment as industry volumes decreased. Total purchased transportation and related services increased, driven by higher average truckload linehaul costs per mile in addition to higher volumes in LTL services.

Gross profits and adjusted gross profits. NAST truckload adjusted gross profits increased driven by improved pricing as discussed above. Our average truckload linehaul rate per mile charged to our customers increased approximately 37.5 percent. Our truckload transportation costs, excluding fuel costs, increased approximately 41.0 percent.

NAST LTL adjusted gross profits increased due to increased volumes partially offset by lower adjusted gross profit per transaction. The acquisition of Prime Distribution contributed 1.5 percentage points to LTL adjusted gross profit growth.

NAST other adjusted gross profits increased primarily due to incremental warehousing services related to the acquisition of Prime Distribution.

Operating expenses. NAST personnel expense increased primarily due to incentive compensation increases reflecting the strong results in the current year and the impact of steps taken to reduce costs in response to the COVID-19 pandemic in the prior year, including furloughs, reduced work hours, and the temporary suspension of the company match to retirement plans for U.S. and Canadian employees. These increases were partially offset by a decrease in average headcount. NAST SG&A expenses increased driven by increased investments in technology, and the ongoing expenses of Prime Distribution, partially offset by a reduction in credit loss.

Global Forwarding Segment Results of Operations

(dollars in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Total revenues	\$ 1,450,794	\$ 707,820	105.0 %	\$ 2,606,833	\$ 1,238,204	110.5 %
Costs and expenses:						
Purchased transportation and related services	1,212,040	544,860	122.4 %	2,153,779	946,930	127.4 %
Personnel expenses	82,936	63,322	31.0 %	163,945	134,215	22.2 %
Other selling, general, and administrative expenses	47,606	40,863	16.5 %	90,308	86,325	4.6 %
Total costs and expenses	1,342,582	649,045	106.9 %	2,408,032	1,167,470	106.3 %
Income from operations	\$ 108,212	\$ 58,775	84.1 %	\$ 198,801	\$ 70,734	181.1 %

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Average headcount	4,909	4,726	3.9 %	4,832	4,763	1.4 %
Service line volume statistics						
Ocean			29.0 %			28.0 %
Air ⁽¹⁾			42.5 %			44.0 %
Customs			34.0 %			23.0 %

Adjusted gross profits⁽²⁾						
Ocean	\$ 150,916	\$ 78,734	91.7 %	\$ 286,312	\$ 148,544	92.7 %
Air	52,179	51,541	1.2 %	97,426	78,418	24.2 %
Customs	25,512	19,459	31.1 %	49,735	40,652	22.3 %
Other	10,147	13,226	(23.3)%	19,581	23,660	(17.2)%
Total adjusted gross profits	\$ 238,754	\$ 162,960	46.5 %	\$ 453,054	\$ 291,274	55.5 %

⁽¹⁾ Beginning in the second quarter of 2021 reported air volumes represent metric tons shipped. Previously reported statistics were based on transactional volumes and have been restated to conform with the current period presentation.

⁽²⁾ Adjusted gross profit margin is a non-GAAP financial measure explained above.

Three Months Ended June 30, 2021 compared to the Three Months Ended June 30, 2020

Total revenues and direct costs. Global Forwarding total revenues and direct costs increased driven by higher pricing in our ocean services and, to a lesser extent, higher volumes in both our ocean and air freight services. The increased ocean pricing was driven by the unprecedented disruptions impacting the industry combined with strong demand as discussed above in the market trends section. The second quarter of 2020 was also severely impacted by reduced demand and production due to the COVID-19 pandemic which led to significant volume declines all services in the prior year. Increased air freight volumes were driven by ocean freight conversions resulting from the significant disruptions experienced in the industry and the continued increase in charter flights and larger than normal shipment sizes as traditional air freight capacity remains strained by a reduction of commercial flights.

Gross profits and adjusted gross profits. Ocean transportation adjusted gross profits increased driven by higher pricing and an increase in volumes. Air transportation adjusted gross profits increased due to increased volumes. Customs adjusted gross profits increased driven by an increase in transaction volume.

Operating expenses. Personnel expenses increased primarily due to incentive compensation increases reflecting the strong results in the current period and an increase in average headcount. The prior period included the impact of steps taken to reduce costs in response to the COVID-19 pandemic, including furloughs and reduced work hours. SG&A expenses increased driven by increased investments in technology, partially offset by a reduction of amortization expense due to the completion of amortization related to intangible assets from a prior acquisition.

Six Months Ended June 30, 2021 compared to the Six Months Ended June 30, 2020

Total revenues and direct costs. Total revenues and direct costs increased driven by higher pricing and volumes in our ocean services and, to a lesser extent, higher pricing and volumes in our air freight services. The increased ocean pricing was driven by the unprecedented disruptions impacting the industry combined with strong demand. The first half of 2020 was also severely impacted by reduced demand and production due to the COVID-19 pandemic which led to significant volume declines in all services in the prior year.

Gross profits and adjusted gross profits. Ocean transportation adjusted gross profits increased driven by higher pricing and increased volumes. Air transportation adjusted gross profits increased due to increased volumes. Customs adjusted gross profits increased driven by an increase in transaction volumes.

Operating expenses. Personnel expenses increased primarily due to incentive compensation increases reflecting the strong results in the current period and an increase in average headcount. The prior year included the impact of steps taken to reduce costs in response to the COVID-19 pandemic, including furloughs and reduced work hours. SG&A expenses increased driven by increased investments in technology, partially offset by a reduction of amortization expense due to the completion of amortization related to intangible assets from a prior acquisition.

All Other and Corporate Segment Results of Operations

All Other and Corporate includes our Robinson Fresh and Managed Services segment, as well as Other Surface Transportation outside of North America and other miscellaneous revenues and unallocated corporate expenses.

(dollars in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% change	2021	2020	% change
Total revenues	\$ 496,451	\$ 444,734	11.6 %	\$ 932,858	\$ 895,613	4.2 %
Income from operations	1,300	(6,834)	N/M	(2,744)	(7,879)	N/M
Adjusted gross profits ⁽¹⁾						
Robinson Fresh	29,940	30,202	(0.9)%	54,888	57,660	(4.8)%
Managed Services	26,234	23,503	11.6 %	51,790	46,030	12.5 %
Other Surface Transportation	17,652	18,232	(3.2)%	34,120	35,108	(2.8)%
Total adjusted gross profits	\$ 73,826	\$ 71,937	2.6 %	\$ 140,798	\$ 138,798	1.4 %

⁽¹⁾ Adjusted gross profit margin is a non-GAAP financial measure explained above.

Three Months Ended June 30, 2021 compared to the Three Months Ended June 30, 2020

Total revenues increased driven by higher truckload pricing and volumes in Other Surface Transportation and increased case volume from customers in the food service industry in our Robinson Fresh business as the prior year period experienced a significant decrease in demand resulting from the COVID-19 pandemic.

Robinson Fresh adjusted gross profits declined slightly as lower adjusted gross profits per case were mostly offset by an increase in case volume primarily from customers in the food service industry. Managed Services adjusted gross profits increased driven by increased transaction volumes resulting from an increase in freight under management. Other Surface Transportation adjusted gross profits decreased as a result of a decrease in adjusted gross profits per transaction, partially offset by an increase in truckload volumes.

Six Months Ended June 30, 2021 compared to the Six Months Ended June 30, 2020

Total revenues increased driven by higher truckload pricing and volumes in Other Surface Transportation partially offset by a decline in Robinson Fresh driven by lower pricing.

Robinson Fresh adjusted gross profits decreased driven by lower adjusted gross profits per case, partially offset by an increase in case volumes. Managed Services adjusted gross profits increased driven by increased transaction volumes resulting from an increase in freight under management. Other Surface Transportation adjusted gross profits decreased as a result of a decrease in adjusted gross profits per transaction, partially offset by an increase in truckload volumes.

LIQUIDITY AND CAPITAL RESOURCES

We have historically generated substantial cash from operations, which has enabled us to fund our organic growth while paying cash dividends and repurchasing stock. In addition, we maintain the following debt facilities as described in Note 4, *Financing Arrangements* (dollars in thousands):

Description	Carrying Value as of June 30, 2021	Borrowing Capacity	Maturity
Revolving credit facility	\$ 271,000	\$ 1,000,000	October 2023
Senior Notes, Series A	175,000	175,000	August 2023
Senior Notes, Series B	150,000	150,000	August 2028
Senior Notes, Series C	175,000	175,000	August 2033
Combinex credit facility	2,280	3,565	January 2027
Senior Notes ⁽¹⁾	593,733	600,000	April 2028
Total debt	<u>\$ 1,367,013</u>	<u>\$ 2,103,565</u>	

⁽¹⁾ Net of unamortized discounts and issuance costs.

We expect to use our current debt facilities and potentially other indebtedness incurred in the future to assist us in continuing to fund working capital, capital expenditures, possible acquisitions, dividends, and share repurchases.

Cash and cash equivalents totaled \$172.8 million as of June 30, 2021 and \$243.8 million as of December 31, 2020. Cash and cash equivalents held outside the United States totaled \$160.1 million as of June 30, 2021 and \$230.9 million as of December 31, 2020.

We prioritize our investments to grow the business, as we require some working capital and a relatively small amount of capital expenditures to grow. We are continually looking for acquisitions, but those acquisitions must fit our culture and enhance our growth opportunities.

The following table summarizes our major sources and uses of cash and cash equivalents (dollars in thousands):

	Six Months Ended June 30,		
	2021	2020	% change
Sources (uses) of cash:			
Cash provided by operating activities	\$ 92,598	\$ 505,643	(81.7)%
Capital expenditures	(29,837)	(25,039)	
Acquisitions, net of cash acquired	(14,749)	(223,230)	
Other investing activities	—	5,525	
Cash used for investing activities	(44,586)	(242,744)	(81.6)%
Repurchase of common stock	(262,904)	(68,563)	
Cash dividends	(139,756)	(137,104)	
Net borrowing (payments) on debt	270,962	(143,000)	
Other financing activities	13,591	5,329	
Cash used for financing activities	(118,107)	(343,338)	(65.6)%
Effect of exchange rates on cash and cash equivalents	(898)	(5,183)	
Net change in cash and cash equivalents	<u>\$ (70,993)</u>	<u>\$ (85,622)</u>	

Cash flow from operating activities. Cash flow from operating activities decreased significantly during the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to unfavorable changes in working capital. The unfavorable changes in working capital were primarily related to a sequential increase in accounts receivable and contract assets partially offset by a related increase in accounts payable and accrued transportation expense. Both increases were driven by a sequential increase in pricing and volumes in nearly all services in the second quarter of 2021. Despite the increase in accounts receivables, we are not experiencing a deterioration in the quality of our accounts receivables balance, and the results of the six months ended June 30, 2021 include sequential and year-over-year improvements in the percent of accounts receivable that are past due. Additionally, given the COVID-19 pandemic, we are closely monitoring credit and collections activities to minimize risk as well as working with our customers to facilitate the movement of goods across their supply chains while also ensuring timely payment.

Cash used for investing activities. Capital expenditures consisted primarily of investments in hardware and software, which are intended to increase employee productivity, automate interactions with our customers and contracted carriers, and improve our internal workflows to help expand our adjusted operating margins and grow the business. We used \$14.7 million for the acquisition of Combinex during the six months ended June 30, 2021. We used \$222.7 million for the acquisition of Prime Distribution during the six months ended June 30, 2020.

Cash used for financing activities. Net borrowings on debt in the six months ended June 30, 2021 were to fund share repurchases and working capital needs. Net repayments on debt in the six months ended June 30, 2020 were used to reduce the outstanding balance of the Receivables Securitization Facility. The increase in cash used for share repurchases was due to an increase in the number of shares repurchased during the six months ended June 30, 2021 as we temporarily suspended our share repurchase activity in 2020 as we continued to assess the impacts of the COVID-19 pandemic. The number of shares we repurchase, if any, during future periods will vary based on our cash position, other potential uses of our cash, and market conditions. Over the long term, we remain committed to our quarterly dividend and share repurchases to enhance shareholder value. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. We may seek to retire or purchase our outstanding Senior Notes through open market cash purchases, privately negotiated transactions or otherwise.

Although there is uncertainty related to the anticipated impact of the COVID-19 pandemic on our future results, we believe that, assuming no change in our current business plan, our available cash, together with expected future cash generated from operations, the amount available under our credit facilities, and credit available in the market, will be sufficient to satisfy our anticipated needs for working capital, capital expenditures, and cash dividends for at least the next 12 months. We also believe we could obtain funds under lines of credit or other forms of indebtedness on short notice, if needed.

As of June 30, 2021, we were in compliance with all of the covenants under the Credit Agreement, Note Purchase Agreement, and Senior Notes.

Recently Issued Accounting Pronouncements

Refer to Note 1, *Basis of Presentation*, contained in this quarterly report and in the company's 2020 Annual Report on Form 10-K for a discussion of recently issued accounting pronouncements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to the company's 2020 Annual Report on Form 10-K for a complete discussion regarding our critical accounting policies and estimates. As of June 30, 2021, there were no material changes to our critical accounting policies and estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Refer to the company's 2020 Annual Report on Form 10-K for a discussion on the company's market risk. As of June 30, 2021 there were no material changes in market risk from those disclosed in the company's 2020 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) or our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of the controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error and mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness of controls and procedures to future periods are subject to the risk that the controls and procedures may become inadequate because of changes in conditions, or that the degree of compliance with the controls and procedures may have deteriorated.

As of June 30, 2021, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded based upon the evaluation described above that, as of June 30, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal controls over financial reporting.

There were no changes in our internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the three months ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations. For some legal proceedings, we have accrued an amount that reflects the aggregate liability deemed probable and estimable, but this amount is not material to our consolidated financial position, results of operations, or cash flows. Because of the preliminary nature of many of these proceedings, the difficulty in ascertaining the applicable facts relating to many of these proceedings, the inconsistent treatment of claims made in many of these proceedings, and the difficulty of predicting the settlement value of many of these proceedings, we are often unable to estimate an amount or range of any reasonably possible additional losses. However, based upon our historical experience, the resolution of these proceedings is not expected to have a material effect on our consolidated financial position, results of operations, or cash flows.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors disclosed in Part I, “Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect our business, financial condition, or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about purchases by the company during the quarter ended June 30, 2021 of shares of the company's common stock.

	Total Number of Shares (or Units) Purchased ⁽¹⁾	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Number of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs ⁽²⁾
April 2021	459,691	\$ 97.88	445,017	5,958,517
May 2021	427,243	98.21	424,966	5,533,551
June 2021	496,001	96.21	488,396	5,045,155
Second Quarter 2021	1,382,935	\$ 97.38	1,358,379	5,045,155

⁽¹⁾ The total number of shares purchased based on trade date includes: (i) 1,358,379 shares of common stock purchased under the authorization described below; and (ii) 24,556 shares of common stock surrendered to satisfy minimum statutory tax obligations under our stock incentive plans.

⁽²⁾ In May 2018, the Board of Directors increased the number of shares authorized for repurchase by 15,000,000 shares. As of June 30, 2021, there were 5,045,155 shares remaining for future repurchases. Purchases can be made in the open market or in privately negotiated transactions, including Rule 10b5-1 plans and accelerated repurchase programs.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits filed with, or incorporated by reference into, this report:

- | | |
|------|---|
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | Financial statements from the Quarterly Report on Form 10-Q of the company for the period ended June 30, 2021 formatted in Inline XBRL (embedded within the Inline XBRL document) |
| 104 | The cover page from the Quarterly Report on Form 10-Q of the company for the period ended June 30, 2021 formatted in Inline XBRL (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on July 30, 2021.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Robert C. Biesterfeld, Jr.
Robert C. Biesterfeld, Jr.
Chief Executive Officer

By: /s/ Michael P. Zechmeister
Michael P. Zechmeister
Chief Financial Officer

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert C. Biesterfeld, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2021

Signature:	<u>/s/ Robert C. Biesterfeld, Jr.</u>
Name:	Robert C. Biesterfeld, Jr.
Title:	Chief Executive Officer

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael P. Zechmeister, certify that:

1. I have reviewed this quarterly report on Form 10-Q of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2021

Signature:	<u>/s/ Michael P. Zechmeister</u>
Name:	Michael P. Zechmeister
Title:	Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of C.H. Robinson Worldwide, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert C. Biesterfeld, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2021

/s/ Robert C. Biesterfeld, Jr.

Robert C. Biesterfeld, Jr.
Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of C.H. Robinson Worldwide, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael P. Zechmeister, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2021

/s/ Michael P. Zechmeister

Michael P. Zechmeister
Chief Financial Officer