



C.H. ROBINSON

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Q2 2022

Earnings Presentation

July 27, 2022

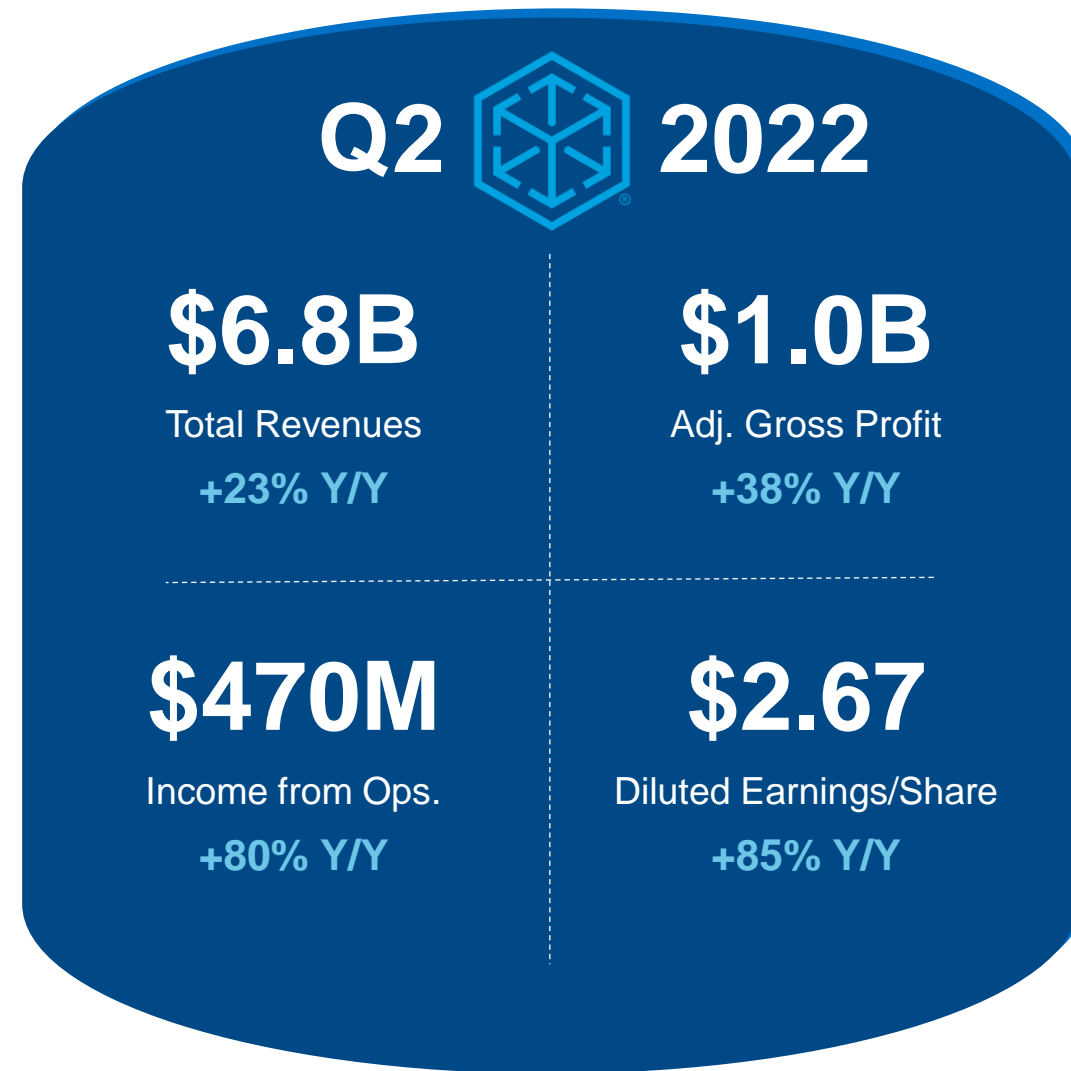
Safe Harbor Statement

Except for the historical information contained herein, the matters set forth in this presentation and the accompanying earnings release are forward-looking statements that represent our expectations, beliefs, intentions or strategies concerning future events. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience or our present expectations, including, but not limited to such factors as changes in economic conditions, including uncertain consumer demand; changes in market demand and pressures on the pricing for our services; 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; risks associated with significant disruptions in the transportation industry; changes in relationships with existing contracted truck, rail, ocean, and air carriers; changes in our customer base due to possible consolidation among our customers; risks with reliance on technology to operate our business; cyber-security related risks; risks associated with operations outside of the United States; our ability to identify or complete suitable acquisitions; our ability to successfully integrate the operations of acquired companies with our historic operations; risks associated with litigation, including contingent auto liability and insurance coverage; risks associated with the potential impact of changes in government regulations; our ability to hire and retain a sufficient number of qualified personnel; risks associated with the changes to income tax 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. 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.



Q2 Highlights: Record Quarterly Financial Results

- Adjusted operating margin expanded to 44.3% in NAST and 51.6% in Global Forwarding
- Grew Truckload volume in a declining market
- Truckload AGP per shipment improved 48% as the cost of purchased transportation declined faster than prices
- Global Forwarding continues to deliver strong financial results from market share gains
- Results include a \$25.3M gain from a sale-leaseback of our Kansas City regional center and a \$10.3M loss on foreign currency revaluation



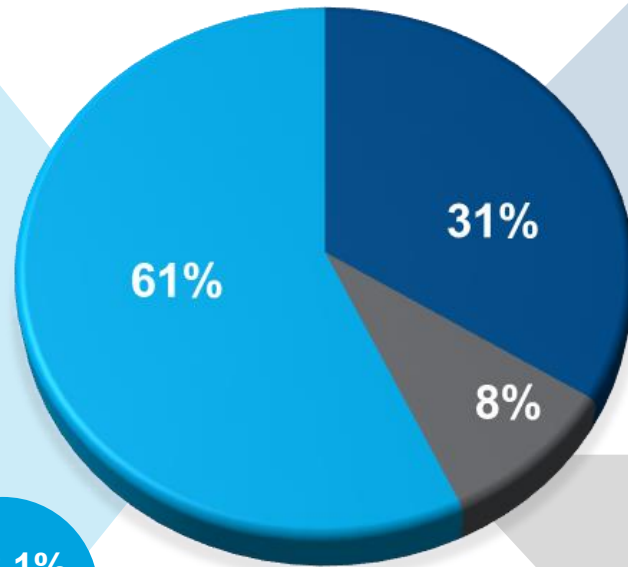
Segment Highlights: Diversified, Global Suite of Services

Over half of total revenues and adjusted gross profits came from customers to whom we provide both surface transportation and global forwarding services.⁽¹⁾

North American Surface Transportation (NAST)

- Adjusted gross profit (AGP) per load continued to improve in both TL and LTL
- Digital investments continue to deliver customer and carrier value and unlock growth
- Load-to-truck ratios indicate the truckload market is more balanced by historical standards
- Significant market share opportunities
- 598,000 fully automated truckload bookings w/carriers, up 107% Y/Y
- 71% of spot volume was priced through our real-time, dynamic pricing tools in Q2

Q2 2022 Adjusted Gross Profit⁽²⁾



+43.1%
Y/Y

+11.9%
Y/Y

Global Forwarding (GF)

- Nine consecutive quarters of year-over-year growth in total revenues, AGP and operating income
- Continuing to add new commercial relationships with strategic, multi-national customers
- Continuing to make investments in technology, data and analytics and our global network

+35.9%
Y/Y

All Other & Corporate

- Robinson Fresh case volume up 8.5% in Q2
- Managed Services Q2 FUM⁽³⁾ up 13% Y/Y
- Europe Surface Transportation continues to grow truckload AGP



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1. Measured over trailing twelve months

2. 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.

3. FUM = Freight under Management

NAST Q2'22 Results by Service

Second Quarter Highlights

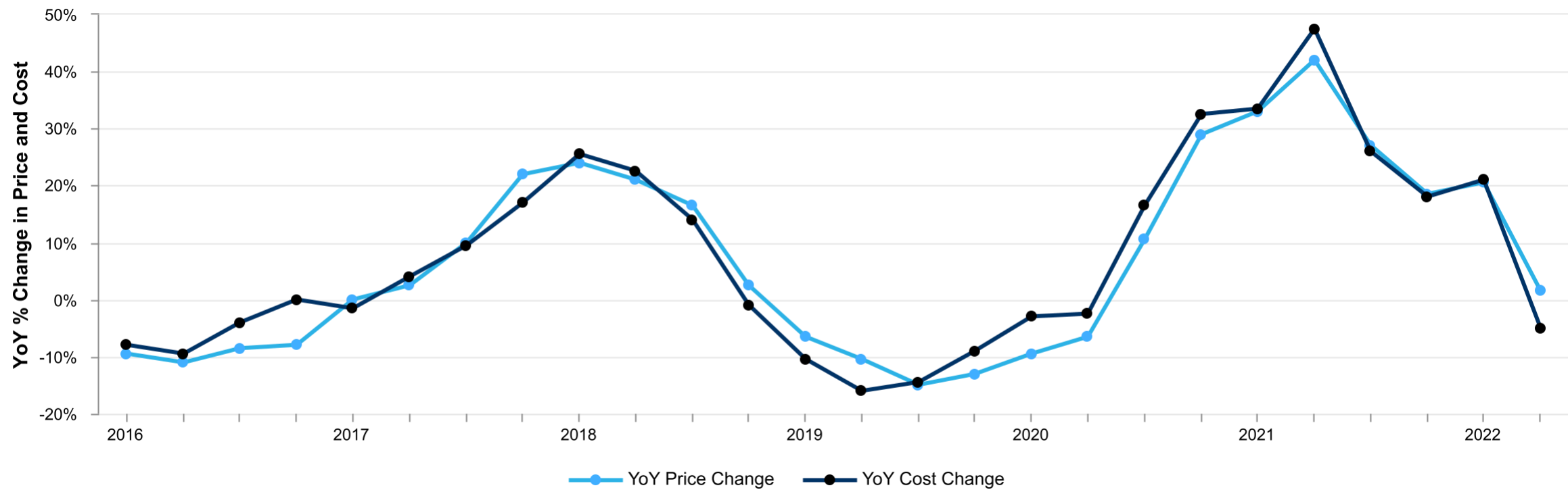
- Truckload volume up 2.0%, compared to the Cass Freight Index that reflected a 2% decline in shipments ⁽²⁾
- Truckload AGP per shipment increased 48% due to a higher AGP per shipment on contractual volume ⁽²⁾
- Continued to reprice contractual portfolio with focus on profitable market share
- LTL volume down 5.0% and AGP per order increased 37.0% ⁽²⁾
- 598,000 fully automated truckload bookings in Q2, up 107%
- Added 12,300 new carriers in Q2

Adjusted Gross Profit ⁽¹⁾ (\$ in millions)

	<u>2Q22</u>	<u>2Q21</u>	<u>%▲</u>
Truckload ("TL")	\$432.0	\$286.6	50.8%
Less than Truckload ("LTL")	\$166.9	\$128.2	30.2%
Other	\$25.6	\$21.9	17.2%
Total Adjusted Gross Profits	\$624.6	\$436.6	43.1%
Adjusted Gross Profit Margin %	15.1%	12.2%	290 bps



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



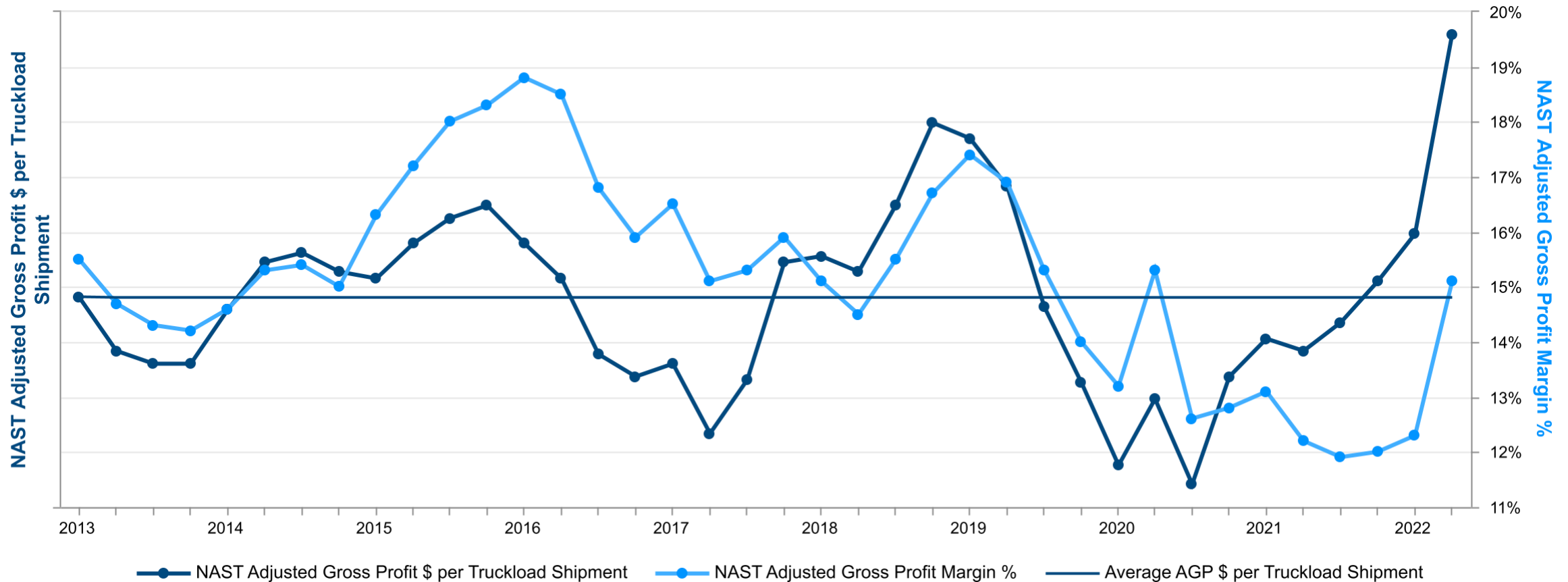
- 60% / 40% truckload contractual to transactional volume mix, up from 55% / 45% in Q2 last year
- Average routing guide depth of 1.4 in Managed Services business vs. 1.7 in Q2 last year

Truckload	Q2
Volume ⁽²⁾⁽⁴⁾	+2.0%
Pricing ⁽¹⁾⁽²⁾⁽³⁾	+1.5%
Cost ⁽¹⁾⁽²⁾⁽³⁾	-5.0%
Adjusted Gross Profit ⁽⁴⁾	+50.8%

1. Price and cost change represents YoY change for North America truckload shipments across all segments.
2. Growth rates are rounded to the nearest 0.5 percent.

3. Pricing and cost measures exclude fuel surcharges and costs.
4. Truckload volume and adjusted gross profit growth represents YoY change for NAST truckload.

Truckload AGP \$ per Shipment Significantly Improved



- AGP \$ per Truckload Shipment reflects business performance better than AGP Margin % ⁽¹⁾
- While NAST AGP Margin % has declined 20 bps compared to Q2 2020, AGP \$ per Truckload Shipment has grown 59% over the same timeframe



Global Forwarding Q2'22 Results by Service

Second Quarter Highlights

- Ocean AGP increased due to a 47.5% increase in AGP per shipment and a 2.5% increase in shipments ⁽²⁾
- Ocean market becoming more balanced, but rates remain elevated
- Air AGP increased due to a 14.0% increase in AGP per metric ton shipped,⁽²⁾ partially offset by a 6.0% decline in metric tons shipped
- Air market stable and air cargo capacity is slowly returning
- Customs AGP increased due to a 10.5% increase in volume ⁽²⁾

Adjusted Gross Profit ⁽¹⁾ (\$ in millions)

	<u>2Q22</u>	<u>2Q21</u>	<u>%▲</u>
Ocean	\$228.1	\$150.9	51.1%
Air	\$56.1	\$52.2	7.5%
Customs	\$27.8	\$25.5	9.0%
Other	\$12.4	\$10.1	22.4%
Total Adjusted Gross Profits	\$324.4	\$238.8	35.9%
<i>Adjusted Gross Profit Margin %</i>	<i>15.5%</i>	<i>16.5%</i>	<i>(100 bps)</i>



All Other & Corporate Q2'22 Results

Second Quarter Highlights

Robinson Fresh

- 8.5% increase in case volume, across all verticals ⁽²⁾
- Increased revenue tied to integrated supply chain and technology services

Managed Services

- AGP growth driven by new customer business, as well as growth with existing customers
- Total freight under management up 13% to \$1.7B in Q2 ⁽²⁾

Other Surface Transportation

- 16.7% increase in Europe truckload AGP

Adjusted Gross Profit ⁽¹⁾ (\$ in millions)

	<u>2Q22</u>	<u>2Q21</u>	<u>%▲</u>
Robinson Fresh	\$35.0	\$29.9	16.8%
Managed Services	\$27.6	\$26.2	5.3%
Other Surface Transportation	\$20.0	\$17.7	13.4%
Total	\$82.6	\$73.8	11.9%



Sustainable Growth Strategy

Increase Share

- Leverage integrated service model to grow market share and expand globally
- Industry-leading tech, people and processes to provide best-in-class service
- Expand modal capabilities



Grow Globally

- Expand Global Forwarding ("GF") business as provider of choice for multinational customers
- Leverage scale to capitalize on secularly growing market and unique global footprint
- Grow capabilities and presence in key trade lanes and geographies



Scale Digitally

- Provide customers and carriers the digital products they value
- Leverage data, scale and information advantage
- Bring meaningful products, features and insights to both sides of the two-sided marketplace



Optimize Processes

- Digitize more internal tools and processes and drive down costs
- Free customer and carrier reps' capacity for higher-value touchpoints
- Drive more revenue synergy across business units



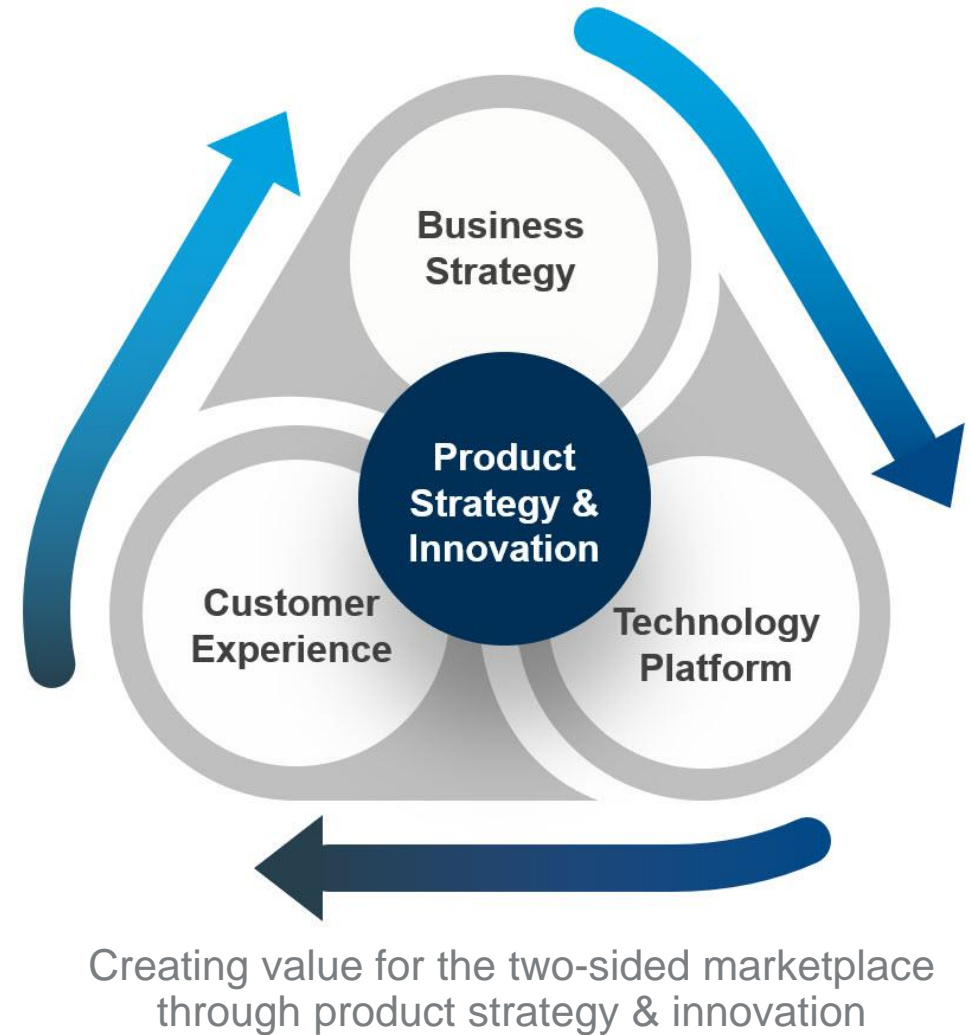
Spend Strategically

- Support organic growth by leveraging strong cash flow
- Modernize core for future integrations
- Complement with opportunistic M&A



Delivering Scalable Digital Solutions to Fuel Growth

- **Scale capacity/procurement**
Build a digital carrier network that gives customers access to additional capacity
- **Scale demand generation**
Attract, retain and grow demand via digitally connected channels by delivering technology features that shippers value the most
- **Scale quality customer outcomes**
Deliver a quality customer experience grounded in better on-time outcomes powered by quality data, predictive insights and in-transit visibility
- **Scale marketplace dynamics**
Price, cost and match supply and demand with greater intentionality to create optimized results for customers, carriers and CHRW



New Carrier Experiences Driving Digital Adoption

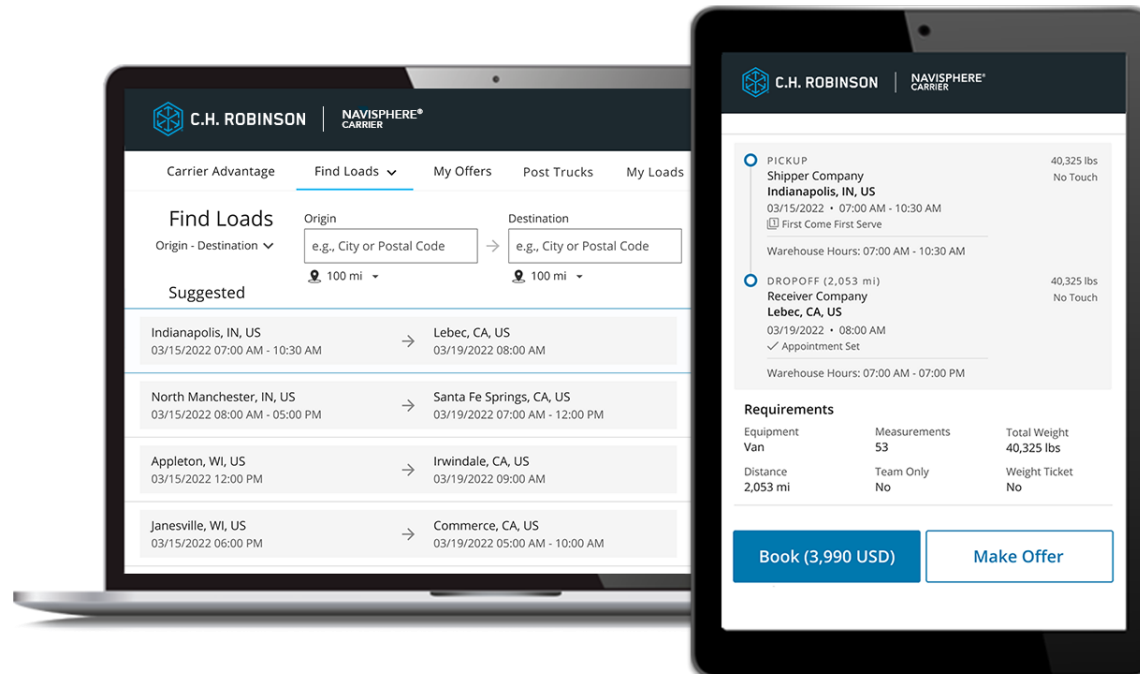
+66%
Visits per
Day

+96% Y/Y
Carriers
Booking Loads

+234% Y/Y
Loads Booked
Digitally

107% Y/Y
Increase in
Fully Automated
TL Bookings

71%
of Spot Volume
through Real-Time
Pricing Engine

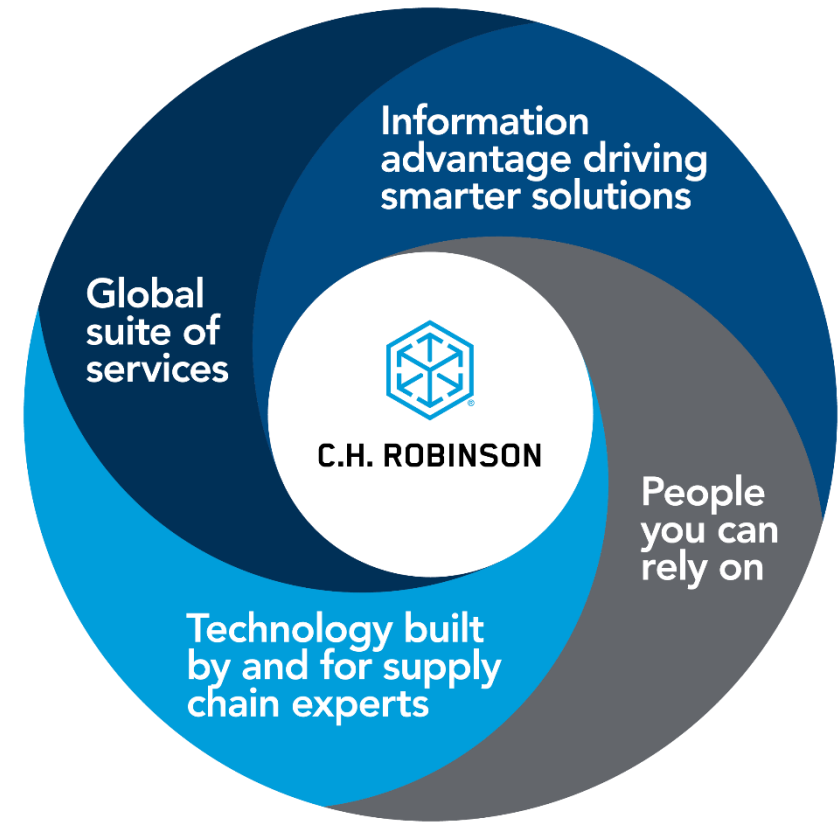


- Following Navisphere® Carrier enhancements in early February:
 - **Visits per day** to Navisphere Carrier® grew **66%** from January to June
 - **Carriers booking loads** via Navisphere Carrier® increased **96%** year-over-year in Q2
 - **Loads booked digitally by carriers** increased **142%** from January to June and **234%** year-over-year in Q2
- **598,000 fully automated bookings** in NAST truckload business, a **107% increase** compared to Q2 2021; **\$1.1 billion** of revenue through this digital channel
- **71% of spot truckload volume**, resulting in **\$597 million** of revenue, was priced through our real-time, dynamic pricing engine in Q2

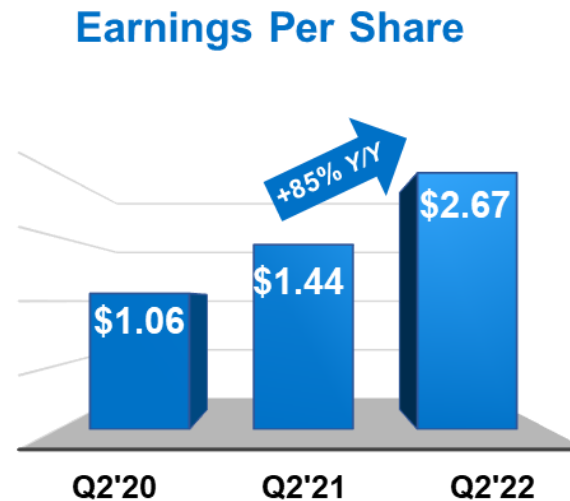
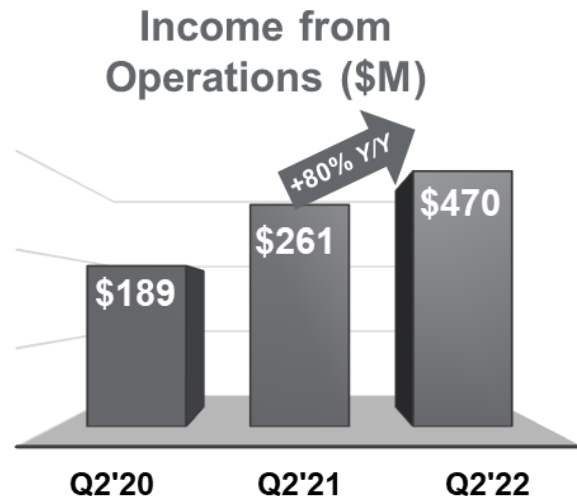
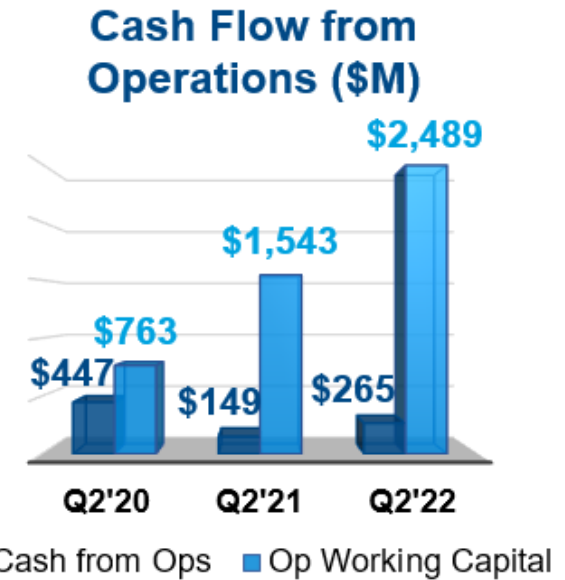
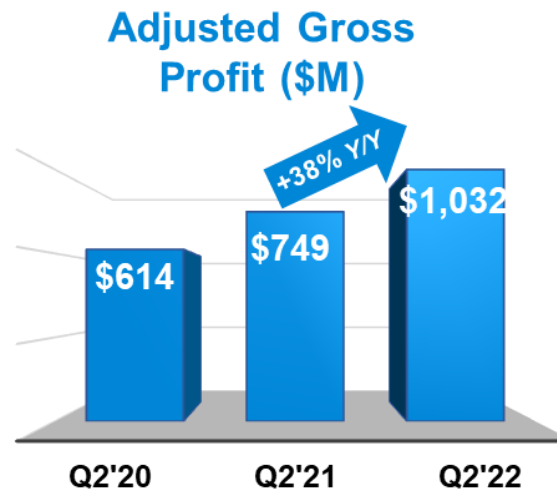
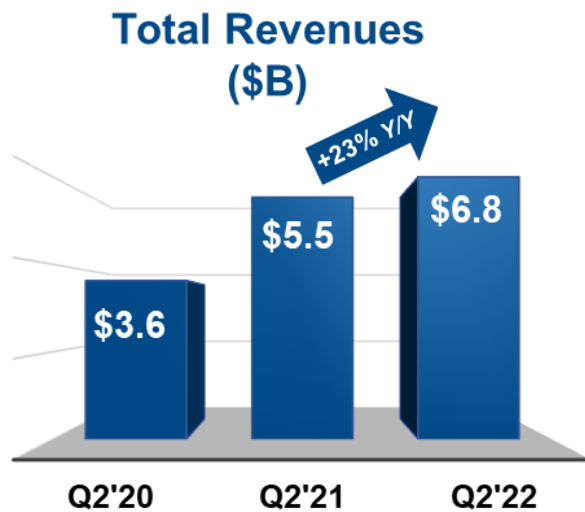
Pillars of Our Customer Promise

Best-in-class solutions delivered through a global network of experts that you can rely on

- Diversified, **global suite of services™** - we can reliably meet all logistics services needs today and in the future
- An **information advantage driving smarter solutions™** and **better outcomes** through our experience, data and scale
- Solutions delivered through **people you can rely on™** as an extension of your team
- **Technology built by and for supply chain experts™** - tailored, market-leading solutions that drive better supply chain outcomes



Financial Performance: Record Quarterly Results



- Changes in cash flow have been driven primarily by increases in operating working capital and improvement in net income.
- As the cost and price of purchased transportation (inclusive of fuel surcharges) come down, we expect a commensurate benefit to net operating working capital and operating cash flow.



Capital Allocation Priorities: Balanced and Opportunistic

Sustain & Drive Growth

- Prioritize high-return, close-in investments to drive organic growth
- Opportunistically use M&A to drive total shareholder return by advancing tools, services and global skillset

Optimize Balance Sheet

- Optimize Weighted Average Cost of Capital (WACC) by maintaining investment grade credit ratings
- Efficiently repatriate cash

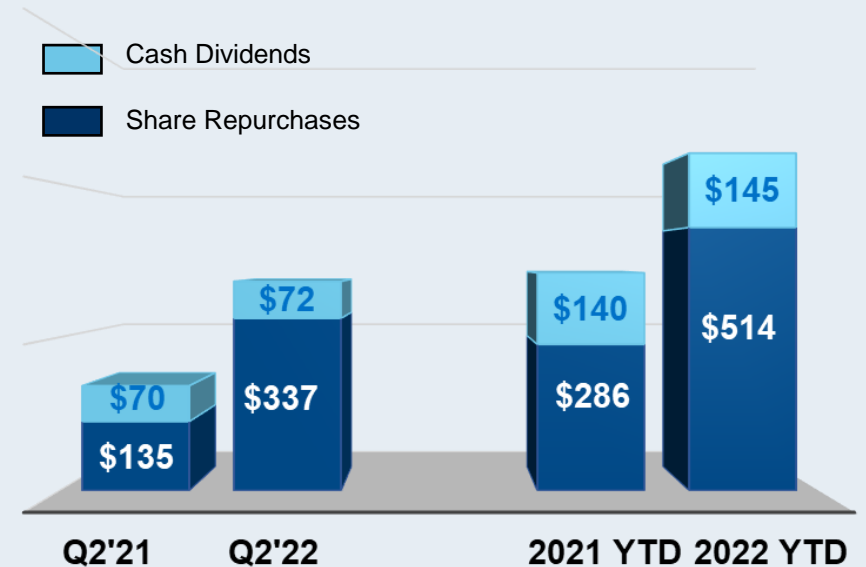
Minimize Risk

- Maintain \$600M-750M of liquid assets (cash & equivalents)
- Stagger debt maturities to reduce refinancing risk

Return Capital

- Grow dividends in alignment with long-term EBITDA
- Opportunistic approach to share buybacks
- 16.8M of share repurchase authorization remaining

Capital Distribution (\$M)



- \$409 million of cash returned to shareholders in Q2 2022, up 100%
- Q2 2022 capital distribution equates to 118% of our Q2 net income
- Uninterrupted dividends, without decline, paid for more than 20 years
- 3.2 million shares repurchased at an average price of \$104.52



2022 Strategic Priorities

- Continue driving long-term diversified growth across an intentional combination of modes, services and geographic footprint
- Design scalable solutions by transforming our processes, accelerating the pace of development and prioritizing data integrity, in order to improve the customer and carrier experience, drive profitable growth and improve efficiency
- Maintain a healthy financial profile and attractive margins across the business by leveraging technology advantages and competitive pricing, increasing productivity and managing costs
- Uphold a balanced approach to capital allocation to drive growth and return capital to shareholders
- Invest in talent and capabilities, as customers and carriers rely on our teams and digital products



Appendix

Q2 2022 Transportation Results⁽¹⁾

\$ in thousands	Three Months Ended June 30			Six Months Ended June 30		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$6,465,642	\$5,240,448	23.4 %	\$12,993,993	\$9,800,675	32.6 %
Total Adjusted Gross Profits ⁽²⁾	\$998,768	\$721,143	38.5 %	\$1,876,895	\$1,400,085	34.1 %
Adjusted Gross Profit Margin %	15.4 %	13.8 %	160 bps	14.4 %	14.3 %	10 bps

Transportation Adjusted Gross Profit Margin %	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1	16.3%	15.3%	16.8%	19.7%	17.3%	16.4%	18.6%	15.3%	14.9%	13.5%
Q2	15.4%	16.0%	17.5%	19.3%	16.2%	16.2%	18.3%	17.5%	13.8%	15.4%
Q3	15.0%	16.2%	18.4%	17.6%	16.4%	16.6%	16.9%	14.4%	13.7%	
Q4	15.1%	15.9%	19.0%	17.2%	16.6%	17.7%	15.6%	14.3%	13.3%	
Total	15.4%	15.9%	17.9%	18.4%	16.6%	16.7%	17.3%	15.3%	13.8%	



Q2 2022 NAST Results

\$ in thousands	Three Months Ended June 30			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$4,147,046	\$3,585,481	15.7 %	\$8,261,935	\$6,796,904	21.6 %
Total Adjusted Gross Profits ⁽¹⁾	\$624,551	\$436,596	43.1 %	\$1,130,651	\$857,704	31.8 %
Adjusted Gross Profit Margin %	15.1 %	12.2 %	290 bps	13.7 %	12.6 %	110 bps
Income from Operations	\$276,499	\$151,092	83.0 %	\$458,853	\$287,876	59.4 %
Adjusted Operating Margin %	44.3 %	34.6 %	970 bps	40.6 %	33.6 %	700 bps
Depreciation and Amortization	\$6,123	\$6,534	(6.3)%	\$12,362	\$13,159	(6.1)%
Total Assets	\$3,688,215	\$3,278,540	12.5 %	\$3,688,215	\$3,278,540	12.5 %
Average Headcount	7,552	6,580	14.8 %	7,442	6,578	13.1 %



Q2 2022 Global Forwarding Results

\$ in thousands	Three Months Ended June 30			Six Months Ended June 30		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$2,093,190	\$1,450,794	44.3 %	\$4,287,587	\$2,606,833	64.5 %
Total Adjusted Gross Profits ⁽¹⁾	\$324,443	\$238,754	35.9 %	\$646,291	\$453,054	42.7 %
Adjusted Gross Profit Margin %	15.5 %	16.5 %	(100 bps)	15.1 %	17.4 %	(230 bps)
Income from Operations	\$167,557	\$108,212	54.8 %	\$335,195	\$198,801	68.6 %
Adjusted Operating Margin %	51.6 %	45.3 %	630 bps	51.9 %	43.9 %	800 bps
Depreciation and Amortization	\$5,471	\$6,276	(12.8)%	\$11,026	\$11,925	(7.5)%
Total Assets	\$2,851,114	\$1,852,473	53.9 %	\$2,851,114	\$1,852,473	53.9 %
Average Headcount	5,759	4,909	17.3 %	5,690	4,832	17.8 %



Q2 2022 All Other and Corporate Results

\$ in thousands	Three Months Ended June 30			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Total Revenues	\$558,239	\$496,451	12.4 %	\$1,064,906	\$932,858	14.2 %
Total Adjusted Gross Profits ⁽¹⁾	\$82,619	\$73,826	11.9 %	\$160,867	\$140,798	14.3 %
Income from Operations ⁽²⁾	\$25,609	\$1,300	NM	\$21,091	(\$2,744)	NM
Depreciation and Amortization	\$11,668	\$10,127	15.2 %	\$22,360	\$21,131	5.8 %
Total Assets	\$918,110	\$775,551	18.4 %	\$918,110	\$775,551	18.4 %
Average Headcount	4,582	3,916	17.0 %	4,422	3,823	15.7 %



Non-GAAP Reconciliations

Our adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit is calculated as gross profit excluding amortization of internally developed software utilized to directly serve our customers and contracted carriers. Adjusted gross profit margin is calculated as adjusted gross profit divided by total revenues. We believe adjusted gross profit and adjusted gross profit margin are useful measures of our ability to source, add value, and sell services and products that are provided by third parties, and we consider adjusted gross profit to be a primary performance measurement. The reconciliation of gross profit to adjusted gross profit and gross profit margin to adjusted gross profit margin are presented below:

\$ in thousands	Three Months Ended June 30				Six Months Ended June 30,			
	2022		2021		2022		2021	
Revenues:								
Transportation	\$6,465,642		\$5,240,448		\$12,993,993		\$9,800,675	
Sourcing	332,833		292,278		620,435		535,920	
Total Revenues	6,798,475		5,532,726		13,614,428		10,336,595	
Costs and expenses:								
Purchased transportation and related services	5,466,874		4,519,305		11,117,098		8,400,590	
Purchased produced sourced for resale	299,988		264,245		559,521		484,449	
Direct internally developed software amortization	6,640		4,802		12,374		9,449	
Total direct costs	5,773,502		4,788,352		11,688,993		8,894,488	
Gross profit & Gross profit margin	\$1,024,973	15.1 %	\$744,374	13.5 %	\$1,925,435	14.1 %	\$1,442,107	14.0 %
Plus: Direct internally developed software amortization	6,640		4,802		12,374		9,449	
Adjusted gross profit/Adjusted gross profit margin	\$1,031,613	15.2 %	\$749,176	13.5 %	\$1,937,809	14.2 %	\$1,451,556	14.0 %

Non-GAAP Reconciliations

Our adjusted operating margin is a non-GAAP financial measure calculated as operating income divided by adjusted gross profit. We believe adjusted operating margin is a useful measure of our profitability in comparison to our adjusted gross profit which we consider a primary performance metric as discussed above. The reconciliation of operating margin to adjusted operating margin is presented below:

\$ in thousands	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Total Revenues	\$ 6,798,475	\$ 5,532,726	\$ 13,614,428	\$ 10,336,595
Operating income	469,665	260,604	815,139	483,933
Operating margin	6.9 %	4.7 %	6.0 %	4.7 %
Adjusted gross profit	\$ 1,031,613	\$ 749,176	\$ 1,937,809	\$ 1,451,556
Operating income	469,665	260,604	815,139	483,933
Adjusted operating margin	45.5 %	34.8 %	42.1 %	33.3 %





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Thank you