



Second Quarter 2016 Financial Results

Echo Global Logistics, Inc.

July 27, 2016

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Forward-Looking Statements

All statements made in this presentation, other than statements of historical fact, are or may be deemed to be forward-looking statements. These statements are based on current plans and expectations of Echo Global Logistics and involve risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance or achievements expressed or implied by these statements. Information concerning these risks, uncertainties and other factors is contained under the headings "Risk Factors" and "Forward-Looking Statements" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission. Echo Global Logistics undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Second Quarter 2016 Financial Review

	Three months ended June 30,			% Change
	2016	2015		
<i>dollars in millions except per share data</i>	(unaudited)			
Total revenue	\$ 443.8	\$ 371.6		19.4%
Net revenue ⁽¹⁾	85.2	69.5		22.5%
Net income (loss)	1.9	(0.7)		383.3%
Non-GAAP EBITDA ⁽¹⁾	18.5	16.8		9.8%
Fully diluted earnings (loss) per share	\$ 0.07	\$ (0.03)		333.3%
Non-GAAP fully diluted earnings per share ⁽¹⁾	\$ 0.27	\$ 0.30		(10.0%)

⁽¹⁾ For a description and reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures, please refer to the Appendix included in this presentation.

Key Takeaways

- The second quarter of 2016 represents the twenty-seventh consecutive quarter of year-over-year total revenue growth.
- The increase in second quarter 2016 revenue was primarily driven by the Command acquisition, as volume gains were offset by lower rates.
- The year-over-year decrease in fuel prices impacted top line revenue by an estimated \$19M in the second quarter 2016.



Revenue by Mode

<i>dollars in millions</i>	Three months ended June 30,		
	2016	2015	% Change
Truckload ("TL") revenue	\$299.5	\$227.7	31.6%
Less-than-truckload ("LTL") revenue	117.8	118.7	(0.8%)
Intermodal revenue	19.4	18.3	6.0%
Other revenue	7.1	6.9	1.7%
Total revenue	\$443.8	\$371.6	19.4%

Key Takeaways

- TL revenue growth was driven by the Command acquisition.
- Historical Echo TL (includes Partial TL) revenue declined 0.8% from the second quarter 2015 to the second quarter 2016. A 10% increase in volume was offset by lower rates and decreases in the price of fuel.
- The Q2 LTL revenue decrease was driven by a reduction in rates, inclusive of fuel, and the conversion of a client to a fee-based contract.



Revenue by Client Type

<i>dollars in millions</i>	Three months ended June 30,		
	2016	2015	% Change
Transactional revenue	\$362.0	\$295.3	22.6%
Managed Transportation revenue	81.8	76.3	7.2%
Total revenue	\$443.8	\$371.6	19.4%

Key Takeaways

- Transactional revenue growth was driven primarily by the acquisition of Command.
- Managed Transportation revenue increase was driven by an increase in volume and by new client wins.



Net Revenue and Revenue Analysis

<i>dollars in millions</i>	Three months ended June 30,		
	2016	2015	Change
Net revenue ⁽¹⁾	\$85.2	\$69.5	22.5%
Net revenue margin	19.2%	18.7%	48 bps
TL revenue mix	67.5%	61.3%	623 bps
LTL revenue mix	26.5%	32.0%	(540) bps
Intermodal revenue mix	4.4%	4.9%	(55) bps
Other revenue mix	1.6%	1.8%	(28) bps
Transactional revenue mix	81.6%	79.5%	209 bps
Managed Transportation revenue mix	18.4%	20.5%	(209) bps

(1) Non-GAAP financial measure calculated as total revenue less transportation costs.

Key Takeaways

- In the second quarter of 2016, the year-over-year increase in net revenue margin resulted primarily from an increase in TL margin.
- Increases in our TL and transactional revenue as a percentage of total revenue were due to the acquisition of Command.



Expense Summary

<i>dollars in millions</i>	Three months ended June 30,		
	2016	2015	Change
Total revenue	\$443.8	\$371.6	19.4%
Net revenue ⁽¹⁾	\$85.2	\$69.5	22.5%
Commission expense	\$25.2	\$20.4	23.5%
<i>Percent of net revenue</i>	29.6%	29.4%	25 bps
Change in contingent consideration	\$0.0	\$0.3	(87.9%)
<i>Percent of net revenue</i>	0.0%	0.4%	(34) bps
Acquisition related transaction costs	\$0.0	\$5.9	(100.0%)
<i>Percent of net revenue</i>	0.0%	8.4%	(842) bps
Stock compensation expense	\$3.8	\$2.6	45.1%
<i>Percent of net revenue</i>	4.5%	3.8%	69 bps
Other selling, general, and administrative	\$41.5	\$32.3	28.4%
<i>Percent of net revenue</i>	48.7%	46.4%	226 bps
Selling, general and administrative expense	\$70.5	\$61.5	14.8%
<i>Percent of net revenue</i>	82.8%	88.4%	(556) bps
Depreciation	\$3.6	\$3.0	22.8%
<i>Percent of net revenue</i>	4.3%	4.2%	1 bps
Amortization	\$4.0	\$2.3	72.8%
<i>Percent of net revenue</i>	4.7%	3.3%	134 bps
Cash interest expense	\$1.6	\$1.1	55.5%
<i>Percent of net revenue</i>	1.9%	1.5%	41 bps
Non-cash interest expense	\$1.9	\$1.3	49.5%
<i>Percent of net revenue</i>	2.2%	1.8%	40 bps

(1) For a description and reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures, please refer to the Appendix included in this presentation.

Key Takeaways

- Commission expense increased due to the acquisition of Command, a significant increase in our TL revenue mix and a change in sales channel mix.
- Selling, general and administrative expense increased due to the full quarter impact of the Command acquisition and the costs associated with integration.



Cash Flow and Balance Sheet Data

Selected Cash Flow Data

<i>dollars in millions</i>	Three months ended June 30,		
	2016	2015	% Change
	(unaudited)		
Cash generated from operations	\$19.1	\$25.2	(24.5%)
Capital expenditures	(8.5)	(3.8)	124.8%
Free cash flow ⁽¹⁾	\$10.6	\$21.4	(50.9%)
Acquisition-related payments	\$0.0	\$384.9	(100.0%)

⁽¹⁾ For a description and reconciliation of this non-GAAP financial measure to the nearest comparable GAAP financial measure, please refer to the Appendix included in this presentation.

Selected Balance Sheet Data

<i>dollars in millions</i>	June 30,	December 31,
	2016	2015
	(unaudited)	
Cash and cash equivalents	\$40.1	\$56.5
Accounts receivable, net of allowance for doubtful accounts	228.7	196.4
Current assets	277.9	260.8
Current liabilities	166.5	137.4
Convertible notes, net of unamortized discount/issuance costs	200.1	196.7
Stockholders' equity	\$368.5	\$395.2



Appendix

Non-GAAP Financial Measures

This presentation includes the following financial measures defined as "Non-GAAP Financial Measures" by the Securities and Exchange Commission: Net Revenue, Non-GAAP EBITDA, Non-GAAP Fully Diluted EPS and Free Cash Flow. Net revenue is calculated as total revenue less transportation costs. Non-GAAP EBITDA is defined as net income excluding the effects of changes in contingent consideration, depreciation, amortization, acquisition-related transaction costs, stock compensation expense, cash and non-cash interest expense, other expense, Term Loan B commitment fees and income taxes. Non-GAAP Fully Diluted EPS is defined as fully diluted EPS excluding changes in contingent consideration, amortization, acquisition-related transaction costs, non-cash interest expense, stock compensation expense, Term Loan B commitment fees and the aggregate tax impact of each adjustment. Free Cash Flow is defined as net cash provided by operating activities reduced by capital expenditures. A reconciliation of Net Revenue, Non-GAAP EBITDA and Non-GAAP Fully Diluted EPS to the most comparable GAAP measure is included on the next slide. A reconciliation of Free Cash Flow to the most comparable GAAP measure is included on Slide 8. We believe such measures provide useful information to investors because they provide information about the financial performance of the Company's ongoing business.

Net Revenue, Non-GAAP EBITDA, Non-GAAP Fully Diluted EPS and Free Cash Flow are used by management in its financial and operational decision-making and evaluation of overall operating performance. These measures may be different from similar measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles. Please refer to the slides that follow for a reconciliation of each non-GAAP financial measure to the nearest comparable GAAP financial measure.



Appendix

Reconciliation of Non-GAAP Financial Measures

	Three months ended June 30,		Change
	2016	2015	
<i>dollars in millions, except per share data</i>			
	(unaudited)		
Total revenue	\$443.8	\$371.6	19.4%
Transportation costs	358.6	302.1	18.7%
Net revenue	\$85.2	\$69.5	22.5%
Net Income (Loss)	\$1.9	(\$0.7)	383.3%
Change in contingent consideration	0.0	0.3	(87.9%)
Depreciation	3.6	3.0	22.8%
Amortization	4.0	2.3	72.8%
Acquisition-related transaction costs	-	5.9	(100.0%)
Non-cash interest expense	1.9	1.3	49.5%
Term Loan B commitment fees (non-recurring interest expense)	-	2.0	(100%)
Stock compensation expense	3.8	2.6	45.1%
Cash interest expense	1.6	1.1	55.5%
Other expense	-	0.1	(100.0%)
Income taxes	1.6	(0.9)	281.0%
Non-GAAP EBITDA	\$18.5	\$16.8	9.8%
Fully diluted income (loss) per share	\$0.07	(\$0.03)	333.3%
Change in contingent consideration	0.00	0.01	(88.7%)
Amortization	0.13	0.08	61.9%
Acquisition-related transaction costs	-	0.21	(100.0%)
Non-cash interest expense	0.06	0.05	40.0%
Term Loan B commitment fees (non-recurring interest expense)	-	0.07	(100%)
Stock compensation expense	0.13	0.09	35.9%
Tax effect of adjustments	(0.12)	(0.18)	(31.8%)
Non-GAAP fully diluted EPS	\$0.27	\$0.30	(10.0%)



Historical Financial Statements

Dollars in millions, except per share data

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
Revenue:												
Transactional	\$ 177.6	\$ 226.9	\$ 242.2	\$ 224.5	\$ 871.2	\$ 217.4	\$ 295.3	\$ 375.3	\$ 337.3	\$ 1,225.3	\$ 332.0	\$ 362.0
Enterprise	\$ 70.1	\$ 78.2	\$ 78.3	\$ 75.5	\$ 302.1	\$ 66.1	\$ 76.3	\$ 74.7	\$ 69.9	\$ 287.0	\$ 73.3	\$ 81.8
Total Revenue	247.7	305.1	320.6	300.0	1,173.4	283.5	371.6	450.0	407.2	1,512.3	405.3	443.8
Transportation Costs	\$ 205.5	\$ 251.8	\$ 262.2	\$ 245.8	\$ 965.2	\$ 230.2	\$ 302.1	\$ 362.6	\$ 327.1	\$ 1,222.0	\$ 324.5	\$ 358.6
Net revenue⁽¹⁾	42.2	53.3	58.4	54.2	208.2	53.3	69.5	87.4	80.1	290.3	80.8	85.2
Commission Expense	11.2	14.8	16.9	14.8	57.7	14.9	20.4	26.5	24.1	86.0	24.8	25.2
Change in contingent consideration	0.2	1.1	0.8	0.1	2.2	(0.1)	0.3	(0.0)	0.1	0.2	(0.2)	0.0
Acquisition-related transaction costs	1.2	0.4	-	-	1.5	0.5	5.9	0.2	-	6.6	-	-
Stock compensation expense	1.3	1.1	0.9	1.1	4.4	1.9	2.6	4.7	4.8	14.0	5.3	3.8
Other selling, general and administrative	21.4	25.7	27.1	26.9	101.0	26.8	32.3	39.9	37.4	136.5	39.5	41.5
Selling, general and administrative expense	35.3	43.0	45.7	42.8	166.8	44.0	61.5	71.3	66.4	243.2	69.5	70.5
Depreciation	2.3	2.4	2.6	2.7	9.9	2.7	3.0	3.4	3.4	12.4	3.5	3.6
Amortization	0.7	1.0	1.1	1.1	3.9	1.1	2.3	4.1	4.2	11.7	4.0	4.0
Depreciation and amortization	3.0	3.4	3.7	3.8	13.9	3.9	5.3	7.5	7.6	24.2	7.5	7.6
Operating Income	4.0	6.9	9.0	7.6	27.5	5.4	2.8	8.6	6.1	22.9	3.8	7.0
Cash interest expense	-	-	-	-	-	-	1.1	1.6	1.6	4.3	1.6	1.6
Non-cash interest expense	-	-	-	-	-	-	1.3	1.8	1.8	4.9	1.9	1.9
Term Loan B commitment fees (non-recurring interest expense)	-	-	-	-	-	-	2.0	-	-	2.0	-	-
Other expense	0.1	0.1	0.1	0.0	0.3	0.1	0.1	-	-	0.2	-	-
Interest and other expense	0.1	0.1	0.1	0.0	0.3	0.1	4.4	3.4	3.5	11.4	3.5	3.5
Income (Loss) before provision for income taxes	3.9	6.9	8.9	7.6	27.3	5.3	(1.6)	5.2	2.6	11.5	0.3	3.5
Income tax expense (benefit)	1.5	2.6	3.4	3.0	10.5	1.9	(0.9)	1.7	0.9	3.7	0.1	1.6
Net Income (Loss)	2.4	4.2	5.5	4.7	16.8	3.3	(0.7)	3.5	1.7	7.8	0.3	1.9
Fully Diluted income (loss) per share	\$ 0.10	\$ 0.18	\$ 0.23	\$ 0.20	\$ 0.71	\$ 0.14	\$ (0.03)	\$ 0.11	\$ 0.06	\$ 0.28	\$ 0.01	\$ 0.07
Diluted shares	23.4	23.5	23.7	23.9	23.6	23.9	27.7	30.3	30.5	28.1	29.8	29.6

(1) Non-GAAP financial measure calculated as total revenue less transportation costs.

