

The logo for ECHO, featuring the word "ECHO" in a bold, blue, sans-serif font, followed by three green vertical bars of varying heights.

Transportation Simplified[®]

Third Quarter 2017 Financial Results

Echo Global Logistics, Inc.

October 25, 2017

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, 2016 and other filings 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.

Third Quarter 2017 Financial Review

<i>dollars in millions except per share data</i> (unaudited)	Three months ended September 30,			% Change
	2017	2016		
Revenue	\$ 509.5	\$ 460.2		10.7%
Net revenue ⁽¹⁾	\$ 86.7	\$ 80.9		7.2%
Net income	\$ 2.4	\$ 2.4		1.3%
Non-GAAP EBITDA ⁽¹⁾	\$ 16.8	\$ 16.7		0.5%
Fully diluted EPS	\$ 0.09	\$ 0.08		6.6%
Non-GAAP fully diluted EPS ⁽¹⁾	\$ 0.27	\$ 0.25		6.1%

⁽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 increase in revenue was due to growth in our transactional and managed transportation businesses, which included growth from both truckload ("TL") and less than truckload ("LTL"). Our TL growth was driven primarily by an increase in rates, while our LTL growth was due to increases in both volume and rates.
- The increase in third quarter 2017 net revenue was the result of the increase in revenue, offset by modest margin compression.

Revenue by Mode

<i>dollars in millions</i> (unaudited)	Three months ended September 30,			% Change
	2017	2016		
TL revenue	\$ 347.5	\$ 311.8		11.4%
LTL revenue	135.6	119.9		13.1%
Intermodal revenue	17.1	20.1		(14.7)%
Other revenue	9.3	8.4		10.6%
Revenue	\$ 509.5	\$ 460.2		10.7%

Key Takeaways

- TL (includes Partial TL) revenue growth was driven by a 14.5% increase in revenue per shipment, offset by a 2.7% decrease in volume.
- LTL revenue growth was driven by a 6.0% increase in volume and a 6.7% increase in revenue per shipment.

Revenue by Client Type

<i>dollars in millions</i> (unaudited)	Three months ended September 30,		
	2017	2016	% Change
Transactional revenue	\$ 401.2	\$ 373.1	7.5%
Managed Transportation revenue	108.4	87.1	24.4%
Revenue	\$ 509.5	\$ 460.2	10.7%

Key Takeaways

- The increase in Transactional revenue was driven by an increase in TL revenue per shipment and an increase in both LTL revenue per shipment and volume.
- The Managed Transportation revenue increase was primarily driven by the addition of new clients, along with an increase in revenue per shipment from existing clients.

Net Revenue and Revenue Analysis

dollars in millions (unaudited)	Three months ended September 30,		Change		
	2017	2016			
Net revenue ⁽¹⁾	\$ 86.7	\$ 80.9	7.2%		
Net revenue margin	17.0%	17.6%	(56)	bps	
TL revenue mix	68.2%	67.8%	44	bps	
LTL revenue mix	26.6%	26.0%	56	bps	
Intermodal revenue mix	3.4%	4.4%	(100)	bps	
Other revenue mix	1.8%	1.8%	0	bps	
Transactional revenue mix	78.7%	81.1%	(234)	bps	
Managed Transportation revenue mix	21.3%	18.9%	234	bps	

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

Key Takeaways

- In the third quarter of 2017, the year-over-year decrease in net revenue margin resulted from a decrease in both TL and LTL margins.
- The increase in our Managed Transportation revenue mix was due to the addition of new client relationships and higher growth in this portion of our business.

Expense Summary

<i>dollars in millions</i> (unaudited)	Three months ended September 30,				
	2017		2016		Change
Revenue	\$	509.5	\$	460.2	10.7%
Net revenue ⁽¹⁾	\$	86.7	\$	80.9	7.2%
Commission expense	\$	26.5	\$	23.8	10.9%
<i>Percent of net revenue</i>		30.5%		29.5%	102 bps
Change in contingent consideration	\$	0.3	\$	0.0	520.2%
<i>Percent of net revenue</i>		0.4%		0.1%	29 bps
Stock compensation expense	\$	2.0	\$	2.0	(0.8)%
<i>Percent of net revenue</i>		2.3%		2.5%	(19) bps
Other selling, general and administrative	\$	43.5	\$	40.3	7.8%
<i>Percent of net revenue</i>		50.2%		49.9%	27 bps
Selling, general and administrative expense	\$	72.3	\$	66.3	9.0%
<i>Percent of net revenue</i>		83.4%		82.0%	139 bps
Depreciation	\$	4.6	\$	4.6	(1.3)%
<i>Percent of net revenue</i>		5.3%		5.7%	(45) bps
Amortization	\$	3.6	\$	3.9	(9.1)%
<i>Percent of net revenue</i>		4.1%		4.8%	(74) bps
Cash interest expense	\$	1.6	\$	1.6	(0.2)%
<i>Percent of net revenue</i>		1.9%		2.0%	(14) bps
Non-cash interest expense	\$	2.0	\$	1.9	5.9%
<i>Percent of net revenue</i>		2.3%		2.4%	(3) bps

(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.

Key Takeaways

- Commission expense increased due to higher net revenue.
- The increase in other selling, general and administrative expense was primarily related to an increased investment in our sales force and operating personnel.

Cash Flow and Balance Sheet Data

Selected Cash Flow Data

<i>dollars in millions</i> (unaudited)	Three months ended September 30,		
	2017	2016	% Change
Cash generated from operations	\$ 15.8	\$ 21.7	(27.0)%
Capital expenditures	(5.2)	(24.4)	(78.7)%
Free cash flow ⁽¹⁾	\$ 10.6	\$ (2.7)	492.3%

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

Selected Balance Sheet Data

<i>dollars in millions</i>	September 30,	December 31,
	2017	2016
	(unaudited)	
Cash and cash equivalents	\$ 21.2	\$ 16.6
Accounts receivable, net of allowance for doubtful accounts	295.8	231.4
Current assets	343.3	268.3
Current liabilities	244.6	167.9
Convertible notes, net of unamortized discount/issuance costs	209.0	203.6
Stockholders' equity	\$ 342.8	\$ 358.1

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 revenue less transportation costs. Non-GAAP EBITDA is defined as net income excluding the effects of changes in contingent consideration, depreciation, amortization, stock compensation expense, cash and non-cash interest expense, interest income and income taxes. Non-GAAP fully diluted EPS is defined as fully diluted EPS excluding changes in contingent consideration, amortization, non-cash interest expense, stock compensation expense and the tax effect of these adjustments. 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 Slide 8 and 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

<i>dollars in millions except per share data</i>	Three Months Ended September 30,		% change
	2017	2016	
	(unaudited)		
Revenue	\$ 509.5	\$ 460.2	10.7%
Transportation costs	422.8	379.3	11.5%
Net revenue ⁽¹⁾	\$ 86.7	\$ 80.9	7.2%
Net income	\$ 2.4	\$ 2.4	1.3%
Change in contingent consideration	0.3	0.0	520.2%
Depreciation	4.6	4.6	(1.3)%
Amortization	3.6	3.9	(9.1)%
Non-cash interest expense	2.0	1.9	5.9%
Stock compensation expense	2.0	2.0	(0.8)%
Cash interest expense	1.6	1.6	(0.2)%
Income tax expense	0.2	0.1	127.1%
Non-GAAP EBITDA ⁽¹⁾	\$ 16.8	\$ 16.7	0.5%
Fully diluted EPS	\$ 0.09	\$ 0.08	6.6%
Change in contingent consideration	0.01	0.00	552.8%
Amortization	0.13	0.13	(4.4)%
Non-cash interest expense	0.07	0.07	11.5%
Stock compensation expense	0.07	0.07	4.4%
Tax effect of adjustments	(0.11)	(0.11)	(0.8)%
Non-GAAP fully diluted EPS ⁽¹⁾	\$ 0.27	\$ 0.25	6.1%

⁽¹⁾See "Non-GAAP Financial Measures" on slide 9 for the definition and discussion of each Non-GAAP financial measure.

Historical Financial Statements

<i>dollars in millions, except per share data</i>								
<i>(unaudited)</i>	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
Transactional revenue	\$ 332.0	\$ 362.0	\$ 373.1	\$ 328.8	\$ 1,395.9	\$ 333.0	\$ 371.4	\$ 401.2
Managed transportation revenue	73.3	81.8	87.1	78.1	320.3	82.8	98.7	108.4
Revenue	405.3	443.8	460.2	406.9	1,716.2	415.8	470.1	509.5
Transportation costs	324.5	358.6	379.3	335.1	1,397.6	341.3	388.5	422.8
Net revenue ⁽¹⁾	80.8	85.2	80.9	71.7	318.6	74.5	81.6	86.7
Commission expense	24.8	25.2	23.8	21.7	95.6	22.4	24.7	26.5
Change in contingent consideration	(0.2)	0.0	0.0	(0.0)	(0.1)	0.1	0.2	0.3
Stock compensation expense	5.3	3.8	2.0	2.0	13.1	2.7	2.4	2.0
Other selling, general and administrative	39.5	41.5	40.3	40.9	162.2	42.1	42.8	43.5
Selling, general and administrative expense	69.5	70.5	66.3	64.5	270.8	67.2	70.2	72.3
Depreciation	3.5	3.6	4.6	4.6	16.3	4.5	4.4	4.6
Amortization	4.0	4.0	3.9	3.9	15.8	3.6	3.6	3.6
Depreciation and amortization	7.5	7.6	8.5	8.5	32.1	8.0	8.0	8.1
Income (Loss) from operations	3.8	7.0	6.0	(1.3)	15.6	(0.8)	3.4	6.3
Cash interest expense	1.6	1.6	1.6	1.7	6.6	1.7	1.7	1.6
Non-cash interest expense	1.9	1.9	1.9	1.9	7.6	2.0	2.0	2.0
Interest expense, net	3.5	3.5	3.6	3.6	14.2	3.6	3.7	3.7
Income (Loss) before provision for income taxes	0.3	3.5	2.5	(4.9)	1.4	(4.4)	(0.2)	2.6
Income tax expense (benefit)	0.1	1.6	0.1	(2.0)	(0.2)	(1.5)	0.0	0.2
Net income (loss)	\$ 0.3	\$ 1.9	\$ 2.4	\$ (3.0)	\$ 1.6	\$ (2.9)	\$ (0.2)	\$ 2.4
Fully diluted earnings (loss) per share	\$ 0.01	\$ 0.07	\$ 0.08	\$ (0.10)	\$ 0.05	\$ (0.10)	\$ (0.01)	\$ 0.09
Diluted shares ⁽²⁾	29.8	29.6	29.1	28.2	29.3	28.2	28.0	27.6

⁽¹⁾Net revenue is a Non-GAAP Financial Measure calculated as revenue less transportation costs.

⁽²⁾For the three months ended June 30, 2017, March 31, 2017 and December 31, 2016, 239,440, 423,796 and 481,273 incremental shares, respectively, related to stock-based awards were not included in the computation of diluted loss per share because of the net loss during the period. Diluted shares used in the calculation of non-GAAP fully diluted EPS as of June 30, 2017, March 31, 2017 and December 31, 2016 were 28,255,562, 28,579,093 and 28,728,837, respectively.