

The logo for ECHO, consisting of the word "ECHO" in a bold, blue, sans-serif font, followed by three vertical bars of varying heights to the right, resembling a stylized signal or sound wave.

Transportation Simplified[®]

Third Quarter 2016 Financial Results

Echo Global Logistics, Inc.

October 26, 2016

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 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 2016 Financial Review

	Three months ended September 30,			% Change
	2016	2015		
<i>dollars in millions except per share data</i>	(unaudited)			
Total revenue	\$ 460.2	\$ 450.0		2.3%
Net revenue ⁽¹⁾	\$ 80.9	\$ 87.4		(7.5)%
Net income	\$ 2.4	\$ 3.5		(31.7)%
Non-GAAP EBITDA ⁽¹⁾	\$ 16.7	\$ 21.0		(20.5)%
Fully diluted earnings per share	\$ 0.08	\$ 0.11		(28.7)%
Non-GAAP fully diluted earnings per share ⁽¹⁾	\$ 0.25	\$ 0.34		(25.4)%

⁽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 third quarter of 2016 represents the twenty-eighth consecutive quarter of year-over-year total revenue growth.
- The increase in third quarter 2016 total revenue was primarily driven by volume gains, which were offset by lower rates.

Revenue by Mode

<i>dollars in millions</i> (unaudited)	Three months ended September 30,			% Change
	2016	2015		
Truckload (“TL”) revenue	\$ 311.8	\$ 301.8		3.3%
Less-than-truckload (“LTL”) revenue	119.9	119.3		0.5%
Intermodal revenue	20.1	21.6		(6.9)%
Other revenue	8.4	7.3		14.8%
Total revenue	\$ 460.2	\$ 450.0		2.3%

Key Takeaways

- TL (includes Partial TL) revenue growth was driven by an 11% increase in volume, partially offset by a 7% decrease in revenue per shipment.
- LTL revenue growth was driven by a 6% increase in volume, partially offset by a 6% decrease in revenue per shipment.
- The decline in Intermodal revenue was driven by a 3% decrease in volume and a 4% decrease in revenue per shipment.

Revenue by Client Type

<i>dollars in millions</i> (unaudited)	Three months ended September 30,			% Change
	2016	2015		
Transactional revenue	\$ 373.1	\$ 375.3		(0.6)%
Managed Transportation revenue	87.1	74.7		16.6%
Total revenue	\$ 460.2	\$ 450.0		2.3%

Key Takeaways

- The decline in Transactional revenue was driven by the decline in rates, offset by an increase in volume.
- The Managed Transportation revenue increase was primarily driven by an increase in volume from existing clients and the addition of new clients.

Net Revenue and Revenue Analysis

<i>dollars in millions</i> (unaudited)	Three months ended September 30,		
	2016	2015	Change
Net revenue ⁽¹⁾	\$ 80.9	\$ 87.4	(7.5)%
Net revenue margin	17.6%	19.4%	(185) bps
TL revenue mix	67.8%	67.1%	68 bps
LTL revenue mix	26.0%	26.5%	(46) bps
Intermodal revenue mix	4.4%	4.8%	(43) bps
Other revenue mix	1.8%	1.6%	21 bps
Transactional revenue mix	81.1%	83.4%	(232) bps
Managed Transportation revenue mix	18.9%	16.6%	232 bps

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

Key Takeaways

- In the third quarter of 2016, the year-over-year decrease in net revenue margin resulted primarily from a decrease in TL margin.
- The increase in our Managed Transportation revenue mix is due to the acquisition of new clients and the continued growth of our current clients.

Expense Summary

<i>dollars in millions</i> (unaudited)	Three months ended September 30,		
	2016	2015	Change
Total revenue	\$ 460.2	\$ 450.0	2.3%
Net revenue ⁽¹⁾	\$ 80.9	\$ 87.4	(7.5)%
Commission expense	\$ 23.8	\$ 26.5	(9.9)%
<i>Percent of net revenue</i>	29.5%	30.3%	(79) bps
Change in contingent consideration	\$ 0.0	\$ (0.0)	360.5%
<i>Percent of net revenue</i>	0.1%	(0.0)%	8 bps
Acquisition-related transaction costs	\$ —	\$ 0.2	(100.0)%
<i>Percent of net revenue</i>	—%	0.3%	(26) bps
Stock compensation expense	\$ 2.0	\$ 4.7	(56.5)%
<i>Percent of net revenue</i>	2.5%	5.4%	(285) bps
Other selling, general, and administrative	\$ 40.3	\$ 39.9	1.0%
<i>Percent of net revenue</i>	49.9%	45.7%	418 bps
Selling, general and administrative expense	\$ 66.3	\$ 71.3	(7.0)%
<i>Percent of net revenue</i>	82.0%	81.6%	36 bps
Depreciation	\$ 4.6	\$ 3.4	38.1%
<i>Percent of net revenue</i>	5.7%	3.8%	189 bps
Amortization	\$ 3.9	\$ 4.1	(4.4)%
<i>Percent of net revenue</i>	4.8%	4.7%	15 bps
Cash interest expense	\$ 1.6	\$ 1.6	0.0%
<i>Percent of net revenue</i>	2.0%	1.9%	15 bps
Non-cash interest expense	\$ 1.9	\$ 1.8	8.5%
<i>Percent of net revenue</i>	2.4%	2.0%	35 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 decreased due to lower net revenue.
- The increase in other selling, general and administrative expense is related to an approximately \$2M increase in integration costs during the third quarter of 2016, offset by other reductions in spending.

Cash Flow and Balance Sheet Data

Selected Cash Flow Data

<i>dollars in millions</i>	Three months ended September 30,		% Change
	2016	2015	
	(unaudited)		
Cash generated from operations	\$ 21.7	\$ 18.1	19.7%
Capital expenditures	(24.4)	(3.4)	612.4%
Free cash flow ⁽¹⁾	\$ (2.7)	\$ 14.7	(118.5)%

⁽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>	September 30,	December 31,
	2016	2015
	(unaudited)	
Cash and cash equivalents	\$ 34.2	\$ 56.5
Accounts receivable, net of allowance for doubtful accounts	245.9	196.4
Current assets	291.9	260.8
Current liabilities	181.6	137.4
Convertible notes, net of unamortized discount/issuance costs	201.8	196.7
Stockholders' equity	\$ 371.1	\$ 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

<i>dollars in millions except per share data</i>	Three months ended September 30,		% change
	2016	2015	
	(unaudited)		
Total revenue	\$ 460.2	\$ 450.0	2.3%
Transportation costs	379.3	362.6	4.6%
Net revenue ⁽¹⁾	\$ 80.9	\$ 87.4	(7.5)%
Net income	2.4	3.5	(31.7)%
Change in contingent consideration	0.0	(0.0)	360.5%
Depreciation	4.6	3.4	38.1%
Amortization	3.9	4.1	(4.4)%
Acquisition-related transaction costs	—	0.2	(100.0)%
Non-cash interest expense	1.9	1.8	8.5%
Stock compensation expense	2.0	4.7	(56.5)%
Cash interest expense	1.6	1.6	0.0%
Income tax expense	0.1	1.7	(94.3)%
Non-GAAP EBITDA ⁽¹⁾	\$ 16.7	\$ 21.0	(20.5)%
Fully diluted income per share	0.08	0.11	(28.7)%
Change in contingent consideration	0.00	(0.00)	371.8%
Amortization	0.13	0.14	(0.3)%
Acquisition-related transaction costs	—	0.01	(100.0)%
Non-cash interest expense	0.07	0.06	13.2%
Stock compensation expense	0.07	0.16	(54.6)%
Tax effect of adjustments	(0.11)	(0.13)	(17.5)%
Non-GAAP fully diluted EPS ⁽¹⁾	\$ 0.25	\$ 0.34	(25.4)%

Historical Financial Statements

<i>dollars in millions, except per share data</i>									
<i>(unaudited)</i>									
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	
Transactional revenue	\$ 217.4	\$ 295.3	\$ 375.3	\$ 337.3	\$ 1,225.3	\$ 332.0	\$ 362.0	\$ 373.1	
Managed transportation revenue	66.1	76.3	74.7	69.9	287.0	73.3	81.8	87.1	
Revenue	\$ 283.5	\$ 371.6	\$ 450.0	\$ 407.2	\$ 1,512.3	\$ 405.3	\$ 443.8	\$ 460.2	
Transportation costs	230.2	302.1	362.6	327.1	1,222.0	324.5	358.6	379.3	
Net revenue ⁽¹⁾	\$ 53.3	\$ 69.5	\$ 87.4	\$ 80.1	\$ 290.3	\$ 80.8	\$ 85.2	\$ 80.9	
Commission expense	14.9	20.4	26.5	24.1	86.0	24.8	25.2	23.8	
Change in contingent consideration	(0.1)	0.3	(0.0)	0.1	0.2	(0.2)	0.0	0.0	
Acquisition-related transaction costs	0.5	5.9	0.2	—	6.6	—	—	—	
Stock compensation expense	1.9	2.6	4.7	4.8	14.0	5.3	3.8	2.0	
Other selling, general and administrative	26.9	32.3	39.9	37.4	136.5	39.5	41.5	40.3	
Selling, general and administrative expense	\$ 44.0	\$ 61.5	\$ 71.3	\$ 66.4	\$ 243.2	\$ 69.5	\$ 70.5	\$ 66.3	
Depreciation	2.7	3.0	3.4	3.4	12.4	3.5	3.6	4.6	
Amortization	1.1	2.3	4.1	4.2	11.7	4.0	4.0	3.9	
Depreciation and amortization	\$ 3.9	\$ 5.3	\$ 7.4	\$ 7.6	\$ 24.1	\$ 7.5	\$ 7.6	\$ 8.5	
Operating income	\$ 5.4	\$ 2.8	\$ 8.6	\$ 6.1	\$ 22.9	\$ 3.8	\$ 7.0	\$ 6.0	
Cash interest expense	—	1.1	1.6	1.6	4.3	1.6	1.6	1.6	
Non-cash interest expense	—	1.3	1.8	1.8	4.9	1.9	1.9	1.9	
Term Loan B commitment fees (non-recurring interest expense)	—	2.0	—	—	2.0	—	—	—	
Other expense	0.1	0.1	—	—	0.2	—	—	—	
Interest and other expense	0.1	4.4	3.4	3.5	11.4	3.5	3.5	3.6	
Income (loss) before provision for income taxes	\$ 5.3	\$ (1.6)	\$ 5.2	\$ 2.6	\$ 11.5	\$ 0.3	\$ 3.5	\$ 2.5	
Income tax expense (benefit)	1.9	(0.9)	1.7	0.9	3.7	0.1	1.6	0.1	
Net income (loss)	\$ 3.3	\$ (0.7)	\$ 3.5	\$ 1.7	\$ 7.8	\$ 0.3	\$ 1.9	\$ 2.4	
Fully diluted EPS	\$ 0.14	\$ (0.03)	\$ 0.11	\$ 0.06	\$ 0.28	\$ 0.01	\$ 0.07	\$ 0.08	
Diluted shares	23.9	27.7	30.3	30.5	28.1	29.8	29.6	29.1	

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