

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 07, 2018**

ECHO GLOBAL LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34470
(Commission
File Number)

20-5001120
(I.R.S. Employer
Identification No.)

**600 West Chicago Avenue
Suite 725
Chicago, Illinois**
(Address of principal executive offices)

60654
(Zip Code)

(800) 354-7993
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
 - Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act (17 CFR 240.12b-2)
 - Indicate by check mark if the registrant has elected not to use the extended transition period for complying with new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act (17 CFR 240.13(a)-1)
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Item 2.02 Results of Operations and Financial Condition.*

On February 07, 2018, Echo Global Logistics, Inc. issued a press release announcing financial results for its fiscal quarter ended December 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1*	Press Release dated February 07, 2018.

*The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Exhibit Index

Exhibit No.

Description

99.1*

[Press Release dated February 07, 2018.](#)

*The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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 hereunto duly authorized.

Dated: February 07, 2018

ECHO GLOBAL LOGISTICS, INC.

By /s/ Kyle Sauers

Name: Kyle Sauers

Title: Chief Financial Officer



February 7, 2018

Echo Global Logistics Reports Record Fourth Quarter Revenue, Up 34.6% Year over Year

CHICAGO, Feb. 7, 2018 (GLOBE NEWSWIRE) -- Echo Global Logistics, Inc. (NASDAQ: ECHO), a leading provider of technology-enabled transportation management services, today reported financial results for the quarter and full year ended December 31, 2017.

“This was an exciting quarter for Echo, as it marked our fastest organic revenue growth since 2010, while at the same time sequentially improving our gross margins. We make significant investments in our technology and people, and I am proud to see them pay off in this dynamic freight environment,” said Doug Waggoner, Chairman of the Board of Directors and Chief Executive Officer of Echo. “Echo’s deep carrier relationships and consistent access to capacity make us a broker of choice for shippers, and this is reflected in our recent results. We believe we are well positioned to continue our strong growth and market share gains again in 2018.”

Fourth Quarter 2017 Highlights

- Revenue increased 34.6% to \$547.7 million from the fourth quarter of 2016
- Truckload ("TL") (includes Partial TL) revenue increased 38.2% and less than truckload ("LTL") revenue increased 29.7% from the fourth quarter of 2016
- Net revenue⁽¹⁾ increased 34.2% to \$96.2 million from the fourth quarter of 2016
- Net income was \$13.3 million in the fourth quarter of 2017, compared to net loss of \$3.0 million in the fourth quarter of 2016
- Income tax benefit of \$8.9 million was recognized in the fourth quarter of 2017 as a result of the Tax Cuts and Jobs Act ("TCJA")
- Fully diluted EPS increased to \$0.48 in the fourth quarter of 2017; non-GAAP fully diluted EPS⁽¹⁾ increased to \$0.33 in the fourth quarter of 2017
- Non-GAAP EBITDA⁽¹⁾ grew 130.5% to \$21.0 million, compared to \$9.1 million in the fourth quarter of 2016

Full Year 2017 Highlights

- Revenue increased 13.2% to \$1.9 billion from 2016
- TL revenue increased 13.9% and LTL revenue increased 15.1% from 2016
- Net revenue⁽¹⁾ increased 6.4% to \$339.0 million from 2016
- Net income increased to \$12.6 million from \$1.6 million in 2016
- Fully diluted EPS increased to \$0.45 in 2017; non-GAAP fully diluted EPS⁽¹⁾ increased to \$0.86 in 2017

⁽¹⁾ Represents a non-GAAP financial measure. For the definition and discussion of each non-GAAP financial measure, see "Non-GAAP Financial Measures." For a reconciliation of each non-GAAP financial measure to the nearest comparable GAAP financial measure, see the "Reconciliation of Non-GAAP Financial Measures" section of this Press Release.

Summarized financial results and select operating metrics follow:

	Three months ended December 31,			Year ended December 31,		
	2017	2016	% change	2017	2016	% change
<i>Dollars in millions, except per share data</i>	(unaudited)			(unaudited)		
Transactional revenue	\$ 433.2	\$ 328.8	31.8 %	\$ 1,538.8	\$ 1,395.9	10.2 %
Managed transportation revenue	114.5	78.1	46.6 %	404.3	320.3	26.2 %
Revenue	547.7	406.9	34.6 %	1,943.1	1,716.2	13.2 %
Transportation costs	451.5	335.1	34.7 %	1,604.0	1,397.6	14.8 %
Net revenue ⁽¹⁾	96.2	71.7	34.2 %	339.0	318.6	6.4 %
Commission expense	29.5	21.7	35.9 %	103.1	95.6	7.8 %
Change in contingent consideration	0.4	(0.0)	NM	1.0	(0.1)	NM
Stock compensation expense	1.9	2.0	(3.4) %	9.0	13.1	(31.3) %
Other selling, general and administrative	45.7	40.9	11.8 %	174.1	162.2	7.4 %
Selling, general and administrative expense	77.5	64.5	20.1 %	287.2	270.8	6.1 %
Depreciation	5.1	4.6	10.9 %	18.5	16.3	13.2 %
Amortization	3.5	3.9	(9.5) %	14.2	15.8	(9.9) %
Depreciation and amortization	8.6	8.5	1.4 %	32.7	32.1	1.8 %
Income (Loss) from operations	10.1	(1.3)	889.3 %	19.1	15.6	22.3 %
Cash interest expense	1.7	1.7	0.6 %	6.7	6.6	0.9 %
Non-cash interest expense	2.1	1.9	5.9 %	8.1	7.6	5.9 %
Interest expense, net	3.8	3.6	3.5 %	14.7	14.2	3.6 %
Income (Loss) before provision for income taxes	6.4	(4.9)	229.6 %	4.3	1.4	214.4 %
Income tax benefit	(7.0)	(2.0)	257.4 %	(8.3)	(0.2)	3,917.1 %
Net income (loss)	\$ 13.3	\$ (3.0)	550.1 %	\$ 12.6	\$ 1.6	694.1 %
Fully diluted earnings (loss) per share	\$ 0.48	\$ (0.10)	560.1 %	\$ 0.45	\$ 0.05	730.3 %
Diluted shares ^{(1) (2)}	27.6	28.2		28.0	29.3	

⁽¹⁾ See the "Reconciliation of Non-GAAP Financial Measures" and "Non-GAAP Financial Measures" sections of this press release.

⁽²⁾ For the three months ended December 31, 2016, 481,273 incremental shares 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 reconciliation of non-GAAP fully diluted EPS for this period was 28,728,837.

Reconciliation of Non-GAAP Financial Measures	Three months ended December 31,			Year ended December 31,		
	2017	2016	% change	2017	2016	% change
<i>Dollars in millions, except per share data</i>						
	(unaudited)			(unaudited)		
Revenue	\$ 547.7	\$ 406.9	34.6 %	\$ 1,943.1	\$ 1,716.2	13.2 %
Transportation costs	451.5	335.1	34.7 %	1,604.0	1,397.6	14.8 %
Net revenue ⁽¹⁾	\$ 96.2	\$ 71.7	34.2 %	\$ 339.0	\$ 318.6	6.4 %
Net income (loss)	\$ 13.3	\$ (3.0)	550.1 %	\$ 12.6	\$ 1.6	694.1 %
Change in contingent consideration	0.4	(0.0)	NM	1.0	(0.1)	NM
Depreciation	5.1	4.6	10.9 %	18.5	16.3	13.2 %
Amortization	3.5	3.9	(9.5) %	14.2	15.8	(9.9) %
Non-cash interest expense	2.1	1.9	5.9 %	8.1	7.6	5.9 %
Stock compensation expense	1.9	2.0	(3.4) %	9.0	13.1	(31.3) %
Cash interest expense	1.7	1.7	0.6 %	6.7	6.6	0.9 %
Remeasurement of net deferred tax liability resulting from the TCJA	(8.9)	—	NM	(8.9)	—	NM
Income tax expense (benefit)	2.0	(2.0)	200.8 %	0.7	(0.2)	425.9 %
Non-GAAP EBITDA ⁽¹⁾	\$ 21.0	\$ 9.1	130.5 %	\$ 61.8	\$ 60.8	1.7 %
Fully diluted earnings (loss) per share	\$ 0.48	\$ (0.10)	560.1 %	\$ 0.45	\$ 0.05	730.3 %
Change in contingent consideration	0.01	(0.00)	NM	0.04	(0.00)	NM
Amortization	0.13	0.14	(5.9) %	0.51	0.54	(5.8) %
Non-cash interest expense	0.07	0.07	10.1 %	0.29	0.26	10.8 %
Stock compensation expense	0.07	0.07	0.4 %	0.32	0.45	(28.2) %
Remeasurement of net deferred tax liability resulting from the TCJA	(0.32)	—	NM	(0.32)	—	NM
Tax effect of adjustments	(0.12)	(0.10)	(12.8) %	(0.43)	(0.47)	8.7 %
Non-GAAP fully diluted EPS ⁽¹⁾⁽²⁾	\$ 0.33	\$ 0.07	400.1 %	\$ 0.86	\$ 0.83	3.3 %
Operating Metrics						
Net revenue margin	17.6%	17.6%	(6) bps	17.4%	18.6%	(111) bps
Total employees	2,453	2,350	4.4 %	2,453	2,350	4.4 %
Sales employees and agents	1,641	1,611	1.9 %	1,641	1,611	1.9 %
Truckload (TL) revenue %	69.4%	67.6%	179 bps	68.1%	67.6%	41 bps
Less than truckload (LTL) revenue %	25.8%	26.8%	(97) bps	26.8%	26.4%	43 bps
Intermodal revenue %	3.1%	3.9%	(83) bps	3.5%	4.3%	(79) bps

⁽¹⁾ See the "Non-GAAP Financial Measures" section of this Press Release for the definition and a discussion of each Non-GAAP financial measure.

⁽²⁾ For the three months ended December 31, 2016, 481,273 incremental shares 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 reconciliation of non-GAAP fully diluted EPS for this period was 28,728,837.

2018 Full Year and First Quarter Guidance

"We expect full year 2018 revenue to be in the range of \$2.1 billion to \$2.3 billion," said Kyle Sauers, Chief Financial Officer of Echo. "We also expect first quarter revenue to be between \$510 million and \$550 million."

Conference Call

A conference call, with accompanying presentation slides, will be broadcast live on February 7, 2018 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time). Doug Waggoner, Chairman of the Board of Directors and Chief Executive Officer; Dave Menzel, President and Chief Operating Officer; and Kyle Sauers, Chief Financial Officer, will host the call. To participate in the call, dial 877-303-6235 (toll free) or 631-291-4837 (toll) and reference "Echo Global Logistics." To listen to a live webcast of the call, visit the Echo website at <http://ir.echo.com>. A replay of the webcast will be available for one year following the live webcast in the Investor Relations section of the Echo website. To listen to an audio replay, call 855-859-2056 (toll free) or 404-537-3406 (toll) and enter conference ID 8591426. The audio replay will be available through February 14, 2018.

Non-GAAP Financial Measures

This release includes the following financial measures defined as "Non-GAAP financial measures" by the Securities and Exchange Commission (the "SEC"): Net revenue, Non-GAAP EBITDA and Non-GAAP fully diluted EPS. Net revenue is calculated as revenue less transportation costs. Non-GAAP EBITDA is defined as net income (loss) excluding the effects of changes in contingent consideration, depreciation, amortization, stock compensation expense, cash and non-cash interest expense, interest income, remeasurement of the net deferred tax liability resulting from the TCJA and income taxes. Non-GAAP fully diluted EPS is defined as fully diluted earnings (loss) per share excluding changes in contingent consideration, amortization, non-cash interest expense, stock compensation expense, remeasurement of the net deferred tax liability resulting from the TCJA and the tax effect of these adjustments. 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 and Non-GAAP fully diluted EPS 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. For a reconciliation of each non-GAAP financial measure to the nearest comparable GAAP financial measure, see "Reconciliation of Non-GAAP Financial Measures" included in this release.

Forward-Looking Statements

This release contains statements relating to future results. These statements are forward-looking statements under the federal securities laws. We can give no assurance that any future results discussed in these statements will be achieved. All forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this release. For a discussion of important factors that could affect our actual results, please refer to our SEC filings, including the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2016.

Echo Global Logistics, Inc.
Condensed Consolidated Statements of Operations

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Revenue	\$ 547,717,714	\$ 406,852,800	\$ 1,943,086,192	\$ 1,716,152,159
Costs and expenses:				
Transportation costs	451,489,146	335,145,220	1,604,045,563	1,397,577,664
Selling, general and administrative expenses	77,507,909	64,524,296	287,227,430	270,826,387
Depreciation and amortization	8,588,968	8,466,881	32,727,727	32,137,592
Income (Loss) from operations	10,131,691	(1,283,597)	19,085,472	15,610,516
Interest expense, net	(3,759,652)	(3,634,142)	(14,735,738)	(14,226,796)
Income (Loss) before provision for income taxes	6,372,039	(4,917,739)	4,349,734	1,383,720
Income tax benefit	6,976,917	1,951,987	8,273,495	205,958
Net income (loss)	\$ 13,348,956	\$ (2,965,752)	\$ 12,623,229	\$ 1,589,678
Basic earnings (loss) per share	\$ 0.49	\$ (0.10)	\$ 0.46	\$ 0.06
Diluted earnings (loss) per share	\$ 0.48	\$ (0.10)	\$ 0.45	\$ 0.05

Echo Global Logistics, Inc.
Condensed Consolidated Balance Sheets

	December 31, 2017	December 31, 2016
	(unaudited)	
Cash and cash equivalents	\$ 23,514,818	\$ 16,646,089
Accounts receivable, net of allowance for doubtful accounts	309,733,156	231,430,645
Other current assets	15,052,760	20,224,140
Total noncurrent assets	489,777,904	498,467,042
Total assets	\$ 838,078,638	\$ 766,767,916
Accounts payable	\$ 193,749,003	\$ 135,386,424
Other current liabilities	40,579,034	32,554,271
Convertible notes, net	210,918,935	203,564,011
Other noncurrent liabilities	33,959,730	37,113,480
Stockholders' equity	358,871,936	358,149,730
Total liabilities and stockholders' equity	\$ 838,078,638	\$ 766,767,916

Echo Global Logistics, Inc.
Condensed Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
	(unaudited)	
Net cash provided by operating activities	\$ 48,715,680	\$ 59,735,765
Net cash used in investing activities	(20,729,462)	(46,887,769)
Net cash used in financing activities	(21,117,489)	(52,724,101)
Increase (Decrease) in cash and cash equivalents	6,868,729	(39,876,105)
Cash and cash equivalents, beginning of period	16,646,089	56,522,194
Cash and cash equivalents, end of period	\$ 23,514,818	\$ 16,646,089

About Echo Global Logistics

Echo Global Logistics, Inc. (NASDAQ: ECHO) is a leading provider of technology-enabled transportation and supply chain management services. Headquartered in Chicago with more than 30 offices around the country, Echo offers freight brokerage and Managed Transportation solutions for all major modes, including truckload, partial truckload, LTL, intermodal and expedited. Echo maintains a proprietary, web-based technology platform that compiles and analyzes data from its network of over 40,000 transportation providers to serve clients across a wide range of industries and simplify the critical tasks involved in transportation management. For more information on Echo Global Logistics, visit: www.echo.com.

ECHO: Earnings

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