



Second Quarter 2015 Financial Results

Echo Global Logistics, Inc.

August 5, 2015

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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 the most recent Form 10-K Echo Global Logistics 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 2015 Financial Review

	Three months ended June 30,		
	2015	2014	% Change
<i>dollars in millions except per share data</i>			
	(unaudited)		
Total revenue	\$ 371.6	\$ 305.1	21.8%
Total net revenue ⁽¹⁾	69.5	53.3	30.4%
Non-GAAP EBITDA ^{(2) (4)}	16.8	12.9	30.5%
Non-GAAP net income ^{(3) (4)}	8.3	6.4	29.0%
Non-GAAP fully diluted earnings per share ^{(3) (4)}	\$ 0.30	\$ 0.27	9.5%

⁽¹⁾ Non-GAAP financial measure calculated as total revenue less transportation costs. ⁽²⁾ Amounts shown exclude the effects of changes in contingent consideration payable, depreciation/amortization, acquisition related transaction costs, stock compensation, other expense, interest expense and income taxes. ⁽³⁾ Amounts shown exclude changes in contingent consideration payable, amortization, acquisition related transaction costs, stock compensation, non-cash interest expense, Term Loan B Commitment Fees (non-recurring interest expense) and their related tax impacts. ⁽⁴⁾ For a 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

- The second quarter of 2015 represents the twenty-third consecutive quarter of year-over-year total revenue growth
- The increase in second quarter 2015 revenue was driven by continued growth in our organic transactional business and the Command acquisition
- Command added \$46.3M in revenue for the quarter, accounting for 15% of the year-over-year total revenue percentage growth



Revenue by Mode

<i>dollars in millions</i>	Three months ended June 30,		
	2015	2014	% Change
Truckload (TL) revenue	\$227.7	\$159.9	42.3%
Less-than-truckload (LTL) revenue	118.7	111.1	6.8%
Intermodal revenue	18.3	19.7	(7.1)%
Other revenue	6.9	14.4	(51.5)%
Total revenue	\$371.6	\$305.1	21.8%

Key Takeaways

- TL revenue growth was driven by the Command acquisition and a 30% increase in historical Echo TL volume, offset by an 11% decrease in revenue per shipment in Q2
- Command TL revenue accounted for 27% of the total TL revenue percentage growth
- LTL revenue growth in Q2 was driven by a 9% increase in volume and a 2% decrease in revenue per shipment



Revenue by Client Type

<i>dollars in millions</i>	Three months ended June 30,		
	2015	2014	% Change
Transactional revenue	\$295.3	\$226.9	30.2%
Managed Transportation revenue	76.3	78.2	-2.4%
Total revenue	\$371.6	\$305.1	21.8%

Key Takeaways

- Transactional revenue growth was driven by an increase in our sales headcount, as well as the impact of the Command acquisition
- Managed Transportation revenue decline was driven by lower fuel costs and the effect of restructuring a large contract, offset by an increase in the number of clients



Net Revenue Analysis

<i>dollars in millions</i>	Three months ended June 30,		
	2015	2014	Change
Net revenue ⁽¹⁾	\$69.5	\$53.3	30.4%
Net revenue margin	18.7%	17.5%	123 bps
TL revenue mix	61.3%	52.4%	884 bps
LTL revenue mix	32.0%	36.4%	(447) bps
Intermodal revenue mix	4.9%	6.4%	(153) bps
Other revenue mix	1.8%	4.8%	(284) bps
Transactional revenue mix	79.5%	74.4%	510 bps
Managed Transportation revenue mix	20.5%	25.6%	(510) bps

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

Key Takeaways

- In the second quarter of 2015, year-over-year increase in net revenue margin resulted from an increase in TL margins and a drop in fuel prices across all modes
- Transactional revenue as a percentage of total revenue increased due to the significant growth of our organic transactional TL business and the acquisition of Command



Operating Summary

<i>dollars in millions</i>	Three months ended June 30,		
	2015	2014	Change
Total revenue	\$371.6	\$305.1	21.8%
Total net revenues	\$69.5	\$53.3	30.4%
Commission expense	\$20.4	\$14.8	38.4%
<i>Percent of net revenue</i>	29.4%	27.7%	170 bps
Non-GAAP G&A expense ⁽¹⁾	\$32.3	\$25.6	25.7%
<i>Percent of net revenue</i>	46.4%	48.2%	(172) bps
Depreciation	\$2.9	\$2.4	20.5%
<i>Percent of net revenue</i>	4.2%	4.6%	(35) bps
Non-GAAP EBITDA ^{(1) (4)}	\$16.8	\$12.9	30.5%
<i>Percent of net revenue</i>	24.2%	24.2%	2 bps
Non-GAAP income before taxes ^{(2) (4)}	\$12.8	\$10.4	23.0%
<i>Percent of net revenue</i>	18.4%	19.5%	(110) bps
Non-GAAP net income ^{(3) (4)}	\$8.3	\$6.4	29.0%
<i>Percent of net revenue</i>	11.9%	12.0%	(13) bps
Non-GAAP diluted EPS ^{(3) (4)}	\$0.30	\$0.27	9.5%

(1) Amounts shown exclude the effects of changes in contingent consideration payable, amortization/depreciation, acquisition-related transaction costs, other expense, interest expense and stock compensation

(2) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation, non-cash interest expense and the Term Loan B commitment fees (non-recurring interest expense)

(3) Amounts shown exclude the effect of changes in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation, non-cash interest expense, the Term Loan B commitment fees (non-recurring interest expense) and the related tax impact of each adjustment.

(4) For a 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 as a percentage of net revenue due to a change in sales channel mix, the acquisition of Command and a significant increase in our TL revenue mix
- G&A expense increased due to the effect of the Command acquisition as well as increases in sales and operations headcount



Cash Flow and Balance Sheet Data

Selected Cash Flow Data

dollars in millions	Three months ended June 30,		
	2015	2014	% Change
	(unaudited)		
Cash generated from operations	\$25.2	\$8.2	208.5%
Capital expenditures	(3.8)	(4.1)	-7.1%
Free cash flow ⁽¹⁾	\$21.4	\$4.1	422.4%
Acquisition-related payments	(\$384.9)	(\$19.5)	1869.8%

⁽¹⁾ Free cash flow is a non-GAAP financial measure. It is reconciled to net cash provided by operating activities and reflects net cash provided by operating activities reduced by capital expenditures. Please refer to the Appendix included in this presentation for a reconciliation to the nearest GAAP financial measure.

Selected Balance Sheet Data

dollars in millions	As of June 30,	
	2015	2014
	(unaudited)	
Cash and cash equivalents	\$57.6	\$27.4
Accounts receivable, net of allowance for doubtful accounts	225.0	156.8
Current assets	291.4	188.0
Current liabilities	162.0	143.6
Long-term debt, net of debt issuance costs	26.9	-
Convertible Notes, net of unamortized discount/issuance costs	193.4	-
Stockholders' Equity	380.9	167.8



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 operating expenses, Non-GAAP EBITDA, Non-GAAP income before taxes, Non-GAAP Net Income, Non-GAAP Fully Diluted EPS, and Free Cash Flow. Total net revenue is calculated as total revenue less transportation costs. Non-GAAP EBITDA and Non-GAAP EBITDA Margin describe net income and operating margin excluding the effects of charges in contingent consideration payable, depreciation/amortization, acquisition-related transaction costs, stock compensation, interest expense and income taxes. Non-GAAP Net Income describes net income excluding charges in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation, non-cash interest expense, Term Loan B commitment fees (non-recurring interest expenses) and the aggregate tax impact of each adjustment. Non-GAAP Fully Diluted EPS describes fully diluted EPS excluding changes in contingent consideration payable, amortization, acquisition-related transaction costs, non-cash interest expense, stock compensation, non-cash interest expense, Term Loan B commitment fees (non-recurring interest expenses) and the aggregate tax impact of each adjustment. We believe such measures provide useful information to investors because they provide information about the financial performance of the Company's ongoing business. Free Cash Flow is reconciled to net cash provided by operating activities and reflects net cash provided by operating activities reduced by capital expenditures.

Total Net Revenue, Non-GAAP operating expenses, Non-GAAP EBITDA, Non-GAAP income before taxes, Non-GAAP EBITDA Margin, Non-GAAP Net Income, 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. For a reconciliation of each non-GAAP financial measure to the nearest comparable GAAP financial measure, see "Reconciliation of Non-GAAP measures" included in this release.



Historical Non- GAAP Financial Statements

Dollars in millions, except per share data

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015
Revenue:												
Transactional	\$ 143.1	\$ 158.0	\$ 163.7	\$ 151.8	\$ 616.6	\$ 177.6	\$ 226.9	\$ 242.3	\$ 224.5	\$ 871.3	\$ 217.4	\$ 295.3
Managed Transportation	\$ 60.9	\$ 66.1	\$ 71.1	\$ 69.5	\$ 267.6	\$ 70.1	\$ 78.2	\$ 78.3	\$ 75.5	\$ 302.1	\$ 66.1	\$ 76.3
Total Revenue	204.0	224.1	234.8	221.3	884.2	247.7	305.1	320.6	300.0	1,173.4	283.5	371.6
Net revenue	38.5	39.7	40.6	37.0	155.6	42.2	53.3	58.4	54.2	208.2	53.3	69.5
Operating expenses (1)												
Commissions	9.9	10.0	10.2	9.4	39.5	11.2	14.8	16.9	14.8	57.7	14.9	20.4
Selling, general and administrative	19.3	19.9	19.8	20.1	79.0	21.4	25.6	27.1	26.8	101.0	26.9	32.3
Total operating expenses (1)	29.2	29.9	30.0	29.5	118.5	32.6	40.4	44.0	41.6	158.7	41.8	52.7
Non-GAAP EBITDA (1)	9.3	9.8	10.6	7.5	37.1	9.6	12.9	14.4	12.6	49.5	11.5	16.8
Depreciation	2.0	2.0	2.1	2.2	8.2	2.2	2.4	2.5	2.7	9.9	2.7	2.9
Non-GAAP Operating income (2)	7.3	7.8	8.5	5.3	28.9	7.4	10.5	11.9	9.9	39.6	8.8	13.9
Cash Interest Expense	-	-	-	-	-	-	-	-	-	-	-	1.0
Other expense	0.1	0.1	0.1	0.0	0.3	0.1	0.1	0.2	0.0	0.3	0.1	0.1
Non-GAAP Income before taxes (3)	7.2	7.7	8.4	5.3	28.6	7.3	10.4	11.7	9.9	39.3	8.7	12.8
Income taxes (4)	2.7	2.9	3.2	2.0	10.8	2.8	4.0	4.5	3.9	15.1	3.2	4.5
Non-GAAP Net Income (4)	4.5	4.8	5.2	3.3	17.8	4.5	6.4	7.2	6.0	24.2	5.5	8.3
Non-GAAP Fully Diluted EPS (4)	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.14	\$ 0.76	\$ 0.19	\$ 0.27	\$ 0.30	\$ 0.25	\$ 1.02	\$ 0.23	\$ 0.30
Diluted shares	23.2	23.4	23.5	23.6	23.4	23.4	23.5	23.7	23.9	23.6	23.9	27.7

(1) Amounts shown exclude the effects of changes in contingent consideration payable, depreciation/amortization, acquisition-related transaction costs and stock compensation expense.

(2) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, and stock compensation expense.

(3) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation expense, non-cash interest expense and Term Loan B Commitment Fees (non-recurring interest expense).

(4) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation expense, non-cash interest expense and Term Loan B Commitment Fees (non-recurring interest expense) and the related tax impact of the adjustments.



Reconciliation of Non-GAAP Financial Measures

Reconciliation to of Non-GAAP Financial Measures												
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015
Total Revenue	204.0	224.1	234.8	221.3	884.2	247.7	305.1	320.6	300.0	1,173.4	283.5	371.6
Less: Transportation costs	165.5	184.4	194.2	184.3	728.4	205.5	251.8	262.2	245.8	965.2	230.2	302.1
Net Revenue	38.5	39.7	40.6	37.0	155.8	42.2	53.3	58.4	54.2	208.2	53.3	69.5
Non-GAAP EBITDA (1)	9.3	9.8	10.6	7.5	37.1	9.6	12.9	14.4	12.4	49.5	11.5	16.8
Change in contingent consideration payable	(0.8)	0.3	(0.0)	0.3	(0.1)	(0.2)	(1.1)	(0.8)	(0.1)	(2.2)	0.1	(0.3)
Depreciation and amortization	(2.4)	(2.6)	(2.7)	(2.7)	(10.6)	(3.0)	(3.4)	(3.7)	(3.8)	(13.9)	(3.9)	(5.2)
Acquisition-related transaction costs	-	-	-	-	-	(1.2)	(0.4)	-	-	(1.5)	(0.5)	(5.9)
Other expense	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)	(0.0)	(0.1)	(0.1)	0.1	(0.2)	(0.1)	(0.1)
Stock compensation	(1.1)	(0.8)	(0.8)	(0.6)	(3.3)	(1.3)	(1.1)	(0.9)	(1.1)	(4.4)	(1.9)	(2.6)
Interest expense	-	-	-	-	-	-	-	-	-	-	-	(4.3)
Income taxes	(1.8)	(2.5)	(2.7)	(1.7)	(8.6)	(1.5)	(2.6)	(3.4)	(3.0)	(10.5)	(1.9)	0.9
Net Income	3.0	4.1	4.4	2.7	14.2	2.4	4.2	5.5	4.7	16.8	3.3	(0.7)
Non-GAAP EBITDA Margin (1)	24.1%	24.8%	26.1%	20.2%	23.9%	22.8%	24.2%	24.7%	23.2%	23.8%	21.6%	24.2%
Effect of change in contingent consideration payable, depreciation/amortization, acquisition-related transaction costs, and stock compensation	11.5%	7.7%	8.6%	8.1%	9.0%	13.4%	11.2%	9.3%	9.1%	10.6%	11.6%	20.1%
Operating Margin (% of Net Revenue)	12.6%	17.1%	17.5%	12.1%	14.9%	9.4%	13.0%	15.4%	14.1%	13.2%	10.0%	4.1%
Non-GAAP Operating Income (2)	7.3	7.8	8.5	5.3	28.9	7.4	10.5	11.9	9.9	39.4	8.8	13.9
Change in contingent consideration payable	(0.8)	0.3	(0.0)	0.3	(0.1)	(0.2)	(1.1)	(0.8)	(0.1)	(2.2)	0.1	(0.3)
Amortization	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)	(0.7)	(1.0)	(1.1)	(1.1)	(3.9)	(1.1)	(2.3)
Acquisition-related transaction costs	-	-	-	-	-	(1.2)	(0.4)	-	-	(1.5)	(0.5)	(5.9)
Stock compensation	(1.1)	(0.8)	(0.8)	(0.6)	(3.3)	(1.3)	(1.1)	(0.9)	(1.1)	(4.4)	(1.9)	(2.6)
Operating Income	4.8	6.8	7.1	4.5	23.2	4.0	6.9	9.0	7.6	27.5	5.4	2.8
Non-GAAP Net Income (3)	4.5	4.8	5.2	3.3	17.8	4.5	6.4	7.2	6.0	24.2	5.5	8.3
Change in contingent consideration payable	(0.8)	0.3	(0.0)	0.3	(0.1)	(0.2)	(1.1)	(0.8)	(0.1)	(2.2)	0.1	(0.3)
Amortization	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)	(0.7)	(1.0)	(1.1)	(1.1)	(3.9)	(1.1)	(2.3)
Acquisition-related transaction costs	-	-	-	-	-	(1.2)	(0.4)	-	-	(1.5)	(0.5)	(5.9)
Stock compensation	(1.1)	(0.8)	(0.8)	(0.6)	(3.3)	(1.3)	(1.1)	(0.9)	(1.1)	(4.4)	(1.9)	(2.6)
Term Loan B Commitment Fees (non-recurring interest expense)	-	-	-	-	-	-	-	-	-	-	-	(2.0)
Non-cash interest expense	-	-	-	-	-	-	-	-	-	-	-	(1.3)
Income Tax Effect	1.0	0.4	0.6	0.3	2.2	1.3	1.4	1.1	1.0	4.6	1.2	5.4
Net Income	3.0	4.1	4.4	2.7	14.2	2.4	4.2	5.5	4.7	16.8	3.3	(0.7)
Non-GAAP Fully Diluted EPS (3)	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.14	\$ 0.74	\$ 0.19	\$ 0.27	\$ 0.30	\$ 0.25	\$ 1.02	\$ 0.23	\$ 0.30
Effect of change in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation, non-cash interest expense and Term Loan B Commitment Fees, net of tax	0.04	0.02	0.03	0.02	0.15	0.09	0.09	0.07	0.05	0.31	0.09	0.33
Fully Diluted EPS	\$0.13	\$0.18	\$0.19	\$0.12	\$0.61	\$0.10	\$0.18	\$0.23	\$0.20	\$0.71	\$0.14	(\$0.03)

(1) Amounts shown exclude the effects of changes in contingent consideration payable, depreciation/amortization, acquisition-related transaction costs and stock compensation expense.

(2) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, and stock compensation expense.

(3) Amounts shown exclude the effects of changes in contingent consideration payable, amortization, acquisition-related transaction costs, stock compensation expense, non-cash interest expense and Term Loan B Commitment Fees (non-recurring interest expense) and the related tax impact of the adjustments.

