

**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 06, 2019**

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 06, 2019, Echo Global Logistics, Inc. issued a press release announcing financial results for its fiscal quarter ended December 31, 2018. 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 06, 2019.

*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 06, 2019.](#)

*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.



February 6, 2019

Echo Global Logistics Reports Record 2018 Revenue, Up 25.6% Year over Year

CHICAGO, Feb. 06, 2019 (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, 2018.

"This quarter capped a fantastic year for Echo with records in revenue, volume and profitability. In a fast changing freight environment, we demonstrated the flexibility of our model and the ability to gain operating leverage while bringing great value to our shippers and carriers," said Doug Waggoner, Chairman of the Board of Directors and Chief Executive Officer at Echo. "As we enter 2019, we will continue to invest in our technology and people to drive operational efficiencies and bring high service levels to shippers and carriers."

Fourth Quarter 2018 Highlights

- Revenue increased 6.4% to \$583.0 million from the fourth quarter of 2017
- Truckload (includes Partial TL) ("TL") revenue increased 4.3% and less than truckload ("LTL") revenue increased 16.4% from the fourth quarter of 2017
- Transactional revenue increased 3.7% to \$449.3 million and Managed Transportation revenue increased 16.7% to \$133.6 million from the fourth quarter of 2017
- Net revenue⁽¹⁾ increased 6.4% to \$102.4 million from the fourth quarter of 2017
- Net income was \$6.9 million in the fourth quarter of 2018, compared to \$13.3 million in the fourth quarter of 2017, which included an \$8.9 million income tax benefit resulting from the Tax Cuts and Jobs Act ("TCJA")
- Fully diluted EPS decreased to \$0.25 in the fourth quarter of 2018; non-GAAP fully diluted EPS⁽¹⁾ increased to \$0.47 in the fourth quarter of 2018
- Adjusted EBITDA⁽¹⁾ grew 21.8% to \$25.6 million, compared to \$21.0 million in the fourth quarter of 2017

Full Year 2018 Highlights

- Revenue increased 25.6% to \$2.44 billion from 2017
- TL revenue increased 27.5% and LTL revenue increased 22.6% from 2017
- Transactional revenue increased 24.5% to \$1.92 billion and Managed Transportation revenue increased 29.6% to \$524.1 million from 2017
- Net revenue⁽¹⁾ increased 24.0% to \$420.4 million from 2017
- Net income increased 127.5% to \$28.7 million from 2017
- Fully diluted EPS increased to \$1.03 in 2018; non-GAAP fully diluted EPS⁽¹⁾ increased to \$1.88 in 2018
- Adjusted EBITDA⁽¹⁾ grew 62.1 % to \$100.2 million, compared to \$61.8 million in 2017

⁽¹⁾ Represents a non-GAAP financial measure. For the definition and a discussion of each non-GAAP financial measure contained in this release, 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,		
	2018	2017	% change	2018	2017	% change
<i>Dollars in millions, except per share data</i>	(unaudited)			(unaudited)		
Transactional revenue	\$ 449.3	\$ 433.2	3.7 %	\$ 1,915.6	\$ 1,538.8	24.5 %
Managed Transportation revenue	133.6	114.5	16.7 %	524.1	404.3	29.6 %
Revenue	583.0	547.7	6.4 %	2,439.7	1,943.1	25.6 %
Transportation costs	480.5	451.5	6.4 %	2,019.3	1,604.0	25.9 %
Net revenue ⁽¹⁾	102.4	96.2	6.4 %	420.4	339.0	24.0 %
Commission expense	31.1	29.5	5.3 %	126.8	103.1	23.0 %
Change in contingent consideration	0.3	0.4	(35.2) %	0.4	1.0	(58.6) %
Acquisition-related transaction costs	0.0	—	100.0 %	0.3	—	100.0 %
Stock compensation expense	2.2	1.9	15.2 %	9.3	9.0	3.0 %
Other selling, general and administrative	45.7	45.7	0.1 %	193.4	174.1	11.0 %
Selling, general and administrative expense	79.3	77.5	2.3 %	330.2	287.2	14.9 %
Depreciation	6.2	5.1	22.8 %	23.6	18.5	27.8 %
Amortization	3.3	3.5	(7.6) %	13.0	14.2	(8.6) %
Depreciation and amortization	9.5	8.6	10.3 %	36.6	32.7	11.9 %
Income from operations	13.7	10.1	35.0 %	53.6	19.1	180.7 %
Cash interest expense	1.5	1.7	(9.0) %	6.5	6.7	(3.0) %
Non-cash interest expense	2.7	2.1	31.8 %	9.1	8.1	12.5 %
Interest expense, net	4.3	3.8	13.4 %	15.5	14.7	5.5 %
Income before provision for income taxes	9.4	6.4	47.7 %	38.0	4.3	774.1 %
Income tax (expense) benefit	(2.5)	7.0	NM	(9.3)	8.3	NM
Net income	\$ 6.9	\$ 13.3	(48.0) %	\$ 28.7	\$ 12.6	127.5 %
Fully diluted EPS	\$ 0.25	\$ 0.48	(48.5) %	\$ 1.03	\$ 0.45	128.4 %
Diluted shares	27.9	27.6		27.9	28.0	

Note: Amounts may not foot due to rounding.

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

Reconciliation of Non-GAAP Financial Measures	Three Months Ended December 31,			Year Ended December 31,		
	2018	2017	% change	2018	2017	% change
<i>Dollars in millions, except per share data</i>						
	(unaudited)			(unaudited)		
Revenue	\$ 583.0	\$ 547.7	6.4 %	\$ 2,439.7	\$ 1,943.1	25.6 %
Transportation costs	480.5	451.5	6.4 %	2,019.3	1,604.0	25.9 %
Net revenue ⁽¹⁾	\$ 102.4	\$ 96.2	6.4 %	\$ 420.4	\$ 339.0	24.0 %
Net income	\$ 6.9	\$ 13.3	(48.0) %	\$ 28.7	\$ 12.6	127.5 %
Depreciation	6.2	5.1	22.8 %	23.6	18.5	27.8 %
Amortization	3.3	3.5	(7.6) %	13.0	14.2	(8.6) %
Non-cash interest expense	2.7	2.1	31.8 %	9.1	8.1	12.5 %
Cash interest expense	1.5	1.7	(9.0) %	6.5	6.7	(3.0) %
Remeasurement of net deferred tax liability resulting from the TCJA	—	(8.9)	(100.0) %	—	(8.9)	(100.0) %
Income tax expense	2.5	2.0	25.8 %	9.3	0.7	1,284.9 %
EBITDA ⁽¹⁾	\$ 23.1	\$ 18.7	23.6 %	\$ 90.2	\$ 51.8	74.1 %
Acquisition-related transaction costs	0.0	—	100.0 %	0.3	—	100.0 %
Change in contingent consideration	0.3	0.4	(35.2) %	0.4	1.0	(58.6) %
Stock compensation expense	2.2	1.9	15.2 %	9.3	9.0	3.0 %
Adjusted EBITDA ⁽¹⁾	\$ 25.6	\$ 21.0	21.8 %	\$ 100.2	\$ 61.8	62.1 %
Fully diluted EPS	\$ 0.25	\$ 0.48	(48.5) %	\$ 1.03	\$ 0.45	128.4 %
Change in contingent consideration	0.01	0.01	(35.7) %	0.01	0.04	(58.5) %
Amortization	0.12	0.13	(8.4) %	0.47	0.51	(8.3) %
Acquisition-related transaction costs	0.00	—	100.0 %	0.01	—	100.0 %
Non-cash interest expense	0.10	0.07	30.6 %	0.33	0.29	13.0 %
Stock compensation expense	0.08	0.07	14.2 %	0.33	0.32	3.3 %
Remeasurement of net deferred tax liability resulting from the TCJA	—	(0.32)	(100.0) %	—	(0.32)	(100.0) %
Tax effect of adjustments	(0.08)	(0.12)	31.9 %	(0.30)	(0.43)	30.4 %
Non-GAAP fully diluted EPS ⁽¹⁾	\$ 0.47	\$ 0.33	43.3 %	\$ 1.88	\$ 0.86	119.2 %
Operating Metrics						
Net revenue margin	17.6%	17.6%	0 bps	17.2%	17.4%	(22) bps
Total employees	2,595	2,453	5.8 %	2,595	2,453	5.8 %
Sales employees and agents	1,716	1,641	4.6 %	1,716	1,641	4.6 %
Truckload (TL) revenue %	68.0%	69.4%	(136) bps	69.1%	68.1%	107 bps
Less than truckload (LTL) revenue %	28.2%	25.8%	241 bps	26.2%	26.8%	(62) bps

Note: Amounts may not foot due to rounding.

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

2019 Full Year and First Quarter Guidance

"We expect full year 2019 revenue to be in the range of \$2.35 billion to \$2.55 billion," said Kyle Sauer, Chief Financial Officer of Echo. "We also expect first quarter revenue to be between \$530 million and \$570 million."

Conference Call

A conference call, with accompanying presentation slides, will be broadcast live on February 6, 2019 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 5155959. The audio replay will be available through February 13, 2019.

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, EBITDA, Adjusted EBITDA and Non-GAAP fully diluted EPS. Net revenue is calculated as revenue less transportation costs. EBITDA is defined as net income excluding the effects of changes in depreciation, amortization, cash and non-cash interest expense, interest income, remeasurement of the net deferred tax liability resulting from the TCJA and income taxes. Adjusted EBITDA is defined as EBITDA (as previously defined) excluding the effects of acquisition-related transaction costs, changes in contingent consideration and stock compensation. 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, 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, EBITDA, Adjusted 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

All statements made in this release, other than statements of historical fact, are or may be deemed to be forward-looking statements. 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. 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, 2017, and other filings with the SEC.

Echo Global Logistics, Inc.
Condensed Consolidated Statements of Operations

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<i>In thousands, except per share data</i>	(unaudited)		(unaudited)	
Revenue	\$ 582,978	\$ 547,718	\$ 2,439,701	\$ 1,943,086
Costs and expenses:				
Transportation costs	480,546	451,489	2,019,337	1,604,046
Selling, general and administrative expenses	79,289	77,508	330,160	287,227
Depreciation and amortization	9,470	8,589	36,638	32,728
Income from operations	13,673	10,132	53,566	19,085
Interest expense, net	(4,262)	(3,760)	(15,546)	(14,736)
Income before provision for income taxes	9,411	6,372	38,020	4,350
Income tax (expense) benefit	(2,475)	6,977	(9,296)	8,273
Net income	<u>\$ 6,935</u>	<u>\$ 13,349</u>	<u>\$ 28,723</u>	<u>\$ 12,623</u>
Basic EPS	\$ 0.25	\$ 0.49	\$ 1.04	\$ 0.46
Diluted EPS	\$ 0.25	\$ 0.48	\$ 1.03	\$ 0.45

Note: Amounts may not foot due to rounding.

Echo Global Logistics, Inc.
Condensed Consolidated Balance Sheets

	December 31, 2018		December 31, 2017	
	(unaudited)			
<i>In thousands</i>				
Cash and cash equivalents	\$	40,281	\$	23,515
Accounts receivable, net of allowance for doubtful accounts		337,426		309,733
Other current assets		16,025		15,053
Total noncurrent assets		484,593		489,778
Total assets	<u>\$</u>	<u>878,325</u>	<u>\$</u>	<u>838,079</u>
Accounts payable	\$	216,280	\$	193,749
Other current liabilities		50,627		40,579
Convertible notes, net		183,168		210,919
Other noncurrent liabilities		38,319		33,960
Stockholders' equity		389,932		358,872
Total liabilities and stockholders' equity	<u>\$</u>	<u>878,325</u>	<u>\$</u>	<u>838,079</u>

Note: Amounts may not foot due to rounding.

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

<i>In thousands</i>	Year Ended December 31,	
	2018	2017
	(unaudited)	
Net cash provided by operating activities	\$ 94,245	\$ 48,716
Net cash used in investing activities	(31,821)	(20,729)
Net cash used in financing activities	(45,657)	(21,117)
Increase in cash and cash equivalents	16,766	6,869
Cash and cash equivalents, beginning of period	23,515	16,646
Cash and cash equivalents, end of period	\$ 40,281	\$ 23,515

Note: Amounts may not foot due to rounding.

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 50,000 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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