

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

ECHO

Transportation Simplified™

A large, open-plan office space with many employees working at desks equipped with multiple computer monitors. The office has a modern, industrial feel with high ceilings and large windows. A green graphic overlay is on the left side of the image.

First Quarter 2019 Financial Results

Echo Global Logistics, Inc.

April 24, 2019

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 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, 2018 and other filings with the Securities and Exchange Commission.

First Quarter 2019 Financial Review

| <i>dollars in millions, except per share data</i> (unaudited) | Three months ended March 31, | | | % Change |
|--|------------------------------|----------|--|----------|
| | 2019 | 2018 | | |
| Revenue | \$ 538.1 | \$ 577.1 | | (6.8)% |
| Net revenue ⁽¹⁾ | \$ 98.8 | \$ 99.9 | | (1.2)% |
| Net income | \$ 3.5 | \$ 4.7 | | (26.0)% |
| EBITDA ⁽¹⁾ | \$ 18.6 | \$ 19.4 | | (4.3)% |
| Adjusted EBITDA ⁽¹⁾ | \$ 21.7 | \$ 22.0 | | (1.4)% |
| Fully diluted EPS | \$ 0.13 | \$ 0.17 | | (25.3)% |
| Non-GAAP fully diluted EPS ⁽¹⁾ | \$ 0.38 | \$ 0.40 | | (4.4)% |

⁽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 decrease in revenue was primarily the result of a decrease in truckload revenue per shipment. The decrease in revenue per shipment was largely offset by higher net revenue margin.
- The slight decrease in first quarter 2019 Adjusted EBITDA was the result of an 1% decrease in net revenue, partially offset by lower G&A costs.

Revenue by Mode

| <i>dollars in millions</i> (unaudited) | Three months ended March 31, | | | % Change |
|---|------------------------------|-----------------|--|---------------|
| | 2019 | 2018 | | |
| Truckload ("TL") revenue | \$ 354.3 | \$ 400.5 | | (11.5)% |
| Less than truckload ("LTL") revenue | 154.9 | 147.2 | | 5.2 % |
| Other revenue | 28.8 | 29.4 | | (1.9)% |
| Revenue | \$ 538.1 | \$ 577.1 | | (6.8)% |

Note: Amounts may not foot due to rounding.

Key Takeaways

- LTL revenue growth was driven by a 3% increase in revenue per shipment and a 2% increase in volume.
- TL (includes Partial TL) revenue decline was driven by a softer TL market resulting in a 7% decrease in revenue per shipment and a 4% decrease in volume.

Revenue by Client Type

| <i>dollars in millions</i> (unaudited) | Three months ended March 31, | | |
|---|------------------------------|-----------------|---------------|
| | 2019 | 2018 | % Change |
| Transactional revenue | \$ 412.1 | \$ 453.1 | (9.0)% |
| Managed Transportation revenue | 125.9 | 124.0 | 1.6 % |
| Revenue | \$ 538.1 | \$ 577.1 | (6.8)% |

Note: Amounts may not foot due to rounding.

Key Takeaways

- The Managed Transportation revenue increase was driven by an increase in revenue per client.
- The decrease in Transactional revenue was driven primarily by revenue per shipment and volume decreases in the TL mode.

Net Revenue and Revenue Analysis

| dollars in millions (unaudited) | Three months ended March 31, | | | Change |
|------------------------------------|------------------------------|---------|--|-----------|
| | 2019 | 2018 | | |
| Net revenue ⁽¹⁾ | \$ 98.8 | \$ 99.9 | | (1.2)% |
| Net revenue margin | 18.4% | 17.3% | | 104 bps |
| TL revenue mix | 65.8% | 69.4% | | (355) bps |
| LTL revenue mix | 28.8% | 25.5% | | 328 bps |
| Other revenue mix | 5.4% | 5.1% | | 27 bps |
| Transactional revenue mix | 76.6% | 78.5% | | (192) bps |
| Managed Transportation revenue mix | 23.4% | 21.5% | | 192 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 first quarter of 2019, the year over year increase in net revenue margin resulted from an increase in TL margins.
- The increase in our LTL revenue mix was driven by lower TL rates and slight increases in LTL revenue per shipment and volume.

Expense Summary

| <i>dollars in millions</i> (unaudited) | Three months ended March 31, | | | |
|--|------------------------------|----------|----------|--|
| | 2019 | 2018 | Change | |
| Revenue | \$ 538.1 | \$ 577.1 | (6.8)% | |
| Net revenue ⁽¹⁾ | \$ 98.8 | \$ 99.9 | (1.2)% | |
| Commission expense | \$ 30.0 | \$ 30.2 | (0.6)% | |
| <i>Percent of net revenue</i> | 30.4% | 30.2% | 17 bps | |
| Change in contingent consideration | \$ 0.3 | \$ 0.1 | 480.0 % | |
| <i>Percent of net revenue</i> | 0.3% | 0.1% | 24 bps | |
| Stock compensation expense | \$ 2.8 | \$ 2.5 | 11.6 % | |
| <i>Percent of net revenue</i> | 2.8% | 2.5% | 32 bps | |
| Other selling, general and administrative | \$ 47.1 | \$ 47.8 | (1.4)% | |
| <i>Percent of net revenue</i> | 47.7% | 47.8% | (12) bps | |
| Selling, general and administrative expenses | \$ 80.2 | \$ 80.5 | (0.4)% | |
| <i>Percent of net revenue</i> | 81.2% | 80.6% | 62 bps | |
| Depreciation | \$ 6.3 | \$ 5.7 | 11.3 % | |
| <i>Percent of net revenue</i> | 6.4% | 5.7% | 71 bps | |
| Amortization | \$ 3.2 | \$ 3.2 | (2.4)% | |
| <i>Percent of net revenue</i> | 3.2% | 3.2% | (4) bps | |
| Cash interest expense | \$ 1.4 | \$ 1.7 | (14.5)% | |
| <i>Percent of net revenue</i> | 1.4% | 1.7% | (22) bps | |
| Non-cash interest expense | \$ 2.0 | \$ 2.1 | (4.6)% | |
| <i>Percent of net revenue</i> | 2.0% | 2.1% | (7) bps | |
| Non-GAAP tax rate | 24.9% | 24.5% | | |

Note: Amounts may not foot due to rounding.

(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 slightly due to lower net revenue.
- The other selling, general and administrative costs decreased at a rate similar to our net revenue decline.

Cash Flow and Balance Sheet Data

Selected Cash Flow Data

| <i>dollars in millions</i> (unaudited) | Three months ended March 31, | | |
|---|------------------------------|---------|----------|
| | 2019 | 2018 | % Change |
| Cash generated from operations | \$ 24.1 | \$ 17.7 | 36.2 % |
| Capital expenditures | (6.4) | (7.6) | (16.2)% |
| Free cash flow ⁽¹⁾ | \$ 17.7 | \$ 10.1 | 75.7 % |

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

Selected Balance Sheet Data

| <i>dollars in millions</i> | March 31, | December 31, |
|---|-------------|--------------|
| | 2019 | 2018 |
| | (unaudited) | |
| Cash and cash equivalents | \$ 37.6 | \$ 40.3 |
| Accounts receivable, net of allowance for doubtful accounts | 334.9 | 337.4 |
| Current assets | 383.4 | 393.7 |
| Current liabilities | 267.0 | 266.9 |
| Convertible notes, net of unamortized discount/issuance costs | 177.3 | 183.2 |
| Stockholders' equity | \$ 383.7 | \$ 389.9 |

Key Takeaways

- During the first quarter 2019, the Company repurchased \$7.9M face value of its convertible notes for \$7.8M.
- During the first quarter 2019, the Company repurchased 452K shares of its common stock for \$10.6M.

Guidance

Q2 2019

- Revenue: \$560M - \$600M
- Commission: 30.5% - 31.0%
- G&A Costs: \$47.5M - \$50.5M
- Depreciation: \$6.9M
- Cash Interest: \$1.4M
- Share Count: 27.4M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$3.0M
- Non-cash Interest: \$1.8M
- Stock Compensation: \$2.6M

FY 2019

- Revenue: \$2.30B - \$2.50B
- Commission: 30.5% - 31.0%
- G&A Costs: \$193M - \$203M
- Depreciation: \$27.0M
- Cash Interest: \$5.5M
- Share Count: 27.4M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$11.8M
- Non-cash Interest: \$7.5M
- Stock Compensation: \$10.5M

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, EBITDA, Adjusted EBITDA, Non-GAAP fully diluted EPS and Free cash flow. Net revenue is calculated as revenue less transportation costs. EBITDA is defined as net income excluding the effects of depreciation, amortization, cash and non-cash interest expense and income taxes. Adjusted EBITDA is defined as EBITDA (as previously defined) excluding the effects of changes in contingent consideration and stock compensation expense. 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, EBITDA, Adjusted 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, EBITDA, Adjusted 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 this slide 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 March 31, | | % change |
|---|------------------------------|-----------------|----------------|
| | 2019 | 2018 | |
| | (unaudited) | | |
| Revenue | \$ 538.1 | \$ 577.1 | (6.8)% |
| Transportation costs | 439.3 | 477.2 | (7.9)% |
| Net revenue⁽¹⁾ | \$ 98.8 | \$ 99.9 | (1.2)% |
| Net income | \$ 3.5 | \$ 4.7 | (26.0)% |
| Depreciation | 6.3 | 5.7 | 11.3 % |
| Amortization | 3.2 | 3.2 | (2.4)% |
| Non-cash interest expense | 2.0 | 2.1 | (4.6)% |
| Cash interest expense | 1.4 | 1.7 | (14.5)% |
| Income tax expense | 2.2 | 2.0 | 8.5 % |
| EBITDA⁽¹⁾ | \$ 18.6 | \$ 19.4 | (4.3)% |
| Change in contingent consideration | 0.3 | 0.1 | 480.0 % |
| Stock compensation expense | 2.8 | 2.5 | 11.6 % |
| Adjusted EBITDA⁽¹⁾ | \$ 21.7 | \$ 22.0 | (1.4)% |
| Fully diluted EPS | \$ 0.13 | \$ 0.17 | (25.3)% |
| Change in contingent consideration | 0.01 | 0.00 | 485.7 % |
| Amortization | 0.12 | 0.12 | (1.4)% |
| Non-cash interest expense | 0.07 | 0.08 | (3.6)% |
| Stock compensation expense | 0.10 | 0.09 | 12.6 % |
| Tax effect of adjustments | (0.05) | (0.06) | 17.6 % |
| Non-GAAP fully diluted EPS⁽¹⁾ | \$ 0.38 | \$ 0.40 | (4.4)% |

⁽¹⁾For a description of these Non-GAAP Financial Measures, please refer to the first page of the Appendix to this presentation.

Historical Financial Statements

dollars in millions, except per share data

| (unaudited) | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | FY 2018 | Q1 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Transactional revenue | \$ 453.1 | \$ 502.8 | \$ 510.3 | \$ 449.3 | \$ 1,915.6 | \$ 412.1 |
| Managed Transportation revenue | 124.0 | 132.0 | 134.5 | 133.6 | 524.1 | 125.9 |
| Revenue | 577.1 | 634.8 | 644.8 | 583.0 | 2,439.7 | 538.1 |
| Transportation costs | 477.2 | 528.0 | 533.6 | 480.5 | 2,019.3 | 439.3 |
| Net revenue ⁽¹⁾ | 99.9 | 106.8 | 111.2 | 102.4 | 420.4 | 98.8 |
| Commission expense | 30.2 | 32.4 | 33.2 | 31.1 | 126.8 | 30.0 |
| Change in contingent consideration | 0.1 | 0.1 | 0.1 | 0.3 | 0.4 | 0.3 |
| Acquisition-related transaction costs | — | — | 0.3 | 0.0 | 0.3 | — |
| Stock compensation expense | 2.5 | 2.2 | 2.4 | 2.2 | 9.3 | 2.8 |
| Other selling, general and administrative | 47.8 | 50.0 | 49.9 | 45.7 | 193.4 | 47.1 |
| Selling, general and administrative expenses | 80.5 | 84.6 | 85.7 | 79.3 | 330.2 | 80.2 |
| Depreciation | 5.7 | 5.8 | 6.0 | 6.2 | 23.6 | 6.3 |
| Amortization | 3.2 | 3.2 | 3.3 | 3.3 | 13.0 | 3.2 |
| Depreciation and amortization | 8.9 | 9.0 | 9.2 | 9.5 | 36.6 | 9.5 |
| Income from operations | 10.5 | 13.1 | 16.3 | 13.7 | 53.6 | 9.1 |
| Cash interest expense | 1.7 | 1.6 | 1.6 | 1.5 | 6.5 | 1.4 |
| Non-cash interest expense | 2.1 | 2.1 | 2.2 | 2.7 | 9.1 | 2.0 |
| Interest expense, net | 3.8 | 3.8 | 3.8 | 4.3 | 15.5 | 3.4 |
| Income before provision for income taxes | 6.7 | 9.4 | 12.5 | 9.4 | 38.0 | 5.7 |
| Income tax expense | (2.0) | (1.7) | (3.1) | (2.5) | (9.3) | (2.2) |
| Net income | \$ 4.7 | \$ 7.7 | \$ 9.4 | \$ 6.9 | \$ 28.7 | \$ 3.5 |
| Fully diluted EPS | \$ 0.17 | \$ 0.28 | \$ 0.33 | \$ 0.25 | \$ 1.03 | \$ 0.13 |
| Diluted shares | 27.7 | 27.9 | 28.2 | 27.9 | 27.9 | 27.5 |

Note: Amounts may not foot due to rounding.

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