

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, resembling a stylized signal or sound wave.

Transportation Simplified™

A large, modern call center or office environment with many employees working at desks equipped with multiple computer monitors. The space is bright and open-plan, with high ceilings and large windows. In the background, there are signs for "ECHO" and "LOGISTICS".

First Quarter 2020 Financial Results

Echo Global Logistics, Inc.

April 22, 2020

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, including the impact the outbreak of the novel coronavirus (COVID-19) pandemic could have on the Company's business and financial results, 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, 2019 and other subsequent filings with the Securities and Exchange Commission (the "SEC").

First Quarter 2020 Financial Review

<i>dollars in millions, except per share data</i> (unaudited)	Three months ended March 31,			% Change
	2020	2019		
Revenue	\$ 551.0	\$ 538.1		2.4 %
Net revenue ⁽¹⁾	\$ 89.9	\$ 98.8		(9.0)%
Net (loss) income	\$ (2.9)	\$ 3.5		(183.9)%
EBITDA ⁽¹⁾	\$ 10.3	\$ 18.6		(44.8)%
Adjusted EBITDA ⁽¹⁾	\$ 14.9	\$ 21.7		(31.3)%
Fully diluted (loss) earnings per share	\$ (0.11)	\$ 0.13		(188.5)%
Non-GAAP fully diluted EPS ⁽¹⁾⁽²⁾	\$ 0.19	\$ 0.38		(50.3)%

⁽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.

⁽²⁾ For the three months ended March 31, 2020, 181,830 incremental shares related to stock-based awards were not included in the computation of diluted loss per common share because of the net loss during the period. Diluted shares used in the reconciliation of non-GAAP fully diluted EPS was 26,188,474.

Key Takeaways

- The increase in first quarter 2020 revenue was due to an increase in truckload ("TL") and less than truckload ("LTL") volume, offset by a decline in revenue per shipment in both modes.
- The decrease in first quarter 2020 Adjusted EBITDA was the result of the decrease in net revenue, primarily as a result of lower TL margins.

Revenue by Mode

<i>dollars in millions</i> <i>(unaudited)</i>	Three months ended March 31,		
	2020	2019	% Change
TL revenue	\$ 367.8	\$ 354.3	3.8 %
LTL revenue	157.9	154.9	1.9 %
Other revenue	25.3	28.8	(12.1)%
Revenue	\$ 551.0	\$ 538.1	2.4 %

Note: Amounts may not foot due to rounding.

Key Takeaways

- TL (includes Partial TL) revenue growth was driven by a 10% increase in volume, offset by a 6% decrease in revenue per shipment.
- LTL revenue growth was driven by a 3% increase in volume, offset by a 1% decrease in revenue per shipment.

Revenue by Client Type

<i>dollars in millions</i> (unaudited)	Three months ended March 31,		
	2020	2019	% Change
Transactional revenue	\$ 428.4	\$ 412.1	3.9 %
Managed Transportation revenue	122.7	125.9	(2.6)%
Revenue	\$ 551.0	\$ 538.1	2.4 %

Note: Amounts may not foot due to rounding.

Key Takeaways

- The increase in Transactional revenue was driven primarily by a 12% increase in TL volume, offset by a 7% decrease in TL revenue per shipment.
- The Managed Transportation revenue decrease was driven by a 2% decrease in LTL volume.

Net Revenue and Revenue Analysis

dollars in millions (unaudited)	Three months ended March 31,			Change	
	2020	2019			
Net revenue ⁽¹⁾	\$ 89.9	\$ 98.8		(9.0)%	
Net revenue margin ⁽¹⁾	16.3 %	18.4 %		(204)	bps
TL revenue mix	66.7 %	65.8 %		89	bps
LTL revenue mix	28.7 %	28.8 %		(13)	bps
Other revenue mix	4.6 %	5.4 %		(76)	bps
Transactional revenue mix	77.7 %	76.6 %		114	bps
Managed Transportation revenue mix	22.3 %	23.4 %		(114)	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

- The year over year decrease in net revenue margin resulted from a decrease in TL margins.
- The increase in our TL revenue mix was driven by an increase in TL volume.

Expense Summary

<i>dollars in millions</i> (unaudited)	Three months ended March 31,				
	2020		2019		Change
Revenue	\$	551.0	\$	538.1	2.4 %
Net revenue ⁽¹⁾	\$	89.9	\$	98.8	(9.0)%
Commission expense	\$	27.2	\$	30.0	(9.3)%
<i>Percent of net revenue</i>		30.3 %		30.4 %	(10) bps
Change in contingent consideration	\$	0.0	\$	0.3	(89.7)%
<i>Percent of net revenue</i>		0.0 %		0.3 %	(26) bps
Stock compensation expense	\$	4.6	\$	2.8	64.2 %
<i>Percent of net revenue</i>		5.1 %		2.8 %	228 bps
Other selling, general and administrative	\$	47.8	\$	47.1	1.5 %
<i>Percent of net revenue</i>		53.1 %		47.7 %	548 bps
Selling, general and administrative expenses	\$	79.7	\$	80.2	(0.7)%
<i>Percent of net revenue</i>		88.6 %		81.2 %	740 bps
Depreciation	\$	7.0	\$	6.3	10.7 %
<i>Percent of net revenue</i>		7.8 %		6.4 %	138 bps
Amortization	\$	2.8	\$	3.2	(11.0)%
<i>Percent of net revenue</i>		3.1 %		3.2 %	(7) bps
Cash interest expense	\$	1.3	\$	1.4	(8.6)%
<i>Percent of net revenue</i>		1.4 %		1.4 %	1 bps
Non-cash interest expense	\$	1.5	\$	2.0	(25.2)%
<i>Percent of net revenue</i>		1.7 %		2.0 %	(36) bps
Non-GAAP tax rate		25.0 %		24.9 %	

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 due to lower net revenue.
- The increase in stock compensation expense was due to accelerated expense recognition due to the inclusion of new retirement provisions in the Company's latest equity awards.

Cash Flow and Balance Sheet Data

Selected Cash Flow Data

<i>dollars in millions</i> (unaudited)	Three months ended March 31,		
	2020	2019	% Change
Cash generated from operations	\$ 9.7	\$ 24.1	(59.8)%
Capital expenditures	(5.1)	(6.4)	(20.1)%
Free cash flow ⁽¹⁾	\$ 4.6	\$ 17.7	(74.2)%

⁽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,
	2020	2019
	(unaudited)	
Cash and cash equivalents	\$ 38.7	\$ 34.6
Accounts receivable, net of allowance for doubtful accounts	335.4	287.0
Current assets	387.4	336.2
Current liabilities	272.4	230.4
Long-term debt, net	98.7	—
Convertible notes, net	69.0	156.3
Stockholders' equity	\$ 374.2	\$ 383.3

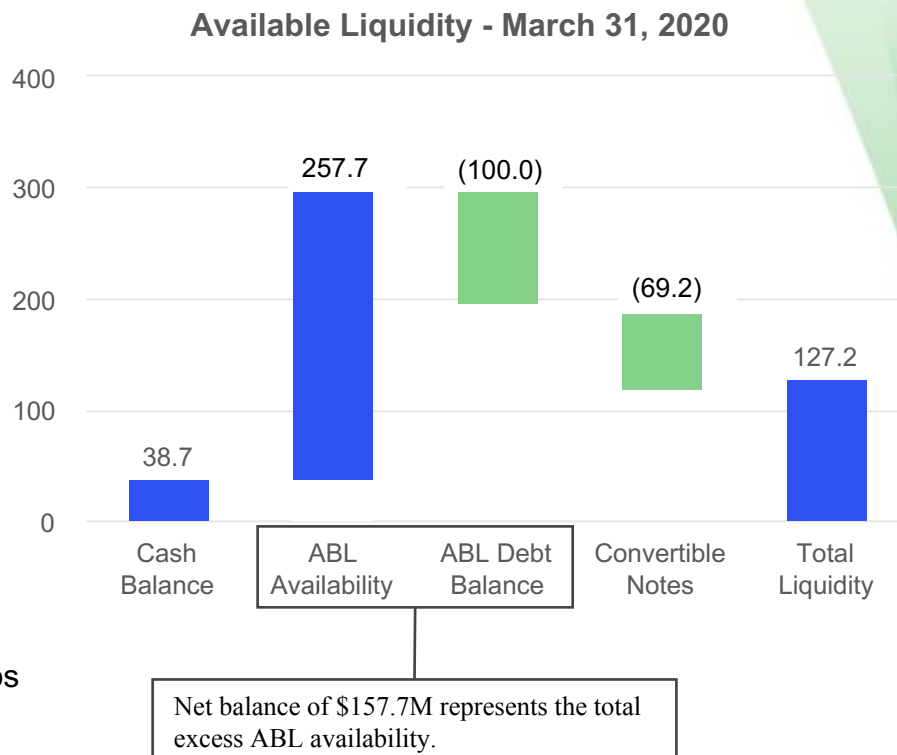
Key Takeaways

- The Company repurchased \$89.1M face value of its convertible notes for \$89.0M during Q1 2020.
- The Company repurchased 490K shares of its common stock for \$9.4M during Q1 2020.

Liquidity Considerations

Key Takeaways

- Liquidity Metrics at March 31, 2020
 - Cash Balance: \$38.7M
 - Outstanding ABL Balance: \$100M
 - Excess ABL Availability: \$157.7M
 - Outstanding Convertible Notes: \$69.2M
 - Total Available Liquidity: \$127.2M**
- Excess ABL availability will be used to finance maturity of convertible notes on May 1, 2020.
- Summary of ABL Credit Facility ⁽¹⁾
 - Maximum loan amount: \$350 million
 - Collateral: 85% advance rate on eligible AR
 - AR availability at March 31, 2020: \$257.7 million
 - Interest Rate: LIBOR + 150 bps or LIBOR + 125bps if borrowing less than 50% of availability
 - Maturity date: October 23, 2023
 - Fixed Charge Coverage Ratio of at least 1.0



⁽¹⁾ For a copy of the full credit agreement, please reference: <https://echogloballogisticsinc.gcs-web.com/financial-information/sec-filings>

Guidance

Q2 2020

- Revenue: \$450M - \$500M
- Commission: 29.75% - 30.25%
- G&A Costs: \$43.5M - \$46.5M
- Depreciation: \$7.0M
- Cash Interest: \$1.4M
- Share Count: 26.2M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$2.8M
- Non-cash Interest: \$0.3M
- Stock Compensation: \$2.3M

Second Quarter 2020 Trends⁽¹⁾

- April per business day revenue down 12%
- April per business day TL shipments down 4%
- April per business day LTL shipments down 24%
- April net revenue margin approximately 17.4%

⁽¹⁾April trends are representative of the first 13 business days in the month.

FY 2020

- Revenue: N/A
- Commission: 29.75% - 30.25%
- G&A Costs: N/A
- Depreciation: \$27.8M
- Cash Interest: \$6.0M
- Share Count: 26.2M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$11.0M
- Non-cash Interest: \$1.8M
- Stock Compensation: \$11.5M

Appendix

Non-GAAP Financial Measures

This presentation includes the following financial measures defined as “Non-GAAP financial measures” by the SEC: Net revenue, net revenue margin, EBITDA, Adjusted EBITDA, Non-GAAP fully diluted EPS and Free cash flow. Net revenue is calculated as revenue less transportation costs. Net revenue margin is calculated as net revenue (as previously defined) divided by revenue. EBITDA is defined as net (loss) 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 (loss) earnings per share 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, net revenue margin, 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
	2020	2019	
	(unaudited)		
Revenue	\$ 551.0	\$ 538.1	2.4 %
Transportation costs	461.1	439.3	5.0 %
Net revenue⁽¹⁾	\$ 89.9	\$ 98.8	(9.0)%
Net (loss) income	\$ (2.9)	\$ 3.5	(183.9)%
Depreciation	7.0	6.3	10.7 %
Amortization	2.8	3.2	(11.0)%
Non-cash interest expense	1.5	2.0	(25.2)%
Cash interest expense	1.3	1.4	(8.6)%
Income tax expense	0.6	2.2	(72.4)%
EBITDA⁽¹⁾	\$ 10.3	\$ 18.6	(44.8)%
Change in contingent consideration	0.0	0.3	(89.7)%
Stock compensation expense	4.6	2.8	64.2 %
Adjusted EBITDA⁽¹⁾	\$ 14.9	\$ 21.7	(31.3)%
Fully diluted (loss) earnings per share	\$ (0.11)	\$ 0.13	(188.5)%
Change in contingent consideration	0.00	0.01	(89.2)%
Amortization	0.11	0.12	(6.7)%
Non-cash interest expense	0.06	0.07	(21.6)%
Stock compensation expense	0.18	0.10	72.2 %
Tax effect of adjustments	(0.04)	(0.05)	(13.5)%
Non-GAAP fully diluted EPS⁽¹⁾⁽²⁾	\$ 0.19	\$ 0.38	(50.3)%

Note: Amounts may not foot due to rounding.

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

⁽²⁾For the three months ended March 31, 2020, 181,830 incremental shares related to stock-based awards were not included in the computation of diluted loss per common share because of the net loss during the period. Diluted shares used in the reconciliation of non-GAAP fully diluted EPS was 26,188,474.

Historical Financial Statements

dollars in millions, except per share data

(unaudited)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Transactional revenue	\$ 412.1	\$ 428.2	\$ 433.3	\$ 411.2	\$ 1,684.9	\$ 428.4
Managed Transportation revenue	125.9	125.6	128.1	120.5	500.1	122.7
Revenue	538.1	553.8	561.4	531.7	2,185.0	551.0
Transportation costs	439.3	453.2	464.5	442.0	1,798.9	461.1
Net revenue ⁽¹⁾	98.8	100.6	97.0	89.7	386.0	89.9
Commission expense	30.0	31.1	29.1	26.8	117.0	27.2
Change in contingent consideration	0.3	0.2	0.1	0.5	1.1	0.0
Stock compensation expense	2.8	2.4	2.5	2.4	10.2	4.6
Other selling, general and administrative	47.1	46.5	46.1	45.3	184.9	47.8
Selling, general and administrative expenses	80.2	80.1	77.7	75.1	313.1	79.7
Depreciation	6.3	6.8	6.8	6.7	26.6	7.0
Amortization	3.2	3.0	2.8	2.8	11.8	2.8
Depreciation and amortization	9.5	9.8	9.6	9.5	38.4	9.8
Income from operations	9.1	10.7	9.7	5.1	34.5	0.5
Cash interest expense	1.4	1.3	1.3	1.3	5.3	1.3
Non-cash interest expense	2.0	2.2	1.6	1.6	7.3	1.5
Interest expense	3.4	3.6	2.8	2.8	12.6	2.8
Income (Loss) before provision for income taxes	5.7	7.1	6.8	2.2	21.9	(2.3)
Income tax expense	(2.2)	(2.1)	(2.0)	(0.8)	(7.0)	(0.6)
Net income (loss)	\$ 3.5	\$ 5.1	\$ 4.8	\$ 1.4	\$ 14.8	\$ (2.9)
Fully diluted earnings (loss) per share	\$ 0.13	\$ 0.19	\$ 0.18	\$ 0.05	\$ 0.55	\$ (0.11)
Diluted shares ⁽¹⁾⁽²⁾	27.5	26.8	26.5	26.6	26.8	26.0

Note: Amounts may not foot due to rounding.

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

⁽²⁾For the three months ended March 31, 2020, 181,830 incremental shares related to stock-based awards were not included in the computation of diluted loss per common share because of the net loss during the period. Diluted shares used in the reconciliation of non-GAAP fully diluted EPS was 26,188,474.