

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 "E" or a signal icon.

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 large digital displays, one of which shows the ECHO logo. The overall atmosphere is professional and busy.

Second Quarter 2020 Financial Results

Echo Global Logistics, Inc.

July 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 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 filings with the Securities and Exchange Commission.

Second Quarter 2020 Financial Review

<i>dollars in millions, except per share data</i> (unaudited)	Three months ended June 30,			% Change
	2020	2019		
Revenue	\$ 514.7	\$ 553.8		(7.1)%
Net revenue ⁽¹⁾	\$ 88.0	\$ 100.6		(12.5)%
Net income	\$ 1.0	\$ 5.1		(81.2)%
EBITDA ⁽¹⁾	\$ 12.6	\$ 20.5		(38.6)%
Adjusted EBITDA ⁽¹⁾	\$ 14.8	\$ 23.1		(35.9)%
Fully diluted EPS	\$ 0.04	\$ 0.19		(80.8)%
Non-GAAP fully diluted EPS ⁽¹⁾	\$ 0.19	\$ 0.42		(54.9)%

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

Revenue by Mode

<i>dollars in millions</i> <i>(unaudited)</i>	Three months ended June 30,		
	2020	2019	% Change
Truckload ("TL") revenue	\$ 352.2	\$ 362.3	(2.8)%
Less than truckload ("LTL") revenue	141.6	165.0	(14.2)%
Other revenue	21.0	26.5	(20.8)%
Revenue	\$ 514.7	\$ 553.8	(7.1)%

Note: Amounts may not foot due to rounding.

Key Takeaways

- TL (includes Partial TL) revenue decline was driven by a 6% decrease in revenue per shipment, offset by a 3% increase in volume.
- LTL revenue decline was driven by a 11% decrease in volume and a 3% decrease in revenue per shipment.

Revenue by Client Type

<i>dollars in millions</i> <i>(unaudited)</i>	Three months ended June 30,		% Change
	2020	2019	
Transactional revenue	\$ 396.8	\$ 428.2	(7.3)%
Managed Transportation revenue	117.9	125.6	(6.1)%
Revenue	\$ 514.7	\$ 553.8	(7.1)%

Key Takeaways

- The decrease in Transactional revenue was driven primarily by a 7% decrease in TL (includes Partial TL) revenue per shipment and a 9% decrease in LTL volume, which is partially offset by a 4% increase in TL (includes Partial TL) volume.
- The decrease in Managed Transportation revenue was driven by a decline in both LTL volume of 13% and LTL revenue per shipment of 3%.

Net Revenue and Revenue Analysis

dollars in millions (unaudited)	Three months ended June 30,			
	2020	2019	Change	
Net revenue ⁽¹⁾	\$ 88.0	\$ 100.6	(12.5)%	
Net revenue margin ⁽¹⁾	17.1 %	18.2 %	(106)	bps
TL revenue mix	68.4 %	65.4 %	301	bps
LTL revenue mix	27.5 %	29.8 %	(230)	bps
Other revenue mix	4.1 %	4.8 %	(71)	bps
Transactional revenue mix	77.1 %	77.3 %	(24)	bps
Managed Transportation revenue mix	22.9 %	22.7 %	24	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 mode shift towards TL as well as lower LTL and 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 June 30,			Change
	2020	2019		
Revenue	\$ 514.7	\$ 553.8		(7.1)%
Net revenue ⁽¹⁾	\$ 88.0	\$ 100.6		(12.5)%
Commission expense	\$ 26.6	\$ 31.1		(14.4)%
<i>Percent of net revenue</i>	30.2 %	30.9 %		(66) bps
Change in contingent consideration	\$ (0.1)	\$ 0.2		(138.1)%
<i>Percent of net revenue</i>	(0.1) %	0.2 %		(29) bps
Stock compensation expense	\$ 2.3	\$ 2.4		(4.4)%
<i>Percent of net revenue</i>	2.6 %	2.4 %		22 bps
Other selling, general and administrative	\$ 46.6	\$ 46.5		0.4 %
<i>Percent of net revenue</i>	53.0 %	46.2 %		679 bps
Selling, general and administrative expenses	\$ 75.5	\$ 80.1		(5.8)%
<i>Percent of net revenue</i>	85.7 %	79.7 %		607 bps
Depreciation	\$ 7.0	\$ 6.8		4.1 %
<i>Percent of net revenue</i>	8.0 %	6.7 %		127 bps
Amortization	\$ 2.8	\$ 3.0		(8.8)%
<i>Percent of net revenue</i>	3.1 %	3.0 %		13 bps
Cash interest expense	\$ 1.2	\$ 1.3		(12.5)%
<i>Percent of net revenue</i>	1.3 %	1.3 %		— bps
Non-cash interest expense	\$ 0.2	\$ 2.2		(90.0)%
<i>Percent of net revenue</i>	0.2 %	2.2 %		(194) bps
Non-GAAP tax rate	24.8 %	25.0 %		

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 and automation initiatives that reduced commission expense as a percentage of net revenue, despite a higher TL mix.
- Non-cash interest expense decreased due to the settling of convertible notes on May 1, 2020.

Cash Flow and Balance Sheet Data

Selected Cash Flow Data

<i>dollars in millions</i> (unaudited)	Three months ended June 30,		% Change
	2020	2019	
Cash generated from operations	\$ 26.1	\$ 27.1	(3.8)%
Capital expenditures	(5.1)	(6.8)	(25.1)%
Free cash flow ⁽¹⁾	\$ 21.0	\$ 20.3	3.3 %

Note: Amounts may not foot due to rounding.

⁽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>	June 30,	December 31,
	2020	2019
	(unaudited)	
Cash and cash equivalents	\$ 35.4	\$ 34.6
Accounts receivable, net of allowance for doubtful accounts	304.9	287.0
Current assets	352.0	336.2
Current liabilities	253.4	230.4
Long-term debt, net	143.8	—
Convertible notes, net	—	156.3
Stockholders' equity	\$ 377.4	\$ 383.3

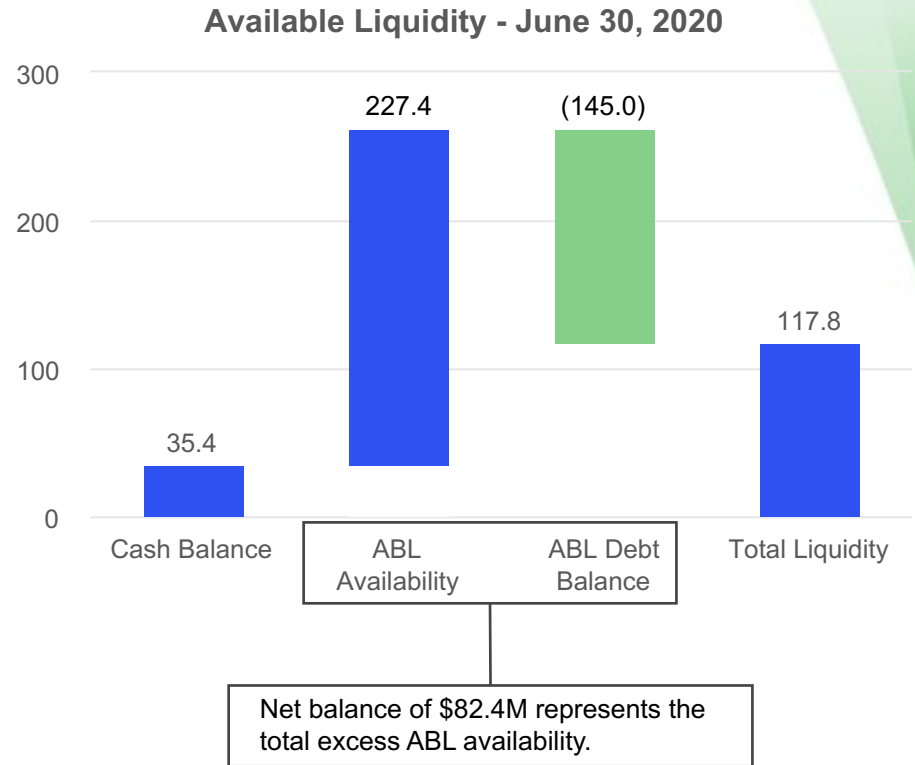
Key Takeaways

- The Company settled its \$69.2M in principal convertible notes during Q2 2020 by drawing on its existing ABL Facility.

Liquidity Summary

Key Takeaways

- Liquidity Metrics at June 30, 2020
 - Cash Balance: \$35.4M
 - Outstanding ABL Balance: \$145M
 - Excess ABL Availability: \$82.4M
 - Total Available Liquidity: \$117.8M**
- Q2 2020 Financing Activities
 - \$69.2M of outstanding convertible notes matured on May 1, 2020
 - ABL line of credit was used to finance maturity of convertible notes
 - Repaid \$25M of ABL line of credit during Q2
- Summary of ABL Credit Facility ⁽¹⁾
 - Maximum loan amount: \$350 million
 - Collateral: 85% advance rate on eligible AR
 - AR availability at June 30, 2020: \$227.4 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

Q3 2020

- Revenue: \$565M - \$615M
- Commission: 29.75% - 30.25%
- G&A Costs: \$46.5M - \$49.5M
- Depreciation: \$7.2M
- Cash Interest: \$1.1M
- Share Count: 26.3M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$2.7M
- Stock Compensation: \$2.3M

Third Quarter 2020 Trends⁽¹⁾

- July per business day revenue up 10%
- July per business day TL shipments up 12%
- July per business day LTL shipments up 9%
- July net revenue margin approximately 15.0%

⁽¹⁾ July trends are representative of the first 12 business days in the month.

FY 2020

- Revenue: N/A
- Commission: 29.75% - 30.25%
- G&A Costs: N/A
- Depreciation: \$28.1M
- Cash Interest: \$4.5M
- Share Count: 26.4M
- Non-GAAP Tax Rate: 25.0%

Excluded for Non-GAAP:

- Amortization: \$11.0M
- Non-cash Interest: \$1.7M
- Stock Compensation: \$11.5M

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, 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 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 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, 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

	Three Months Ended June 30,		% change
	2020	2019	
<i>dollars in millions, except per share data</i>			
	(unaudited)		
Revenue	\$ 514.7	\$ 553.8	(7.1)%
Transportation costs	426.7	453.2	(5.8)%
Net revenue⁽¹⁾	\$ 88.0	\$ 100.6	(12.5)%
Net income	\$ 1.0	\$ 5.1	(81.2)%
Depreciation	7.0	6.8	4.1 %
Amortization	2.8	3.0	(8.8)%
Non-cash interest expense	0.2	2.2	(90.0)%
Cash interest expense	1.2	1.3	(12.5)%
Income tax expense	0.4	2.1	(79.9)%
EBITDA⁽¹⁾	\$ 12.6	\$ 20.5	(38.6)%
Change in contingent consideration	(0.1)	0.2	(138.1)%
Stock compensation expense	2.3	2.4	(4.4)%
Adjusted EBITDA⁽¹⁾	\$ 14.8	\$ 23.1	(35.9)%
Fully diluted EPS	\$ 0.04	\$ 0.19	(80.8)%
Change in contingent consideration	(0.00)	0.01	(138.9)%
Amortization	0.11	0.11	(6.8)%
Non-cash interest expense	0.01	0.08	(89.8)%
Stock compensation expense	0.09	0.09	(2.3)%
Tax effect of adjustments	(0.05)	(0.06)	(26.3)%
Non-GAAP fully diluted EPS⁽¹⁾	\$ 0.19	\$ 0.42	(54.9)%

Note: Amounts may not foot due to rounding.

⁽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

<i>dollars in millions, except per share data</i>							
<i>(unaudited)</i>	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020
Transactional revenue	\$ 412.1	\$ 428.2	\$ 433.3	\$ 411.2	\$ 1,684.9	\$ 428.4	\$ 396.8
Managed Transportation revenue	125.9	125.6	128.1	120.5	500.1	122.7	117.9
Revenue	538.1	553.8	561.4	531.7	2,185.0	551.0	514.7
Transportation costs	439.3	453.2	464.5	442.0	1,798.9	461.1	426.7
Net revenue⁽¹⁾	98.8	100.6	97.0	89.7	386.0	89.9	88.0
Commission expense	30.0	31.1	29.1	26.8	117.0	27.2	26.6
Change in contingent consideration	0.3	0.2	0.1	0.5	1.1	0.0	(0.1)
Stock compensation expense	2.8	2.4	2.5	2.4	10.2	4.6	2.3
Other selling, general and administrative	47.1	46.5	46.1	45.3	184.9	47.8	46.6
Selling, general and administrative expenses	80.2	80.1	77.7	75.1	313.1	79.7	75.5
Depreciation	6.3	6.8	6.8	6.7	26.6	7.0	7.0
Amortization	3.2	3.0	2.8	2.8	11.8	2.8	2.8
Depreciation and amortization	9.5	9.8	9.6	9.5	38.4	9.8	9.8
Income from operations	9.1	10.7	9.7	5.1	34.5	0.5	2.8
Cash interest expense	1.4	1.3	1.3	1.3	5.3	1.3	1.2
Non-cash interest expense	2.0	2.2	1.6	1.6	7.3	1.5	0.2
Interest expense, net	3.4	3.6	2.8	2.8	12.6	2.8	1.4
Income (Loss) before provision for income taxes	5.7	7.1	6.8	2.2	21.9	(2.3)	1.4
Income tax expense	(2.2)	(2.1)	(2.0)	(0.8)	(7.0)	(0.6)	(0.4)
Net income (loss)	\$ 3.5	\$ 5.1	\$ 4.8	\$ 1.4	\$ 14.8	\$ (2.9)	\$ 1.0
Fully diluted earnings (loss) per share	\$ 0.13	\$ 0.19	\$ 0.18	\$ 0.05	\$ 0.55	\$ (0.11)	0.04
Diluted shares ⁽¹⁾⁽²⁾	27.5	26.8	26.5	26.6	26.8	26.0	26.2

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.