

**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 5, 2020**

**ECHO GLOBAL LOGISTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware 001-34470 20-5001120**

(State or other jurisdiction of  
incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

**600 West Chicago Avenue  
Suite 725**

**Chicago, Illinois 60654**  
(Address of principal executive offices) (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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value \$0.0001 per share	ECHO	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, 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.

---

**Item 2.02 Results of Operations and Financial Condition.\***

On February 5, 2020, Echo Global Logistics, Inc. issued a press release announcing financial results for its fiscal quarter ended December 31, 2019. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<b>Exhibit No.</b>	<b>Description</b>
99.1*	Press Release dated February 5, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\*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*	<a href="#">Press Release dated February 5, 2020.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\*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.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 5, 2020

ECHO GLOBAL LOGISTICS, INC.

By           /s/ Kyle Sauers          

Name: Kyle Sauers

Title: Chief Financial Officer



February 5, 2020

### **Echo Global Logistics Reports Fourth Quarter and Full Year 2019 Results**

CHICAGO, Feb. 5, 2020 /PRNewswire/ -- 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, 2019.

"I'm proud of the results we posted this year in light of the challenging freight market, triggered by excess truckload capacity throughout much of the year. I am particularly excited about the year over year volume growth we've seen in early January, and believe the freight cycle will improve in 2020," said Doug Waggoner, Chairman of the Board of Directors and Chief Executive Officer at Echo. "Entering 2020 we will continue to invest in technology to drive interactions with our shippers and carriers, while improving efficiency for our employees."

#### ***Fourth Quarter 2019 Highlights***

- Revenue decreased 8.8% to \$531.7 million from the fourth quarter of 2018; net revenue<sup>(1)</sup> decreased 12.4% to \$89.7 million from the fourth quarter of 2018
- Transactional revenue decreased 8.5% to \$411.2 million and Managed Transportation revenue decreased 9.8% to \$120.5 million from the fourth quarter of 2018
- Net income decreased to \$1.4 million, compared to \$6.9 million in the fourth quarter of 2018
- Fully diluted EPS decreased to \$0.05 in the fourth quarter of 2019; non-GAAP fully diluted EPS <sup>(1)</sup> decreased to \$0.26 in the fourth quarter of 2019
- Adjusted EBITDA<sup>(1)</sup> decreased to \$17.5 million, compared to \$25.6 million in the fourth quarter of 2018

#### ***Full Year 2019 Highlights***

- Revenue decreased 10.4% to \$2.2 billion from 2018; net revenue<sup>(1)</sup> decreased 8.2% to \$386 million from 2018
- Transactional revenue decreased 12.0% to \$1.7 billion and Managed Transportation revenue decreased 4.6% to \$500 million from 2018
- Net revenue margin<sup>(1)</sup> increased to 17.7% in 2019 from 17.2% in 2018
- Net income decreased to \$14.8 million, compared to \$28.7 million in 2018
- Fully diluted EPS decreased to \$0.55 in 2019; non-GAAP fully diluted EPS <sup>(1)</sup> decreased to \$1.45 in 2019
- Adjusted EBITDA<sup>(1)</sup> decreased to \$84.1 million, compared to \$100.2 million in 2018

---

<sup>(1)</sup> 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,		
	2019	2018	% change	2019	2018	% change
<i>Dollars in millions, except per share data</i>	<i>(unaudited)</i>			<i>(unaudited)</i>		
Transactional revenue	\$ 411.2	\$ 449.3	(8.5) %	\$ 1,684.9	\$ 1,915.6	(12.0) %
Managed Transportation revenue	120.5	133.6	(9.8) %	500.1	524.1	(4.6) %
<b>Revenue</b>	<b>531.7</b>	<b>583.0</b>	<b>(8.8) %</b>	<b>2,185.0</b>	<b>2,439.7</b>	<b>(10.4) %</b>
Transportation costs	442.0	480.5	(8.0) %	1,798.9	2,019.3	(10.9) %
<b>Net revenue <sup>(1)</sup></b>	<b>89.7</b>	<b>102.4</b>	<b>(12.4) %</b>	<b>386.0</b>	<b>420.4</b>	<b>(8.2) %</b>
Commission expense	26.8	31.1	(13.8) %	117.0	126.8	(7.8) %
Change in contingent consideration	0.5	0.3	95.0 %	1.1	0.4	156.2 %
Acquisition-related transaction costs	—	0.0	(100.0) %	—	0.3	(100.0) %
Stock compensation expense	2.4	2.2	10.6 %	10.2	9.3	9.7 %
Other selling, general and administrative	45.3	45.7	(0.9) %	184.9	193.4	(4.4) %
<b>Selling, general and administrative expense</b>	<b>75.1</b>	<b>79.3</b>	<b>(5.3) %</b>	<b>313.1</b>	<b>330.2</b>	<b>(5.2) %</b>
Depreciation	6.7	6.2	8.6 %	26.6	23.6	12.6 %
Amortization	2.8	3.3	(14.4) %	11.8	13.0	(9.4) %
<b>Depreciation and amortization</b>	<b>9.5</b>	<b>9.5</b>	<b>0.7 %</b>	<b>38.4</b>	<b>36.6</b>	<b>4.8 %</b>
<b>Income from operations</b>	<b>5.1</b>	<b>13.7</b>	<b>(62.9) %</b>	<b>34.5</b>	<b>53.6</b>	<b>(35.6) %</b>
Cash interest expense	1.3	1.5	(18.1) %	5.3	6.5	(18.2) %
Non-cash interest expense	1.6	2.7	(41.7) %	7.3	9.1	(19.1) %
<b>Interest expense, net</b>	<b>2.8</b>	<b>4.3</b>	<b>(33.1) %</b>	<b>12.6</b>	<b>15.5</b>	<b>(18.7) %</b>
<b>Income before provision for income taxes</b>	<b>2.2</b>	<b>9.4</b>	<b>(76.3) %</b>	<b>21.9</b>	<b>38.0</b>	<b>(42.5) %</b>
Income tax expense	(0.8)	(2.5)	(68.2) %	(7.0)	(9.3)	(24.4) %
<b>Net income</b>	<b>\$ 1.4</b>	<b>\$ 6.9</b>	<b>(79.3) %</b>	<b>\$ 14.8</b>	<b>\$ 28.7</b>	<b>(48.3) %</b>
<b>Fully diluted EPS</b>	<b>\$ 0.05</b>	<b>\$ 0.25</b>	<b>(78.2) %</b>	<b>\$ 0.55</b>	<b>\$ 1.03</b>	<b>(46.2) %</b>
Diluted shares	26.6	27.9		26.8	27.9	

Note: Amounts may not foot due to rounding.

<sup>(1)</sup>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,		
	2019	2018	% change	2019	2018	% change
<i>Dollars in millions, except per share data</i>						
	(unaudited)			(unaudited)		
<b>Revenue</b>	\$ 531.7	\$ 583.0	(8.8) %	\$ 2,185.0	\$ 2,439.7	(10.4) %
Transportation costs	442.0	480.5	(8.0) %	1,798.9	2,019.3	(10.9) %
<b>Net revenue <sup>(1)</sup></b>	<b>\$ 89.7</b>	<b>\$ 102.4</b>	<b>(12.4) %</b>	<b>\$ 386.0</b>	<b>\$ 420.4</b>	<b>(8.2) %</b>
<b>Net income</b>	<b>\$ 1.4</b>	<b>\$ 6.9</b>	<b>(79.3) %</b>	<b>\$ 14.8</b>	<b>\$ 28.7</b>	<b>(48.3) %</b>
Depreciation	6.7	6.2	8.6 %	26.6	23.6	12.6 %
Amortization	2.8	3.3	(14.4) %	11.8	13.0	(9.4) %
Non-cash interest expense	1.6	2.7	(41.7) %	7.3	9.1	(19.1) %
Cash interest expense	1.3	1.5	(18.1) %	5.3	6.5	(18.2) %
Income tax expense	0.8	2.5	(68.2) %	7.0	9.3	(24.4) %
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 14.6</b>	<b>\$ 23.1</b>	<b>(36.9) %</b>	<b>\$ 72.9</b>	<b>\$ 90.2</b>	<b>(19.2) %</b>
Acquisition-related transaction costs	—	0.0	(100.0) %	—	0.3	(100.0) %
Change in contingent consideration	0.5	0.3	95.0 %	1.1	0.4	156.2 %
Stock compensation expense	2.4	2.2	10.6 %	10.2	9.3	9.7 %
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 17.5</b>	<b>\$ 25.6</b>	<b>(31.5) %</b>	<b>\$ 84.1</b>	<b>\$ 100.2</b>	<b>(16.0) %</b>
<b>Fully diluted EPS</b>	<b>\$ 0.05</b>	<b>\$ 0.25</b>	<b>(78.2) %</b>	<b>\$ 0.55</b>	<b>\$ 1.03</b>	<b>(46.2) %</b>
Change in contingent consideration	0.02	0.01	104.7 %	0.04	0.01	166.7 %
Amortization	0.11	0.12	(10.1) %	0.44	0.47	(5.6) %
Acquisition-related transaction costs	—	0.00	(100.0) %	—	0.01	(100.0) %
Non-cash interest expense	0.06	0.10	(38.8) %	0.27	0.33	(15.8) %
Stock compensation expense	0.09	0.08	16.1 %	0.38	0.33	14.2 %
Tax effect of adjustments	(0.07)	(0.08)	(11.9) %	(0.23)	(0.30)	(21.6) %
<b>Non-GAAP fully diluted EPS <sup>(1)</sup></b>	<b>\$ 0.26</b>	<b>\$ 0.47</b>	<b>(44.9) %</b>	<b>\$ 1.45</b>	<b>\$ 1.88</b>	<b>(22.7) %</b>
<b>Operating Metrics</b>						
Net revenue margin <sup>(1)</sup>	16.9 %	17.6 %	(70) bps	17.7 %	17.2 %	44 bps
Total employees	2,539	2,595	(2.2) %	2,539	2,595	(2.2) %
Sales employees and agents	1,669	1,716	(2.7) %	1,669	1,716	(2.7) %
Truckload (TL) revenue %	66.2 %	68.0 %	(176) bps	65.8 %	69.1 %	(333) bps
Less than Truckload (LTL) revenue %	29.9 %	28.2 %	172 bps	29.6 %	26.2 %	343 bps

Note: Amounts may not foot due to rounding.

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

## 2020 Full Year and First Quarter Guidance

"We expect full year 2020 revenue to be in the range of \$2.25 billion to \$2.45 billion," said Kyle Sauers, 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 5, 2020 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 5145418. The audio replay will be available through February 12, 2020.

**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, net revenue margin, EBITDA, Adjusted EBITDA and Non-GAAP fully diluted EPS. 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 effects of acquisition-related transaction costs, 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, acquisition-related transaction costs, non-cash interest expense, stock compensation expense 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, net revenue margin, 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, 2018, and other filings with the SEC.

---



**Echo Global Logistics, Inc.**  
**Condensed Consolidated Statements of Operations**

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>In thousands, except per share data</i>	(unaudited)		(unaudited)	
Revenue	\$ 531,677	\$ 582,978	\$ 2,184,977	\$ 2,439,701
Costs and expenses:				
Transportation costs	441,995	480,546	1,798,944	2,019,337
Selling, general and administrative expenses	75,074	79,289	313,129	330,160
Depreciation and amortization	9,532	9,470	38,387	36,638
Income from operations	5,076	13,673	34,517	53,566
Interest expense, net	(2,850)	(4,262)	(12,639)	(15,546)
Income before provision for income taxes	2,226	9,411	21,878	38,020
Income tax expense	(787)	(2,475)	(7,032)	(9,296)
Net income	<u>\$ 1,439</u>	<u>\$ 6,935</u>	<u>\$ 14,846</u>	<u>\$ 28,723</u>
Basic EPS	\$ 0.05	\$ 0.25	\$ 0.56	\$ 1.04
Diluted EPS	\$ 0.05	\$ 0.25	\$ 0.55	\$ 1.03

Note: Amounts may not foot due to rounding.

**Echo Global Logistics, Inc.**  
**Condensed Consolidated Balance Sheets**

	December 31, 2019		December 31, 2018	
	(unaudited)			
<i>In thousands</i>				
Cash and cash equivalents	\$	34,626	\$	40,281
Accounts receivable, net of allowance for doubtful accounts		286,989		337,426
Other current assets		14,578		16,025
Total noncurrent assets		490,473		484,593
Total assets	<u>\$</u>	<u>826,666</u>	<u>\$</u>	<u>878,325</u>
Accounts payable	\$	187,524	\$	216,280
Other current liabilities		42,885		50,627
Convertible notes, net		156,298		183,168
Other noncurrent liabilities		56,646		38,319
Stockholders' equity		383,312		389,932
Total liabilities and stockholders' equity	<u>\$</u>	<u>826,666</u>	<u>\$</u>	<u>878,325</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,	
	2019	2018
	(unaudited)	
Net cash provided by operating activities	\$ 84,532	\$ 94,245
Net cash used in investing activities	(23,959)	(31,821)
Net cash used in financing activities	(66,229)	(45,657)
(Decrease) Increase in cash and cash equivalents	(5,656)	16,766
Cash and cash equivalents, beginning of period	40,281	23,515
Cash and cash equivalents, end of period	\$ 34,626	\$ 40,281

Note: Amounts may not foot due to rounding.

***About Echo Global Logistics***

Echo Global Logistics, Inc. (NASDAQ: ECHO) is a leading Fortune 1000 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 35,000 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](http://www.echo.com).

ECHO: Earnings

***INVESTOR RELATIONS CONTACTS:***

Kyle Sauers  
Chief Financial Officer  
Echo Global Logistics  
312-784-7695

Zach Jecklin  
SVP of Strategy  
Echo Global Logistics  
312-784-2046

***MEDIA CONTACT:***

Christopher Clemmensen  
SVP of Marketing  
Echo Global Logistics  
312-784-2132