

Echo Global Logistics, Inc.
Form 10-Q
October 25, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2018

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 001-34470

ECHO GLOBAL LOGISTICS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware 20-5001120
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

600 West Chicago Avenue
Suite 725
Chicago, Illinois 60654
Phone: (800) 354-7993
(Address (including zip code) and telephone number (including area
code)
of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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(Do not check if a smaller
reporting 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 any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes: No:

As of October 24, 2018, the registrant had 28,547,265 shares of Common Stock, par value \$0.0001 per share, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Echo Global Logistics, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

(In thousands, except per share data)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenue	\$644,821	\$509,531	\$1,856,723	\$1,395,368
Costs and expenses:				
Transportation costs	533,601	422,830	1,538,791	1,152,556
Selling, general and administrative expenses	85,709	72,284	250,871	209,720
Depreciation and amortization	9,230	8,124	27,168	24,139
Income from operations	16,281	6,293	39,893	8,954
Interest income	—	21	—	21
Interest expense	(3,780)	(3,696)	(11,284)	(10,997)
Interest expense, net	(3,780)	(3,675)	(11,284)	(10,976)
Income (Loss) before provision for income taxes	12,501	2,618	28,609	(2,022)
Income tax (expense) benefit	(3,118)	(226)	(6,821)	1,297
Net income (loss)	\$9,383	\$2,392	\$21,788	\$(726)
Earnings (Loss) per common share:				
Basic	\$0.34	\$0.09	\$0.79	\$(0.03)
Diluted	\$0.33	\$0.09	\$0.78	\$(0.03)

Note: Amounts may not foot due to rounding.
See accompanying notes.

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Consolidated Balance Sheets

	September 30, 2018	December 31, 2017
	(Unaudited)	
(In thousands, except share data)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 60,542	\$ 23,515
Accounts receivable, net of allowance for doubtful accounts of \$6,178 and \$3,745 at September 30, 2018 and December 31, 2017, respectively	385,059	309,733
Income taxes receivable	836	5,101
Prepaid expenses	7,506	6,191
Other current assets	5,112	3,760
Total current assets	459,055	348,301
Noncurrent assets:		
Property and equipment, net of accumulated depreciation of \$103,809 and \$86,549 at September 30, 2018 and December 31, 2017, respectively	63,072	63,062
Goodwill	309,589	307,314
Intangible assets, net of accumulated amortization of \$66,586 and \$56,834 at September 30, 2018 and December 31, 2017, respectively	112,832	117,484