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Echo Global Logistics, Inc.

Form 10-Q

July 28, 2016

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 June 30, 2016

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 Incorporation or Organization)	(I.R.S. Employer Identification No.)

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 an a large accelerated filer, an accelerated filer, or non-accelerated filer. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer: Accelerated filer: Non-accelerated filer:

Smaller reporting company

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(Do not check if a smaller reporting
company)

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 July 27, 2016, the Registrant had 29,306,145 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)

	Three Months Ended		Six Months Ended	
	June 30, 2016	2015	June 30, 2016	2015
Revenue	\$443,829,924	\$371,642,242	\$849,107,456	\$655,133,816
Costs and expenses:				
Transportation costs	358,652,347	302,100,945	683,103,064	532,340,803
Selling, general and administrative expenses	70,532,891	61,450,284	140,009,379	105,478,097
Depreciation and amortization	7,598,376	5,251,020	15,127,709	9,124,157
Income from operations	7,046,310	2,839,993	10,867,304	8,190,759
Interest income	—	23,909	—	23,909
Interest expense	(3,524,166)	(4,350,256)	(7,027,561)	(4,388,224)
Other expense	—	(74,274)	—	(126,295)
Interest and other expense	(3,524,166)	(4,400,621)	(7,027,561)	(4,490,610)
Income (Loss) before provision for income taxes	3,522,144	(1,560,628)	3,839,743	3,700,149
Income tax (expense) benefit	(1,591,375)	879,000	(1,646,363)	(1,054,000)
Net income (loss)	\$1,930,769	\$(681,628)	\$2,193,380	\$2,646,149
Earnings (Loss) per common share:				
Basic	\$0.07	\$(0.03)	\$0.08	\$0.10
Diluted	\$0.07	\$(0.03)	\$0.07	\$0.10

See accompanying notes.

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Consolidated Balance Sheets

	June 30, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$40,114,570	\$ 56,522,194
Accounts receivable, net of allowance for doubtful accounts of \$1,536,287 and \$1,627,315 at June 30, 2016 and December 31, 2015, respectively	228,663,211	196,420,614
Income taxes receivable	2,852,406	1,038,327
Prepaid expenses	4,155,683	3,605,602
Other current assets	2,132,707	3,237,227
Total current assets	277,918,577	260,823,964
Noncurrent assets:		
Property and equipment, net	32,978,314	27,304,474
Goodwill	307,314,171	308,490,588
Intangible assets, net of accumulated amortization of \$34,759,406 and \$26,785,810 at June 30, 2016 and December 31, 2015, respectively	139,558,573	