



## XPO Logistics Announces Four New Technology Initiatives for Less-Than-Truckload Optimization

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**Targets \$100 million incremental increase in operating profit within two years**

**GREENWICH, Conn. - November 8, 2018** - XPO Logistics, Inc. (NYSE: XPO), the second largest provider of less-than-truckload (LTL) transportation in North America, has announced four new technology initiatives at the core of its LTL 2.0 optimization plan. The company, which recently reported the best third quarter operating ratio in 30 years for its LTL unit, expects to generate approximately \$100 million in incremental operating profit over the next two years from proprietary technology underlying LTL 2.0:

- *Linehaul bypass model.* The company is piloting new algorithms to assemble truckloads dedicated to direct movements of LTL freight. The linehaul bypass model improves the efficiency of company trucks and trailers and purchased linehaul services by reducing multiple stops to a single destination.
- *Load-building through artificial intelligence.* AI tools and computer vision technology for cross-dock operators help to ensure that inbound pallets are loaded in the optimal trailers, and in the right sequence inside the trailers, for the greatest possible efficiency during delivery. Intelligent load-building technology also helps limit damage.
- *Dynamic route optimization for pickup and delivery.* The company is piloting proprietary AI tools that set the sequence of each LTL driver's pickups and deliveries and adjust routes in real time based on traffic, road construction and other impacts to efficiency. This has increased the number of delivery and pickup stops per hour, improving asset utilization.
- *Pricing algorithms.* The company is developing machine learning capabilities to predict LTL price elasticity. The technology is being designed to forecast market conditions for future dates based on real-time supply and demand, as well as historical data and XPO capacity levels. This will help enhance the speed and accuracy of responses to customer RFPs.

Mario Harik, chief information officer of XPO Logistics, said, "Our technology is spurring growth across all the services we offer. We've pinpointed four high-impact areas where we can lead the LTL industry in transforming traditional approaches to serving customers. Two of these innovations - dynamic route optimization and linehaul bypass - are already in pilot. Given our capacity for innovation, our opportunity for creating value in LTL is nearly limitless."

XPO develops its technology within a proprietary, cloud-based ecosystem, supported by an annual investment of over \$450 million. Other recent innovations in XPO's global operations include the deployment of intelligent robots in warehouses, the XPO Direct shared-space distribution network, voice integration with Amazon and Google to track home deliveries of heavy goods, and the launch of the XPO Connect digital freight marketplace with the Drive XPO mobile app for carriers.

#### About XPO Logistics

XPO Logistics, Inc. (NYSE: XPO) is a top ten global logistics provider of cutting-edge supply chain solutions to the most successful companies in the world. The company operates as a highly integrated network of people, technology and physical assets in 32 countries, with 1,529 locations and more than 98,000 employees. XPO uses its network to help more than 50,000 customers manage their goods most efficiently throughout their supply chains. XPO's corporate headquarters is in Greenwich, Conn., USA, and its European headquarters is in Lyon, France. [www.xpo.com](http://www.xpo.com)

#### Forward-looking Statements

*This press release includes forward-looking statements within the meaning of United States federal securities law. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. All forward-looking statements set forth in this press release are qualified by factors that might cause or contribute to a material difference in actual results, as discussed in XPO's filings with the U.S. Securities and Exchange Commission and linked to the investor relations section of the company's website, [www.xpo.com](http://www.xpo.com), including: economic conditions generally; competition; XPO's ability to match its investments in equipment, service centers and warehouses with customer demand; XPO's ability to attract and retain key employees; and XPO's ability to develop and implement a suitable information technology system. Forward-looking statements set forth in this press release speak only as of the date hereof, and XPO undertakes no obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.*

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