



XPO Reports First Quarter 2025 Results

April 30, 2025

GREENWICH, Conn., April 30, 2025 (GLOBE NEWSWIRE) -- [XPO](#) (NYSE: XPO) today announced its financial results for the first quarter 2025. The company reported diluted earnings per share of \$0.58, compared with \$0.56 for the same period in 2024, and adjusted diluted earnings per share of \$0.73, compared with \$0.81 for the same period in 2024.

First Quarter 2025 Summary Results

(in millions)	Three Months Ended March 31,					
	Revenue			Operating Income (Loss)		
	2025	2024	Change %	2025	2024	Change %
North American Less-Than-Truckload Segment	\$ 1,172	\$ 1,221	-4.0%	\$ 158	\$ 165	-4.2%
European Transportation Segment	782	797	-1.9%	1	(4)	NM
Corporate	-	-	0.0%	(9)	(23)	-60.9%
Total	\$ 1,954	\$ 2,018	-3.2%	\$ 151	\$ 138	9.4%

(in millions)	Adjusted Operating Income ⁽¹⁾			Adjusted EBITDA ⁽¹⁾		
	2025	2024	Change %	2025	2024	Change %
	2025	2024	Change %	2025	2024	Change %
North American Less-Than-Truckload Segment	\$ 165	\$ 175	-5.7%	\$ 250	\$ 255	-2.0%
European Transportation Segment	6	9	-33.3%	32	38	-15.8%
Corporate	NA	NA	NA	(4)	(5)	-20.0%
Total	\$ NA	\$ NA	NA	\$ 278	\$ 288	-3.5%

(in millions, except for per-share data)	Net Income			Diluted EPS		
	2025	2024	Change %	2025	2024	Change %
	2025	2024	Change %	2025	2024	Change %
Total	\$ 69	\$ 67	3.0%	\$ 0.58	\$ 0.56	3.6%

(in millions, except for per-share data)	Diluted Weighted-Average Common Shares Outstanding		Adjusted Diluted EPS ⁽¹⁾		
	2025	2024	2025	2024	Change %
	2025	2024	2025	2024	Change %
Total	120	120	\$ 0.73	\$ 0.81	-9.9%

Amounts may not add due to rounding.

NM - Not meaningful

NA - Not applicable

⁽¹⁾ See the "Non-GAAP Financial Measures" section of the press release

Mario Harik, chief executive officer of XPO, said, "We carried our momentum into 2025 and delivered first quarter financial results that outperformed the industry. Companywide, we reported adjusted EBITDA of \$278 million and adjusted diluted EPS of \$0.73, while operating more efficiently.

"In North American LTL, we reported a sequential improvement in adjusted operating ratio to 85.9%, which outpaced seasonality. This brings our cumulative improvement in adjusted operating ratio to 370 basis points over two years in a soft freight environment. We accelerated first quarter yield growth, excluding fuel, to 6.9% and improved revenue per shipment sequentially for the ninth consecutive quarter, underpinned by record service quality. At the same time, we became more cost-efficient through tech-driven labor productivity and third-party linehaul insourcing. This included a year-over-year reduction in purchased transportation expense of 53%."

Harik continued, "Our plan is driving results, with a long runway for margin expansion, supported by superior service and high-return investments in our network. We're executing to achieve years of outperformance, regardless of the freight market environment."

First Quarter Highlights

For the first quarter 2025, the company generated revenue of \$1.95 billion, compared with \$2.02 billion for the same period in 2024. The year-over-year decrease in revenue was due primarily to lower fuel surcharge revenue in the North American LTL segment.

Operating income was \$151 million for the first quarter, compared with \$138 million for the same period in 2024. Net income was \$69 million for the first quarter, compared with \$67 million for the same period in 2024. Diluted earnings per share was \$0.58 for the first quarter, compared with \$0.56 for the same period in 2024.

Adjusted net income, a non-GAAP financial measure, was \$87 million for the first quarter, compared with \$97 million for the same period in 2024. Adjusted diluted EPS, a non-GAAP financial measure, was \$0.73 for the first quarter, compared with \$0.81 for the same period in 2024.

Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), a non-GAAP financial measure, was \$278 million for the first quarter, compared with \$288 million for the same period in 2024.

The company generated \$142 million of cash flow from operating activities in the first quarter and ended the quarter with \$212 million of cash and cash equivalents on hand, after \$191 million of net capital expenditures.

Results by Business Segment

- **North American Less-Than-Truckload (LTL):** The segment generated revenue of \$1.17 billion for the first quarter 2025, compared with \$1.22 billion for the same period in 2024. On a year-over-year basis, shipments per day decreased 5.8%, tonnage per day decreased 7.5%, and yield, excluding fuel, increased 6.9%. Including fuel, yield increased 4.5%.

Operating income was \$158 million for the first quarter 2025, compared with \$165 million for the same period in 2024. Adjusted operating income, a non-GAAP financial measure, was \$165 million for the first quarter, compared with \$175 million for the same period in 2024. Adjusted operating ratio, a non-GAAP financial measure, was 85.9%, reflecting a sequential improvement of 30 basis points, compared with the fourth quarter in 2024.

Adjusted EBITDA for the first quarter 2025 was \$250 million, compared with \$255 million for the same period in 2024. The year-over-year reduction in adjusted EBITDA was due primarily to lower fuel surcharge revenue, lower tonnage per day, and wage inflation, partially offset by yield growth and productivity gains.

- **European Transportation:** The segment generated revenue of \$782 million for the first quarter 2025, compared with \$797 million for the same period in 2024. Operating income was \$1 million for the first quarter 2025, compared with a loss of \$4 million for the same period in 2024.

Adjusted EBITDA was \$32 million for the first quarter 2025, compared with \$38 million for the same period in 2024.

- **Corporate:** The segment generated an operating loss of \$9 million for the first quarter 2025, compared with a loss of \$23 million for the same period in 2024. The year-over-year improvement in operating loss was due primarily to a \$10 million reduction in transaction and integration costs.

Adjusted EBITDA was a loss of \$4 million for the first quarter 2025, compared with a loss of \$5 million for the same period in 2024.

Conference Call

The company will hold a conference call on Wednesday, April 30, 2025, at 8:30 a.m. Eastern Time. Participants can call toll-free (from US/Canada) 1-877-269-7756; international callers dial +1-201-689-7817. A live webcast of the conference will be available on the investor relations area of the company's website, xpo.com/investors. The conference will be archived until May 30, 2025. To access the replay by phone, call toll-free (from US/Canada) 1-877-660-6853; international callers dial +1-201-612-7415. Use participant passcode 13753296.

About XPO

XPO, Inc. (NYSE: XPO) is a leader in asset-based less-than-truckload (LTL) freight transportation in North America. The company's customer-focused organization efficiently moves 17 billion pounds of freight per year, enabled by its proprietary technology. XPO serves approximately 55,000 customers with 606 locations and 38,000 employees in North America and Europe, and is headquartered in Greenwich, Conn., USA. Visit xpo.com for more information, and connect with XPO on [LinkedIn](#), [Facebook](#), [X](#), [Instagram](#) and [YouTube](#).

Non-GAAP Financial Measures

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide reconciliations of the non-GAAP financial measures contained in this press release to the most directly comparable measure under GAAP, which are set forth in the financial tables attached to this press release.

XPO's non-GAAP financial measures in this press release include: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") on a consolidated basis and for corporate; adjusted EBITDA margin on a consolidated basis; adjusted net income; adjusted diluted earnings per share ("adjusted diluted EPS"); adjusted operating income for our North American Less-Than-Truckload and European Transportation segments; and adjusted operating ratio for our North American Less-Than-Truckload segment.

We believe that the above adjusted financial measures facilitate analysis of our ongoing business operations because they exclude items that may not be reflective of, or are unrelated to, XPO and its business segments' core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. Other companies may calculate these non-GAAP financial measures differently, and therefore our measures may not be comparable to similarly titled measures of other companies. These non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted EPS, adjusted operating income and adjusted operating ratio include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the attached tables. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition, divestiture or spin-off and may include transaction costs, consulting fees, stock-based compensation, retention awards, internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and converging IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating XPO's and each business segment's ongoing performance.

We believe that adjusted EBITDA and adjusted EBITDA margin, improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached

tables that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income and adjusted diluted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities, including amortization of acquisition-related intangible assets, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables. We believe that adjusted operating income and adjusted operating ratio improve the comparability of our operating results from period to period by removing the impact of certain transaction and integration costs and restructuring costs, as well as amortization expenses and other adjustments as set out in the attached tables.

Forward-looking Statements

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC, and the following: the effects of business, economic, political, legal, and regulatory impacts or conflicts upon our operations; supply chain disruptions and shortages, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages; our ability to align our investments in capital assets, including equipment, service centers, and warehouses to our customers’ demands; our ability to implement our cost and revenue initiatives and realize growth and expansion as a result of those initiatives; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to continue insourcing linehaul in ways that enhance our network efficiency and productivity; the anticipated impact of a freight market recovery on our business; our ability to benefit from a sale, spin-off or other divestiture of one or more business units or to successfully integrate and realize anticipated synergies, cost savings and profit opportunities from acquired companies; goodwill impairment; issues related to compliance with data protection laws, competition laws, and intellectual property laws; fluctuations in currency exchange rates, fuel prices and fuel surcharges; the expected benefits of the spin-offs of GXO Logistics, Inc. and RXO, Inc.; our ability to develop and implement proprietary technology and suitable information technology systems; the impact of potential cyber-attacks and information technology or data security breaches or failures; our ability to repurchase shares on favorable terms; our indebtedness; our ability to raise debt and equity capital; fluctuations in interest rates; seasonal fluctuations; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain management talent and key employees including qualified drivers; labor matters; litigation; competition; and our ability to deliver pricing growth driven by service quality.

All forward-looking statements set forth in this release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this release speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements except to the extent required by law.

Investor Contact

Brian Scasserra
+1 617-607-6429
brian.scasserra@xpo.com

Media Contact

Cole Horton
+1 203-609-6004
cole.horton@xpo.com

XPO, Inc. Condensed Consolidated Statements of Income (Unaudited) (In millions, except per share data)

	Three Months Ended March 31,		
	2025	2024	Change %
Revenue	\$ 1,954	\$ 2,018	-3.2%
Salaries, wages and employee benefits	832	834	-0.2%
Purchased transportation	399	438	-8.9%
Fuel, operating expenses and supplies	393	413	-4.8%
Operating taxes and licenses	19	19	0.0%
Insurance and claims	35	38	-7.9%
Gains on sales of property and equipment	(2)	(2)	0.0%
Depreciation and amortization expense	123	117	5.1%
Legal matter ⁽¹⁾	(11)	-	NM
Transaction and integration costs	3	14	-78.6%
Restructuring costs	12	8	50.0%
Operating income	151	138	9.4%
Other income	(1)	(10)	-90.0%
Debt extinguishment loss	5	-	NM

Interest expense	56	58	-3.4%
Income before income tax provision	91	90	1.1%
Income tax provision	22	23	-4.3%
Net income	\$ 69	\$ 67	3.0%

Earnings per share data

Basic earnings per share	\$ 0.59	\$ 0.58
Diluted earnings per share	\$ 0.58	\$ 0.56

Weighted-average common shares outstanding

Basic weighted-average common shares outstanding	117	116
Diluted weighted-average common shares outstanding ⁽²⁾	120	120

Amounts may not add due to rounding.

NM - Not meaningful.

⁽¹⁾ Reflects the settlement of claims against certain truck manufacturers related to purchases by our European Transportation segment covering periods prior to 2015.

⁽²⁾ The dilutive effect of stock-based awards for the first quarter of 2025 was 2 million, compared with 4 million for the same period in 2024. The year-over-year decrease is primarily driven by recent significant vest events.

XPO, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(In millions, except per share data)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 212	\$ 246
Accounts receivable, net of allowances of \$49 and \$50, respectively	1,083	977
Other current assets	286	283
Total current assets	1,580	1,505
Long-term assets		
Property and equipment, net of \$2,113 and \$2,019 in accumulated depreciation, respectively	3,539	3,402
Operating lease assets	709	727
Goodwill	1,491	1,461
Identifiable intangible assets, net of \$521 and \$499 in accumulated amortization, respectively	350	361
Other long-term assets	210	254
Total long-term assets	6,299	6,206
Total assets	\$ 7,879	\$ 7,712

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable	\$ 501	\$ 477
Accrued expenses	758	708
Short-term borrowings and current maturities of long-term debt	61	62
Short-term operating lease liabilities	131	127
Other current liabilities	101	46
Total current liabilities	1,551	1,420
Long-term liabilities		
Long-term debt	3,336	3,325
Deferred tax liability	392	393
Employee benefit obligations	85	85
Long-term operating lease liabilities	583	603
Other long-term liabilities	292	283
Total long-term liabilities	4,688	4,690

Stockholders' equity

Common stock, \$0.001 par value; 300 shares authorized; 118 and 117 shares issued and outstanding

as of March 31, 2025 and December 31, 2024, respectively

Additional paid-in capital

Retained earnings

Accumulated other comprehensive loss

Total equity

Total liabilities and equity

-	-
1,227	1,274
641	572
(228)	(246)
1,640	1,601
\$ 7,879	\$ 7,712

Amounts may not add due to rounding.

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XPO, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In millions)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 69	\$ 67
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	123	117
Stock compensation expense	15	19
Accretion of debt	3	3
Deferred tax expense	4	8
Gains on sales of property and equipment	(2)	(2)
Other	9	1
Changes in assets and liabilities		
Accounts receivable	(107)	(117)
Other assets	1	(20)
Accounts payable	(7)	48
Accrued expenses and other liabilities	35	21
Net cash provided by operating activities	142	145
Cash flows from investing activities		
Payment for purchases of property and equipment	(199)	(306)
Proceeds from sale of property and equipment	7	7
Net cash used in investing activities	(191)	(299)
Cash flows from financing activities		
Repayment of debt and finance leases	(18)	(21)
Payment for debt issuance costs	(3)	(4)
Change in bank overdrafts	38	11
Payment for tax withholdings for restricted shares	(47)	(15)
Other	1	-
Net cash used in financing activities	(30)	(29)
Effect of exchange rates on cash, cash equivalents and restricted cash	1	-
Net decrease in cash, cash equivalents and restricted cash	(78)	(183)
Cash, cash equivalents and restricted cash, beginning of period	298	419
Cash, cash equivalents and restricted cash, end of period	\$ 221	\$ 235

Amounts may not add due to rounding.

North American Less-Than-Truckload Segment
Summary Financial Table
(Unaudited)
(In millions)

Three Months Ended March 31,		
2025	2024	Change %

Revenue (excluding fuel surcharge revenue)	\$ 994	\$ 1,011	-1.7%
Fuel surcharge revenue	178	210	-15.2%
Revenue	1,172	1,221	-4.0%
Salaries, wages and employee benefits	615	613	0.3%
Purchased transportation	37	78	-52.6%
Fuel, operating expenses and supplies ⁽¹⁾	232	243	-4.5%
Operating taxes and licenses	16	16	0.0%
Insurance and claims	24	21	14.3%
(Gains) losses on sales of property and equipment	-	2	-100.0%
Depreciation and amortization	90	82	9.8%
Operating income	158	165	-4.2%
Operating ratio ⁽²⁾	86.5%	86.4%	
Amortization expense	9	9	
Gains on real estate transactions	(2)	-	
Adjusted operating income ⁽³⁾	\$ 165	\$ 175	-5.7%
Adjusted operating ratio ^{(3) (4)}	85.9%	85.7%	
Depreciation expense	80	73	
Pension income	2	6	
Gains on real estate transactions	2	-	
Adjusted EBITDA ⁽⁵⁾	\$ 250	\$ 255	-2.0%
Adjusted EBITDA margin ⁽⁵⁾	21.3%	20.9%	

Amounts may not add due to rounding.

(1) Fuel, operating expenses and supplies includes fuel-related taxes.

(2) Operating ratio is calculated as $(1 - (\text{Operating income divided by Revenue}))$ using the underlying unrounded amounts.

(3) See the "Non-GAAP Financial Measures" section of the press release.

(4) Adjusted operating ratio is calculated as $(1 - (\text{Adjusted operating income divided by Revenue}))$ using the underlying unrounded amounts; adjusted operating margin is the inverse of adjusted operating ratio.

(5) Adjusted EBITDA is used by our chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue using the underlying unrounded amounts.

**North American Less-Than-Truckload
Summary Data Table
(Unaudited)**

	Three Months Ended March 31,		
	2025	2024	Change %
Pounds per day (thousands)	65,427	70,709	-7.5%
Shipments per day	48,400	51,392	-5.8%
Average weight per shipment (in pounds)	1,352	1,376	-1.8%
Revenue per shipment (including fuel surcharges)	\$ 384.27	\$ 373.88	2.8%
Revenue per shipment (excluding fuel surcharges)	\$ 325.74	\$ 309.57	5.2%
Gross revenue per hundredweight (including fuel surcharges) ⁽¹⁾	\$ 29.06	\$ 27.80	4.5%
Gross revenue per hundredweight (excluding fuel surcharges) ⁽¹⁾	\$ 24.73	\$ 23.13	6.9%
Average length of haul (in miles)	845.6	848.3	
Total average load factor ⁽²⁾	22,434	22,869	-1.9%
Average age of tractor fleet (years)	4.0	4.2	

Number of working days

63.0

63.5

(1) Gross revenue per hundredweight excludes the adjustment required for financial statement purposes in accordance with the company's revenue recognition policy.

(2) Total average load factor equals freight pound miles divided by total linehaul miles.

Note: Table excludes the company's trailer manufacturing operations. Percentages presented are calculated using the underlying unrounded amounts.

**European Transportation Segment
Summary Financial Table
(Unaudited)
(In millions)**

	Three Months Ended March 31,		
	2025	2024	Change %
Revenue	\$ 782	\$ 797	-1.9%
Salaries, wages and employee benefits	212	215	-1.4%
Purchased transportation	363	360	0.8%
Fuel, operating expenses and supplies ⁽¹⁾	162	170	-4.7%
Operating taxes and licenses	3	3	0.0%
Insurance and claims	10	14	-28.6%
Gains on sales of property and equipment	(1)	(4)	-75.0%
Depreciation and amortization	32	34	-5.9%
Legal matter ⁽²⁾	(11)	-	NM
Transaction and integration costs	-	1	-100.0%
Restructuring costs	11	8	37.5%
Operating income (loss)	\$ 1	\$ (4)	NM
Amortization expense	5	5	
Legal matter ⁽²⁾	(11)	-	
Transaction and integration costs	-	1	
Restructuring costs	11	8	
Adjusted operating income (loss) ⁽³⁾	\$ 6	\$ 9	-33.3%
Depreciation expense	27	29	
Adjusted EBITDA ⁽⁴⁾	\$ 32	\$ 38	-15.8%
Adjusted EBITDA margin ⁽⁴⁾	4.1%	4.8%	

Amounts may not add due to rounding.

NM - Not meaningful.

(1) Fuel, operating expenses and supplies includes fuel-related taxes.

(2) Reflects the settlement of claims against certain truck manufacturers related to purchases by our European Transportation segment covering periods prior to 2015.

(3) See the "Non-GAAP Financial Measures" section of the press release.

(4) Adjusted EBITDA is used by our chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue using the underlying unrounded amounts.

**Corporate
Summary Financial Table
(Unaudited)
(In millions)**

	Three Months Ended March 31,		
	2025	2024	Change %
Revenue	\$ -	\$ -	0.0%
Salaries, wages and employee benefits	4	5	-20.0%

Insurance and claims	-	3	-100.0%
Depreciation and amortization	1	1	0.0%
Transaction and integration costs	3	13	-76.9%
Restructuring costs	1	-	NM
Operating loss	\$ (9)	\$ (23)	-60.9%
Other income (expense) ⁽¹⁾	-	3	
Depreciation and amortization	1	1	
Transaction and integration costs	3	13	
Restructuring costs	1	-	
Adjusted EBITDA ⁽²⁾	\$ (4)	\$ (5)	-20.0%

Amounts may not add due to rounding.

NM - Not meaningful.

⁽¹⁾ Other income (expense) consists of foreign currency gain (loss) and other income (expense).

⁽²⁾ See the "Non-GAAP Financial Measures" section of the press release.

XPO, Inc.
Reconciliation of Non-GAAP Measures
(Unaudited)
(In millions)

	Three Months Ended March 31,		
	2025	2024	Change %
Reconciliation of Net Income to Adjusted EBITDA			
Net income	\$ 69	\$ 67	3.0%
Debt extinguishment loss	5	-	
Interest expense	56	58	
Income tax provision	22	23	
Depreciation and amortization expense	123	117	
Legal matter ⁽¹⁾	(11)	-	
Transaction and integration costs	3	14	
Restructuring costs	12	8	
Adjusted EBITDA ⁽²⁾	\$ 278	\$ 288	-3.5%
Revenue	\$ 1,954	\$ 2,018	-3.2%
Adjusted EBITDA margin ^{(2) (3)}	14.2%	14.2%	

Amounts may not add due to rounding.

⁽¹⁾ Reflects the settlement of claims against certain truck manufacturers related to purchases by our European Transportation segment covering periods prior to 2015.

⁽²⁾ See the "Non-GAAP Financial Measures" section of the press release.

⁽³⁾ Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue using the underlying unrounded amounts.

XPO, Inc.
Reconciliation of Non-GAAP Measures (cont.)
(Unaudited)
(In millions, except per share data)

	Three Months Ended March 31,	
	2025	2024
Reconciliation of Net Income and Diluted Earnings Per Share to Adjusted Net Income and Adjusted Earnings Per Share		
Net income	\$ 69	\$ 67
Debt extinguishment loss	5	-
Amortization of acquisition-related intangible assets	14	14
Legal matter ⁽¹⁾	(11)	-
Transaction and integration costs	3	14

Restructuring costs	12	8
Income tax associated with the adjustments above ⁽²⁾	(5)	(7)
European legal entity reorganization ⁽³⁾	1	-
Adjusted net income ⁽⁴⁾	\$ 87	\$ 97
Adjusted diluted earnings per share ⁽⁴⁾	\$ 0.73	\$ 0.81
Weighted-average common shares outstanding		
Diluted weighted-average common shares outstanding	120	120

Amounts may not add due to rounding.

⁽¹⁾ Reflects the settlement of claims against certain truck manufacturers related to purchases by our European Transportation segment covering periods prior to 2015.

⁽²⁾ This line item reflects the aggregate tax benefit of all non-tax related adjustments reflected in the table above. The detail by line item is as follows:

Debt extinguishment loss	\$ 1	\$ -
Amortization of acquisition-related intangible assets	2	3
Transaction and integration costs	1	2
Restructuring costs	1	2
	\$ 5	\$ 7

Amounts may not add due to rounding.

The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items, non-deductible compensation, losses for which no tax benefit can be recognized, and contribution- and margin-based taxes.

⁽³⁾ Reflects an adjustment recognized during the first quarter of 2025 to the tax benefit recognized in the second quarter of 2024 related to a legal entity reorganization within our European Transportation business.

⁽⁴⁾ See the "Non-GAAP Financial Measures" section of the press release.

North American Less-Than-Truckload Segment
Summary Financial Table vs Prior Quarter and First Quarter 2023
(Unaudited)
(In millions)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2023
Revenue (excluding fuel surcharge revenue)	\$ 994	\$ 985	\$ 903
Fuel surcharge revenue	178	171	217
Revenue	1,172	1,156	1,120
Salaries, wages and employee benefits	615	621	555
Purchased transportation	37	44	99
Fuel, operating expenses and supplies ⁽¹⁾	232	218	248
Operating taxes and licenses	16	16	12
Insurance and claims	24	18	28
(Gains) losses on sales of property and equipment	-	(34)	1
Depreciation and amortization	90	89	68
Restructuring costs	-	5	6
Operating income	158	179	103
Operating ratio ⁽²⁾	86.5%	84.5%	90.8%
Amortization expense	9	9	8
Restructuring costs	-	5	6
Gains on real estate transactions	(2)	(34)	-
Adjusted operating income ⁽³⁾	\$ 165	\$ 159	\$ 117
Adjusted operating ratio ^{(3) (4)}	85.9%	86.2%	89.6%

Amounts may not add due to rounding.

⁽¹⁾ Fuel, operating expenses and supplies includes fuel-related taxes.

(2) Operating ratio is calculated as $(1 - (\text{Operating income divided by Revenue}))$ using the underlying unrounded amounts.

(3) See the "Non-GAAP Financial Measures" section of the press release.

(4) Adjusted operating ratio is calculated as $(1 - (\text{Adjusted operating income divided by Revenue}))$ using the underlying unrounded amounts; adjusted operating margin is the inverse of adjusted operating ratio.



Source: XPO, Inc.