

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): June 22, 2022

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-32172
(Commission File Number)

03-0450326
(I.R.S. Employer
Identification No.)

Five American Lane, Greenwich, Connecticut 06831
(Address of principal executive offices)

(855) 976-6951
(Registrant's telephone number, including area code)

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:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.001 per share	XPO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 of 1934 (§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 any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On June 22, 2022, XPO Logistics, Inc. (the “Company”) released a slide presentation expected to be used by the Company in connection with an investor presentation. A copy of the slide presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The slide presentation should be read together and with the Company’s filings with the Securities and Exchange Commission, including the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022.

The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates any such information by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Investor Presentation, dated June 22, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

Date: June 22, 2022

XPO LOGISTICS, INC.

By: /s/ Ravi Tulsyan
Ravi Tulsyan
Chief Financial Officer



JUNE 2022

Sell-Side Brokerage Day

Disclaimer

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 presentation to the most directly comparable measure under GAAP, which are set forth in the financial tables attached to this document.

This document contains the following non-GAAP financial measure for XPO Logistics: return on invested capital ("ROIC") for the twelve months ended March 31, 2022.

This document contains the following non-GAAP financial measures for our North American Truck Brokerage business: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA margin for the years ended December 31, 2021, 2020 and 2019; and margin (revenue less cost of transportation and services) and margin as a % of revenue for North American Truck Brokerage for years ended December 31, 2021, 2020 and 2019.

We believe that the above adjusted financial measures facilitate analysis of the ongoing business operations of our North American Truck Brokerage business because they exclude items that may not be reflective of, or are unrelated to, our business' 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 and adjusted EBITDA margin include adjustments for transaction and integration costs as well as restructuring costs. 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, retention awards, and 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 our North American Truck Brokerage business' 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 margin (revenue less cost of transportation and services) and margin as a % of revenue improves the comparability of our operating results from period to period by removing the cost of transportation and services, in particular the cost of fuel, incurred in the reporting period as set out in the attached table. We believe that ROIC is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax ("NOPAT") for the trailing twelve months ended March 31, 2022 divided by invested capital as of March 31, 2022. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles.

Disclaimer (continued)

FORWARD-LOOKING STATEMENTS

This document 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, including our future growth prospects for our North American Truck Brokerage business. 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. However, the absence of these words does not mean that the statements are not forward-looking. 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 our ability to effect the spin-off of our tech-enabled brokered services platform and meet the related conditions of the spin-off, the expected timing of the completion of the spin-off and the terms of the spin-off, our ability to achieve the expected benefits of the spin-off, our ability to retain and attract key personnel for the separate businesses, the risks discussed in our filings with the SEC and the following: economic conditions generally; ; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic, including supply chain disruptions due to plant and port shutdowns and transportation delays, the global shortage of certain components such as semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages, which may lower levels of service, including the timeliness, productivity and quality of service, and government responses to these factors; 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; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to benefit from a sale, spin-off or other divestiture of one or more business units, and the impact of anticipated material compensation and other expenses, including expenses related to the acceleration of equity awards, to be incurred in connection with a substantial disposition; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; goodwill impairment, including in connection with a business unit sale, spin-off or other divestiture; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks, wars or similar incidents, including the conflict between Russia and Ukraine and increased tensions between Taiwan and China; risks and uncertainties regarding the expected benefits of the spin-off of our logistics segment or a future spin-off of a business unit, the impact of the spin-off of our logistics segment or a future spin-off of a business unit on the size and business diversity of our company; the ability of the spin-off of our logistics segment or a future spin-off of a business unit to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees and independent contractors; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; the impact of potential sales of common stock by our chairman; governmental regulation, including trade compliance laws, as well as changes in international trade policies, sanctions and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures. All forward-looking statements set forth in this document 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 document speak only as of the date hereof, and we do not undertake any 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.

Truck Brokerage is the Largest Driver of SpinCo Financial Performance

- **2021, Truck Brokerage drove**
 - 57% of SpinCo revenue
 - 84% of SpinCo operating income

Presenters and Q&A



DREW WILKERSON
*President, Transportation –
North America
CEO Elect - SpinCo*



LOUIS AMO
President, Brokerage



YOAV AMIEL
*SVP of Technology - North
American Transportation
CIO Elect SpinCo*



ALYSSA MYERS
VP, Technology - Brokerage

Executive Summary

XPO Brokerage: A Tech-Enabled Brokerage Platform

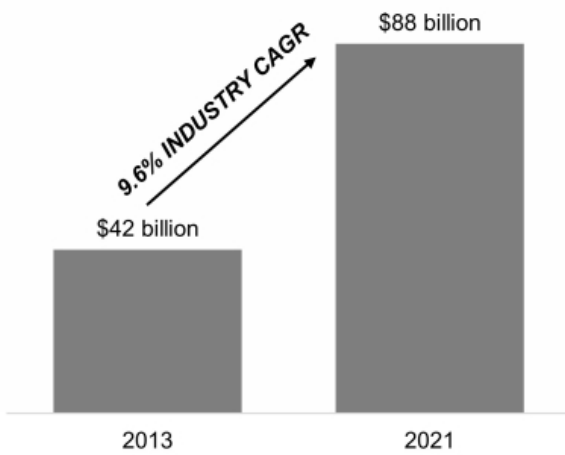
~\$400 billion Total Addressable Opportunity ¹	~\$88 billion Industry Size ¹	4th Largest Full Truckload Broker	~4% Market Share
88,000 carriers ²	1.5 million trucks ²	1,600 employees	>5,000 customers
Top 10 customers have been with us for an average of 15 years.	74% of loads <i>created or</i> <i>covered digitally</i>	>700K downloads of Drive XPO mobile app	High ROIC

¹ Third-party industry research; U.S. brokered truckload industry size reflects brokered component of \$400 billion total addressable for-hire truckload opportunity in the US
² As of March 31, 2022

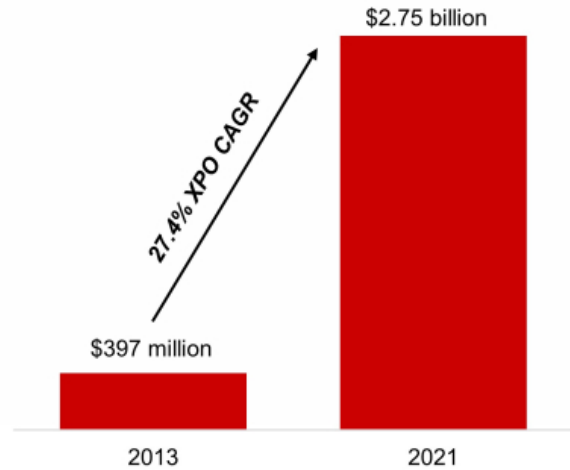
XPO is Growing Truck Brokerage at 3x the Industry Rate

Expect to generate double-digit truck brokerage volume growth in 2022 and going forward

US BROKERAGE INDUSTRY GROWTH FROM 2013 TO 2021¹



XPO BROKERAGE REVENUE GROWTH FROM 2013 TO 2021



Over 90% of our revenue growth was organic

Source: Third-party research

¹ US truck brokerage industry size; reflects brokered component of ~\$400 billion total addressable truckload opportunity.

Key Drivers of Value Creation

- 1 Expanding industry with low penetration and secular tailwinds
- 2 Differentiated scaled platform with market leadership in the US
- 3 Long-tenured, blue-chip customer relationships in attractive verticals
- 4 Proprietary technology with first mover advantage
- 5 Asset-light model generates high returns and substantial free cash flow
- 6 Experienced and proven leadership

Industry Backdrop

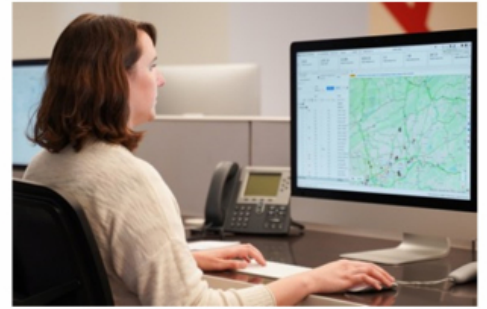
Rapid Industry Growth Propelled by Multiple Tailwinds

Source: Third-party research

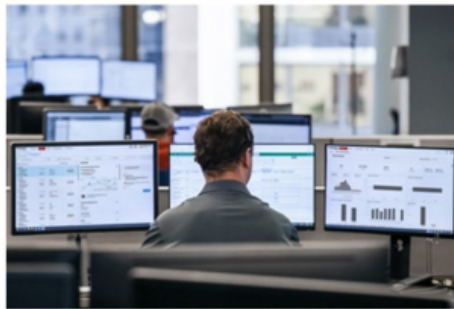
KEY GROWTH DRIVERS



Continued outsourcing of transportation services due to increasingly complex supply chains



Adoption of differentiated digital solutions and automation



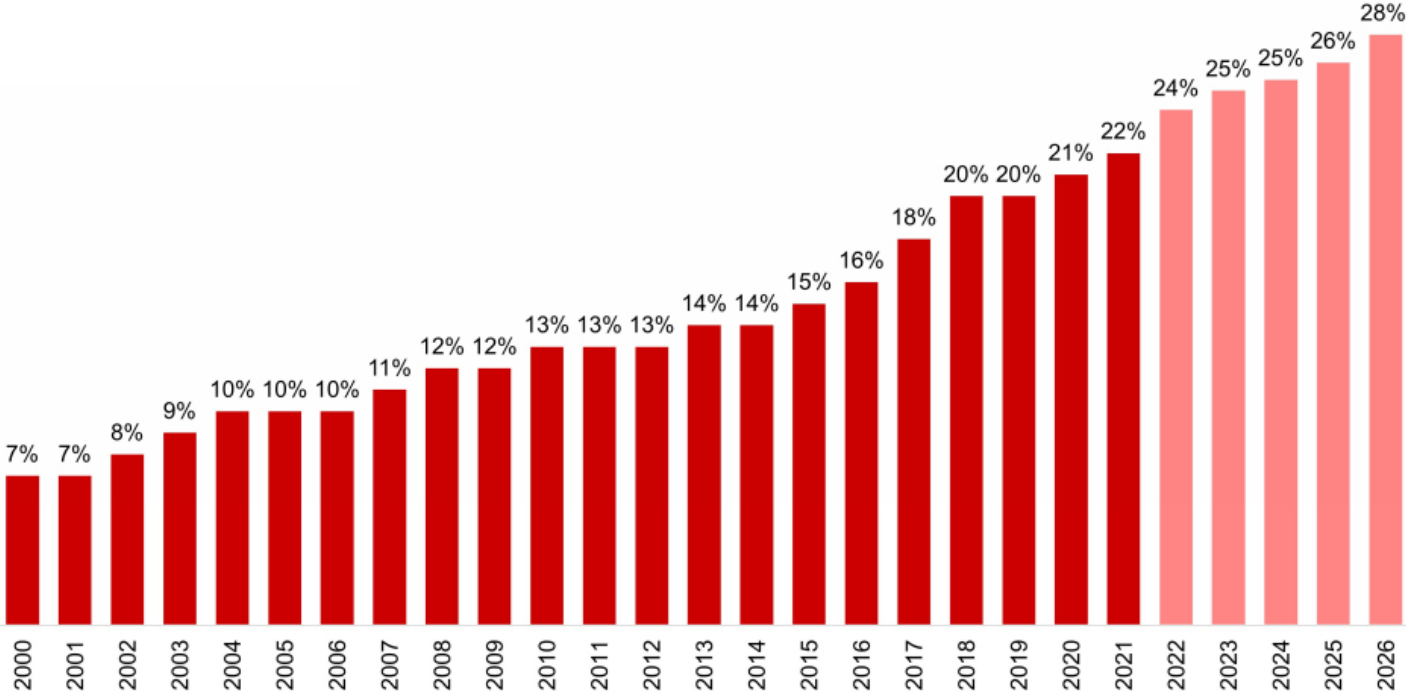
Growing demand for supply chain visibility and access to data



Structural supply side shortage of drivers (and trucks)

Consistent Increases in US Truck Brokerage Industry Penetration

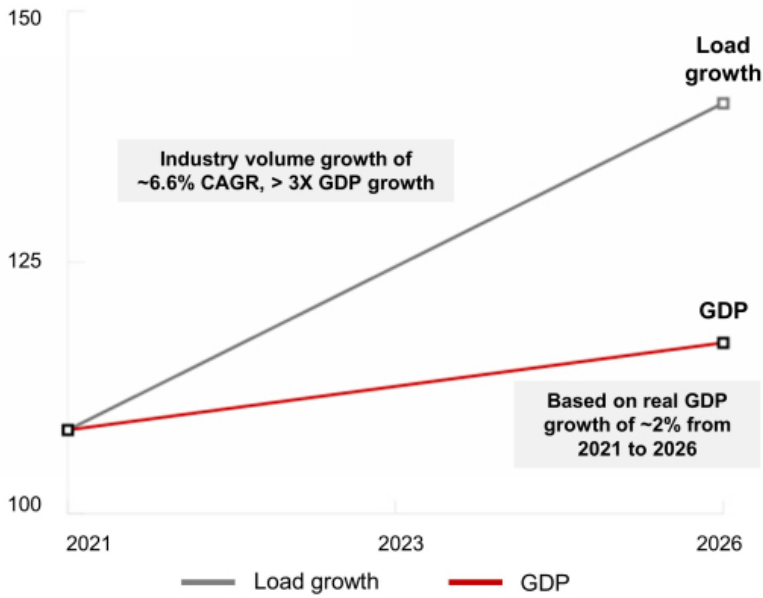
BROKER PENETRATION OF US TRUCKLOAD INDUSTRY



Source: Third-party research

Truck Brokerage Industry Poised to Outgrow GDP

TRUCK BROKERAGE VOLUME AND REAL GDP
Y AXIS 2021 INDEXED TO 100



Drivers

- Outsourcing
- Digitization
- Demand for visibility
- Supply-side shortages

The brokerage industry is poised to continue outgrowing GDP

Source: Third-party research

**A Powerful Combination
of Scale, Technology
and Services**

Powerful Combination of Scale, Technology and Services

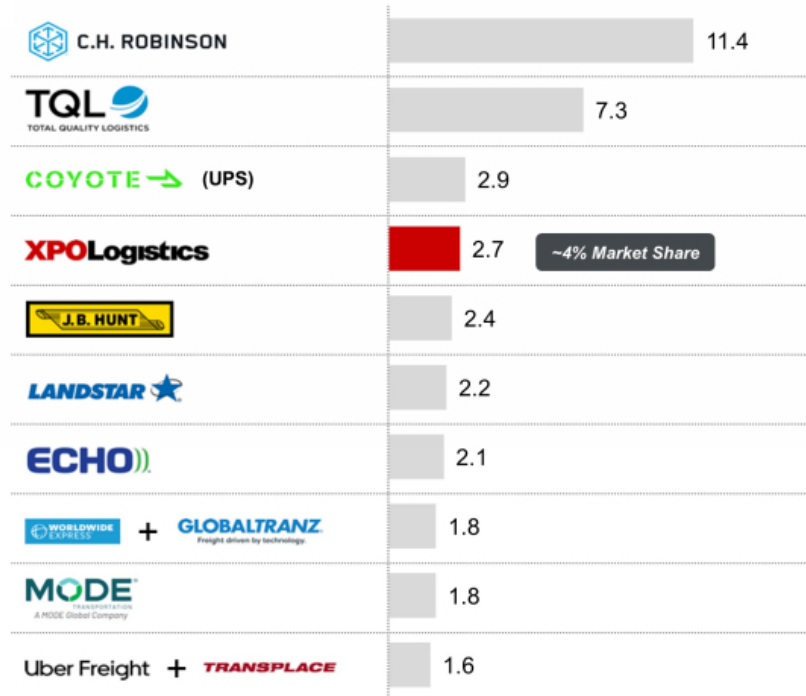
BUSINESS OVERVIEW

- **Best-in-class truck broker** with track record of outperforming the industry
- **Thousands of loads available on a daily basis** from customer relationships, access to capacity, technology, and service
- **Fourth largest broker of full truckload freight transportation** in the US with best-in-class offerings and technology
- **44 of the Fortune 100** entrusted Truck Brokerage Business to XPO in 2021 – 2022
- **Asset-light business** that facilitates the movement of **all modes of transportation** typically from a single shipper
- **First mover in technology investments** starting in 2011
- **High ROIC financial profile** designed to grow profits in any cycle

4th Largest FTL Brokerage Company in the US After Just 11 Years

CRITICAL SCALE TO GROW MARKET REACH

2021 FTL BROKERAGE US
GROSS REVENUE BILLION USD



~4% Market Share

Source: Third-party research

Powerful Combination of Scale, Technology and Services

SERVICES



Full truckload
Dry van, refrigerated, haz-mat



Expedite
Time-critical, special handling



Drop trailers



Capacity for transloaded OTR containers



Flatbed



US cross-border
Mexico, Canada

Flexibility to Succeed in All Market Environments

All of those moves are enabled by our technology strengthened by our scale and our pricing algorithms

WE DEPLOY LEADING INDICATORS TO ANTICIPATE THE DIRECTION OF THE MARKET

- XPO Load-to-truck ratio
- Outbound tender rejections
- Inventory load scans through customer integrations
- Results of dynamic pricing exercises

Flexibility to Succeed in All Market Environments (Cont'd)

IF THE MARKET IS POISED TO *TIGHTEN*, WE...

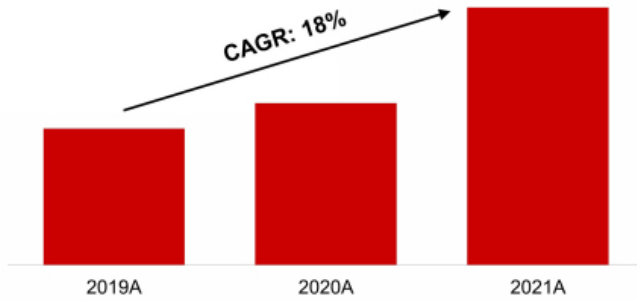
- **Review rates** with our top customers
- **Hire** to enable new capacity
- **Onboard more carriers** to intelligent lane assignment
- **Backstop rates**
- **Mitigate the impact of port congestion** with options such as transloading
- **Increase presence on spot board** through automation to capitalize on other brokers' tender rejections

IF THE MARKET IS POISED TO *LOOSEN*, WE...

- Look for opportunities to **reduce carrier costs** to expand margin
- **Slow hiring, lean into productivity**, benefit from variable cost structure
- **Lean into contractual business**
- **Revisit contract rates**, and **optimize margin dollars** through share gains
- Offer dedicated capacity to **ensure constant capacity for key customers**

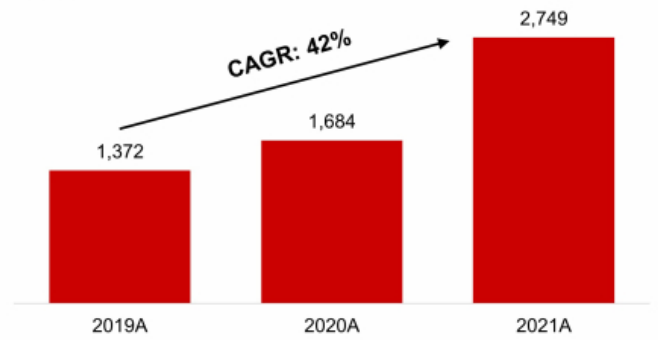
Strong Growth Across Key Financial Metrics

BROKERAGE LOADS



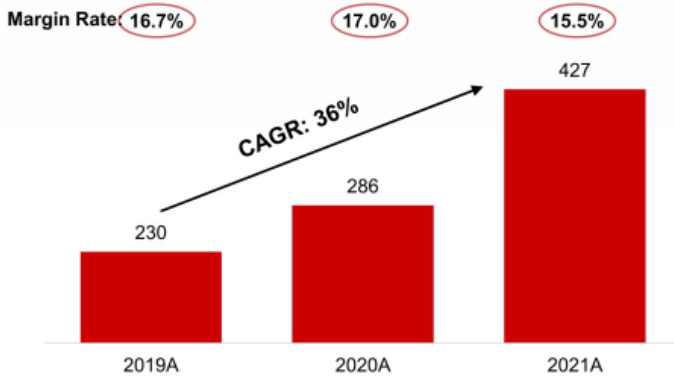
REVENUE

\$ in millions



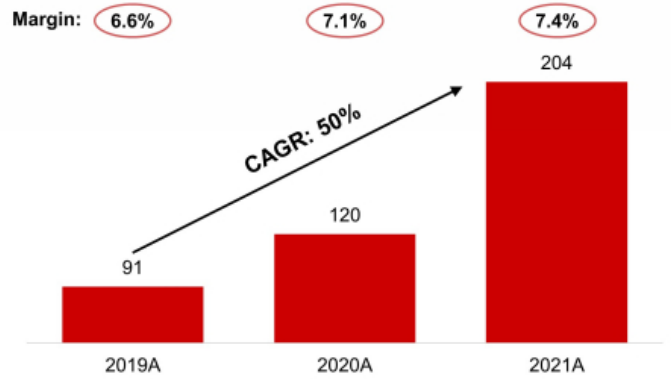
MARGIN

\$ in millions



ADJUSTED EBITDA

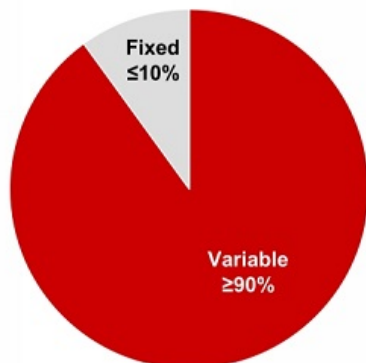
\$ in millions



Refer to the "Non-GAAP Financial Measures" section on page 2 and reconciliation in Supplemental Materials for related information

Asset-light Model Generates High Returns and Substantial Free Cash Flow

VARIABLE COST STRUCTURE



- Highly variable cost structure, with less than 10% fixed costs, driven by purchased transportation
- Ability to reduce costs when demand is soft and flex resources to find trucks once demand returns
- Second largest expense is labor, where we continue to drive efficiencies and leverage SG&A expense over a higher revenue base
- Modest fixed base expense serves as a catalyst to drive more accretive volumes in periods of growth

HIGH FREE CASH FLOW AND RETURNS

<1%
*Capex as a %
of Revenue*

>38%
*XPO
LTM ROIC¹*

- Historical investments in technology deliver substantial future efficiencies
- Expect capex as a percent of revenue to decline as heaviest lifting of technology development is cycled
- Free cash flow conversion to adjusted EBITDA well above historical full-company level

¹ROIC for 12-months ending March 31, 2022.

Refer to the "Non-GAAP Financial Measures" section on page 2 and reconciliation in Supplemental Materials for related information

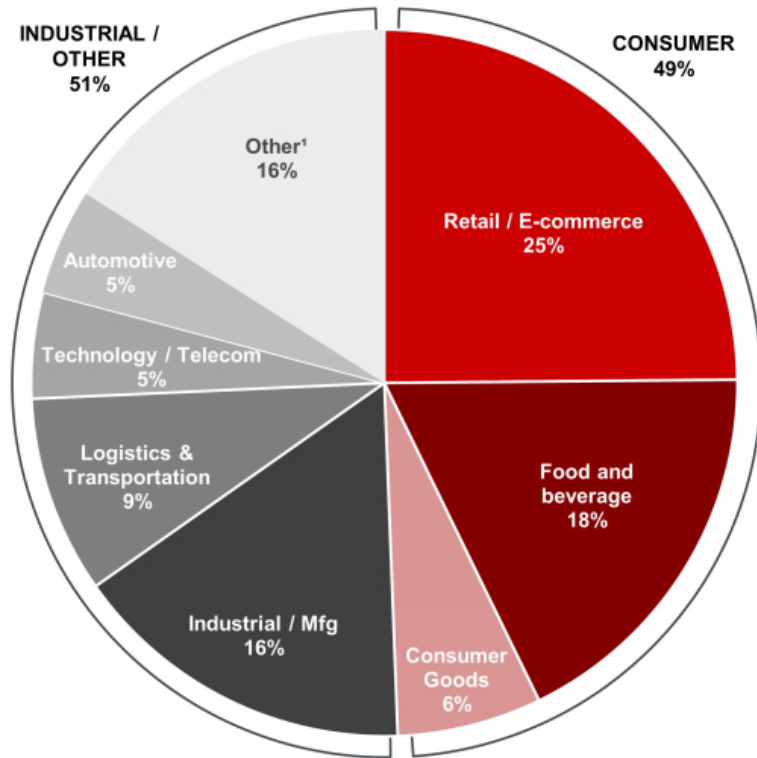
Brokerage has Diversified Exposure Across Attractive End Markets

All major verticals expected to use brokers for 20 – 30% of their truckload needs by 2026E

XPO's diversified model services the full array of these sectors

Source: Third-party research
¹ Other includes sectors such as agriculture, chemicals, home furnishings, building materials, business and professional services, healthcare and biotechnology, energy, oil and gas, aerospace and defense and mining

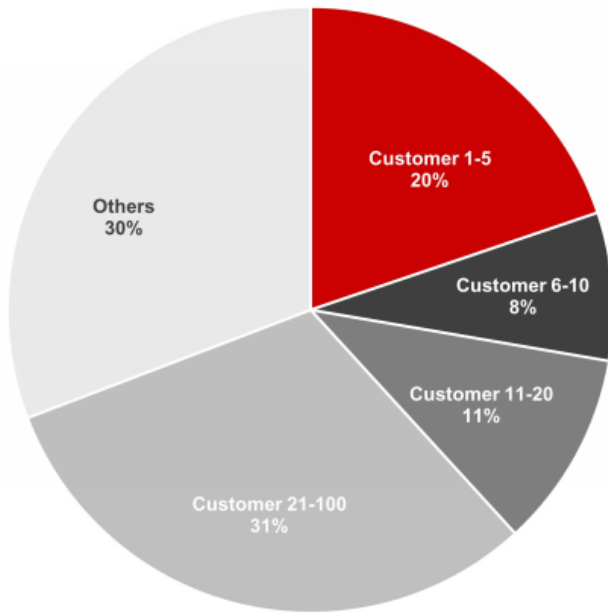
2021 XPO TRUCK BROKERAGE REVENUE DIVERSIFIED ACROSS END MARKETS



Healthy diversification across attractive verticals with low concentration risk; strategic focus on growing e-commerce and consumer goods

Long-tenured, Blue-chip Customer Relationships In Attractive Verticals

2021 REVENUE BY CUSTOMER



SELECT CUSTOMERS



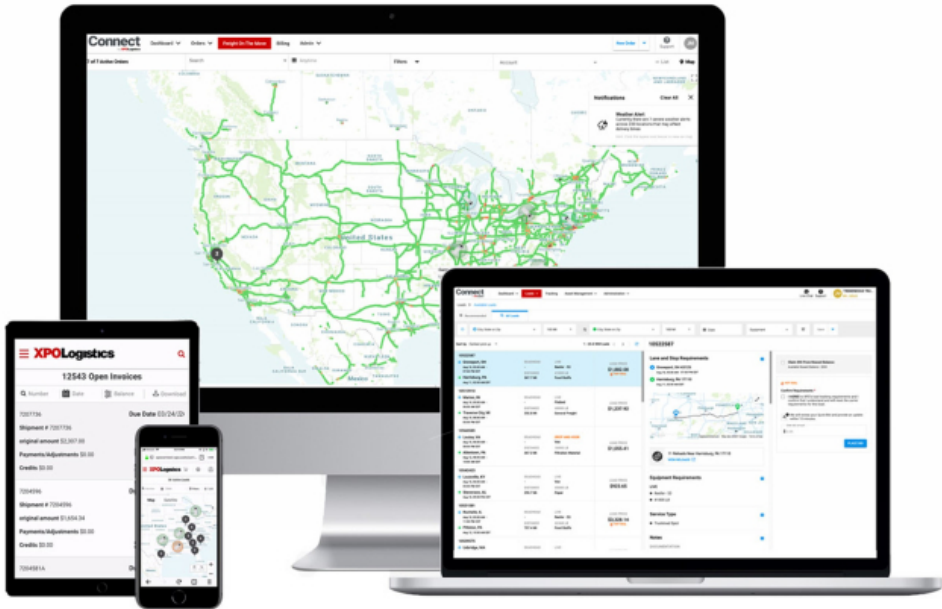
Proprietary Technology

PROPRIETARY LEVERS FOR PROFITABLE GROWTH

Dynamic pricing algorithms use machine learning to optimize **margin**

Automated processes and messaging improve **productivity** per head

Captures **volume** and revenue at lower cost-to-serve, with fewer touches



Manages capacity to best cover customer loads under all demand environments

Tiered Approach to Sales to Target Sustainable Growth

TIERED APPROACH TO SALES

1

Strategic Account Manager Team (SAMs)

- Targets large **enterprise** customers
- Key account managers have vertical-specific expertise
- Tailored solutions to customer's exact needs

2

National Account Manager Team (NAMs)

- Targets **national** customers

3

Inside Salesforce

- Targets **emerging growth** customers, leverages internal resources and self-service technology platform

Case Study – Industrial

RELATIONSHIP ORIGIN / CUSTOMER NEED

- Customer needed help with flatbed solutions in 2013
- Due to the mission critical nature of the company's products, supply chain continuity is critical

XPO SOLUTION

- Progressed from small flatbed carrier to the largest brokered flatbed provider in the US
- Relationship has broadened to other forms of brokered transportation, including dry van and expedite
- We procured enormous capacity at the right rates, including flexing to 2X-3X original award value during periods of peak seasonal demand; enabled by tech, carrier relationships, and expertise
- 95% of orders are created or covered digitally

KEY RESULTS

Supplier of the year in 2020

Brokerage revenue up from \$50k in 2013 to over \$20 million today

XPOLogistics

Case Study – Retailer (Durable Goods)

RELATIONSHIP ORIGIN / CUSTOMER NEED

- Dry van service commenced in 2014
- Customer needs extensive project support

XPO SOLUTION

- Now provide flatbed, seasonal projects, transload services (helped with backlogs at ports)
- Leading emergency freight provider (managing hurricanes, storm); dropped trailers to distribute generators; critical trust relationship
- 90% of loads created or covered digitally

KEY RESULTS

Top 5 customer in brokerage; brokerage revenue up more than 50X from 2017 to over \$100 million today

Case Study – Food & Beverage

RELATIONSHIP ORIGIN / CUSTOMER NEED

- Relationship originated in 2004 with Canadian bottling counterpart (later brought in-house) for cross-border freight
- XPO committed to take every uncovered load

XPO SOLUTION

- Deep IT integration
- Extensive drop trailer effort
- 99% of loads created or covered digitally
- XPO is viewed by the customer as providing the consistency of an asset-based carrier, giving us an early look at freight opportunities

KEY RESULTS

Revenue has increased from sub-\$4 million to over \$50 million in 2021

Case Study – Apparel Retailer

RELATIONSHIP ORIGIN / CUSTOMER NEED

- Relationship grew enormously from 2020
- We were able to satisfy outsized demand at peak when other brokers turned it down

XPO SOLUTION

- Dry van, transloading, drop trailers
- We flex up massively with peak
- The customer appreciates our customized reporting
- XPO provides customized trailer tracking via XPO Connect™
- 99% of loads created or covered digitally

KEY RESULTS

<\$5 million of revenue in 2017, up to well over \$75 million today

Case Study – Food & Beverage

RELATIONSHIP ORIGIN / CUSTOMER NEED

- Relationship began in 2012
-

XPO SOLUTION

- Transloading, refrigerated, drop trailer
- Massive contracted award
- Carrier of the Year, 2021
- 99% of loads created or covered digitally

KEY RESULTS

>\$50 million of revenue, up >5X since 2015

Case Study – Automotive

(Key Managed
Transportation
Collaborations)

RELATIONSHIP ORIGIN / CUSTOMER NEED

- New to Managed Transportation in 2021

XPO SOLUTION

- Services include cross-border brokerage, intra-Mexico brokerage, expedite, air charter, port diversion, drop trailers, air charter
- Award reflected XPO winning “Supplier of the Year” from two other auto OEMs

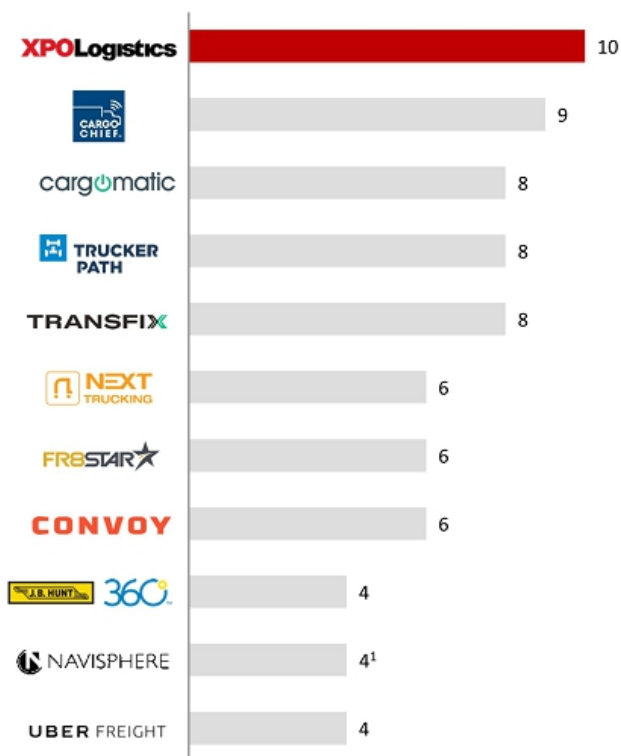
KEY RESULTS

- **Brokerage revenue up 9X from 2015 to 2021, growing rapidly in 2022**

A Disruptive Digital Brokerage Platform

XPO is Leading Technological Disruption

YEARS IN OPERATION



¹ Refers to digital brokerage capabilities

KEY XPO CONNECT INNOVATIONS

FreightOptimizer

by XPO Logistics

- XPO Connect's proprietary freight optimization system
- Launched October 2012

Connect

by XPO Logistics

- Digital freight marketplace
- Launched April 2018

Drive

by XPO Logistics

- Self-service mobile app for truck drivers and fleet managers
- Launched April 2018

Executing Profit Initiatives Driven by Technology

THREE KEY AREAS

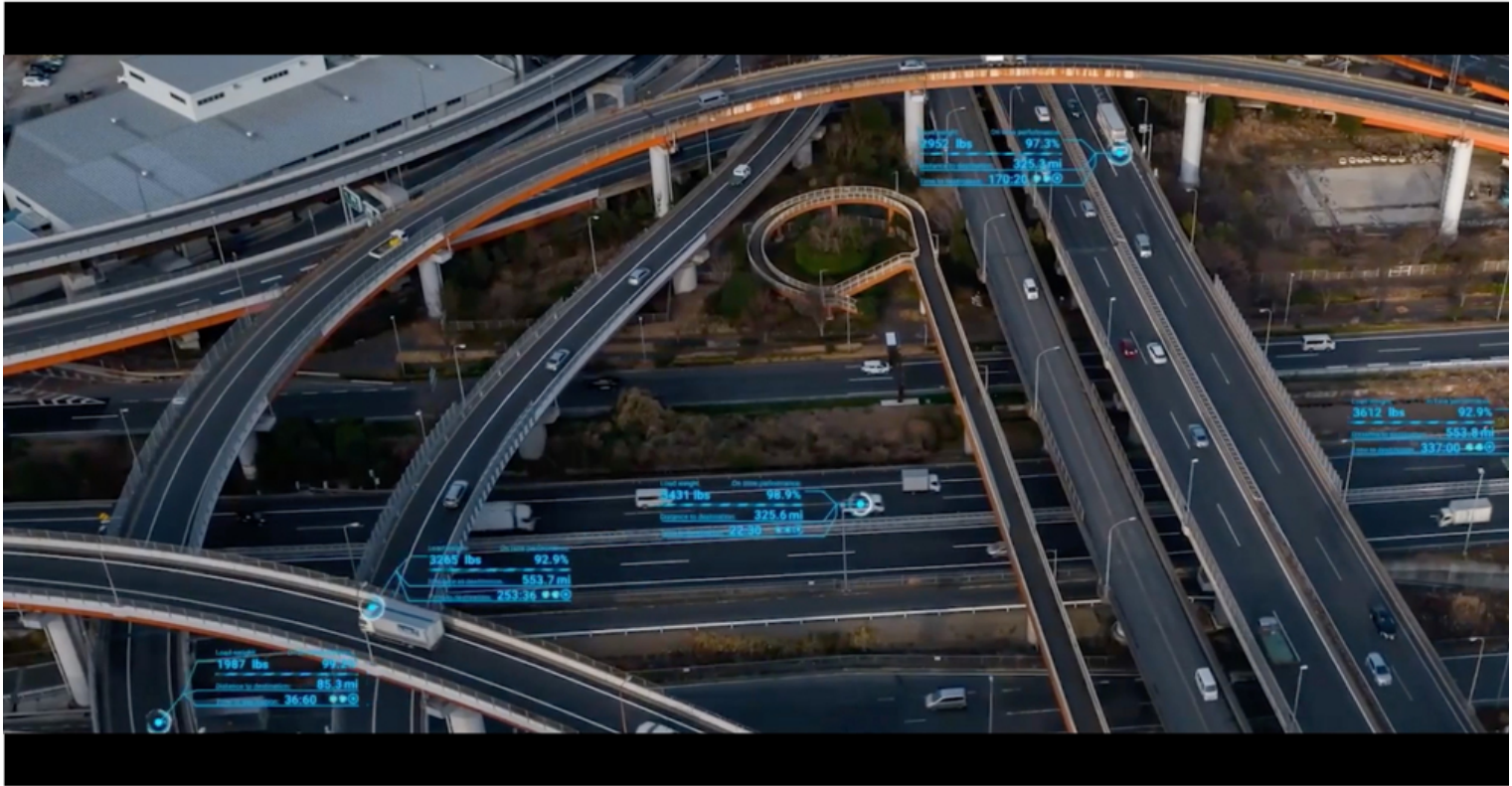
WELL-DEFINED EXECUTION WITHIN BROKERAGE

- 1** **Volume**
- EXPAND XPO CONNECT™**
- Increases volume via API deployments, integration, automation and digital interfaces
 - Generates “touchless” revenue through marketplace interfaces with smaller customers

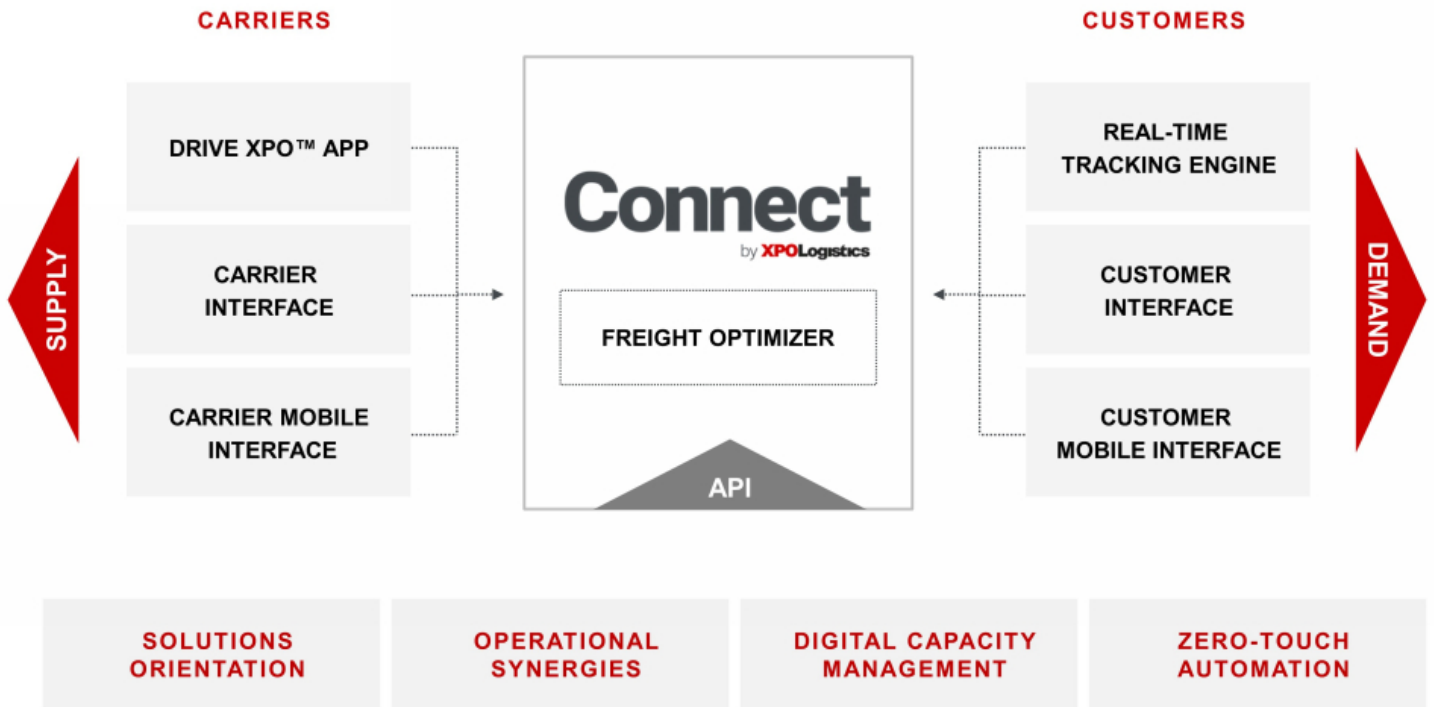
- 2** **Productivity**
- OPERATIONAL IMPROVEMENT**
- Automated processes increases productivity of brokerage operations
 - Customer service and capacity management further enhanced through automation and optimization

- 3** **Margin**
- PRICING OPTIMIZATION**
- Utilize proprietary machine learning pricing engine, taking market conditions into consideration to drive revenue and margin growth
 - Leverage real time pricing capabilities to reduce the cost of purchased transportation, improve margin and automate accessorial billings

XPO Connect™ Video



XPO Connect™ is a Powerful, Digital Ecosystem



Encapsulates the business DNA

XPO Connect's Freight Optimizer is a Scalable Freight Management Engine



- Leverages machine learning to procure the optimal capacity for each load by analyzing data from multiple sources, weighted by cost and performance
- Draws on ~88,000 registered carriers in XPO Connect™ for rapid load-matching and tendering
- Utilizes predictive pricing algorithms that take expected freight market conditions into consideration
- Generates price options via XPO's proprietary machine-learning pricing engine
- Manages routing, carrier assignment and execution according to customer-specific business rules
- Real time data and trends, enhancing operational productivity and margin expansion

XPO Connect™ Generates Efficiencies for all Stakeholders

FLEXIBLE AND CUSTOMIZABLE SOLUTION

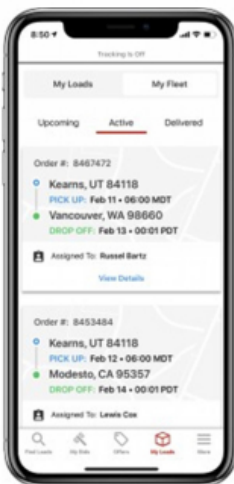
CUSTOMER ENABLEMENT	CARRIER FUNCTIONALITY	PERSONALIZED FREIGHT MANAGEMENT	TAILORED CAPACITY MANAGEMENT
<ul style="list-style-type: none">▪ Quote and buy different kinds of capacity online through one point of access▪ Leverage self-service analytics for decision-making▪ Gain real-time visibility of shipments	<ul style="list-style-type: none">▪ Post available capacity based on their preferences▪ Book loads on the web or via the Drive XPO app▪ Optimize utilization of equipment and driver's time	<ul style="list-style-type: none">▪ Customize personal dashboard and self-service analytics to manage freight▪ Enhance decision-making and spend with direct access to data and KPIs▪ Tailor screen displays to the business	<ul style="list-style-type: none">▪ Use mobile app to locate opportunities based on location, timing and equipment specs▪ Analyze trends in spot rates, driving conditions and other factors that impact bids



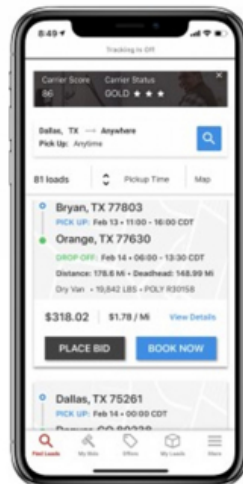
Drive XPO™ App Benefits Customers and Carriers by Helping to Automate the Procurement Process

- Carriers use Drive XPO™ self-service dashboard to access XPO Connect™ on their mobile devices
- Over 700,000 driver downloads of the app to date with ongoing, rapid adoption
- Fully mobilized transactional platform is an all-in-one tracking solution for drivers and carriers
- Intuitive tools for capacity posting, bidding, negotiating, load booking, tracking and e-paperwork
- Smart Load recommendation engine helps drivers maximize resources and minimize empty miles

CAPACITY POSTING



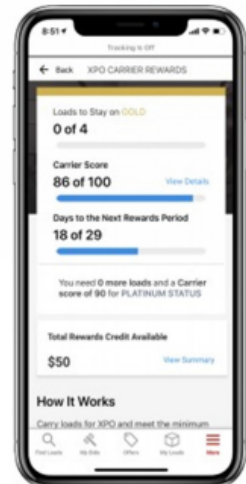
LOAD BOOKING



FREIGHT MANAGEMENT



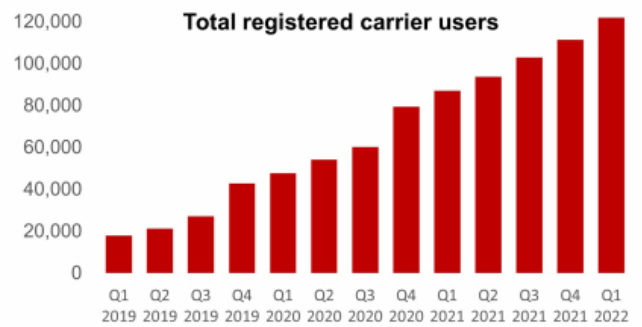
CARRIER SCORE AND REWARDS



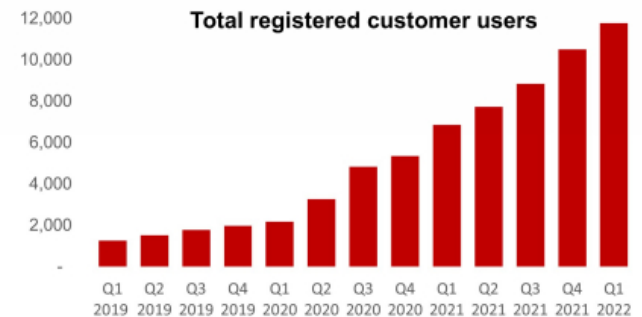
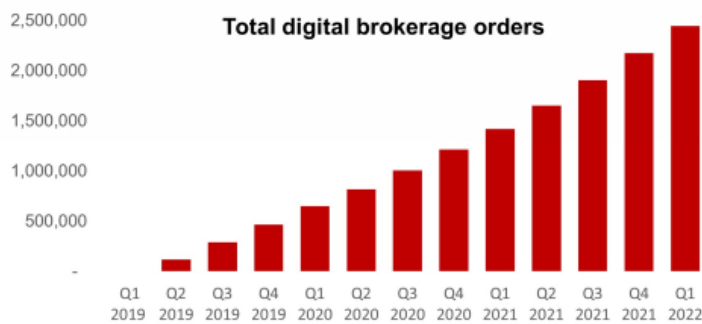
XPO Connect™ Tech Demo

XPO Connect™ is Widely Adopted and Growing Fast

CARRIERS



CUSTOMERS



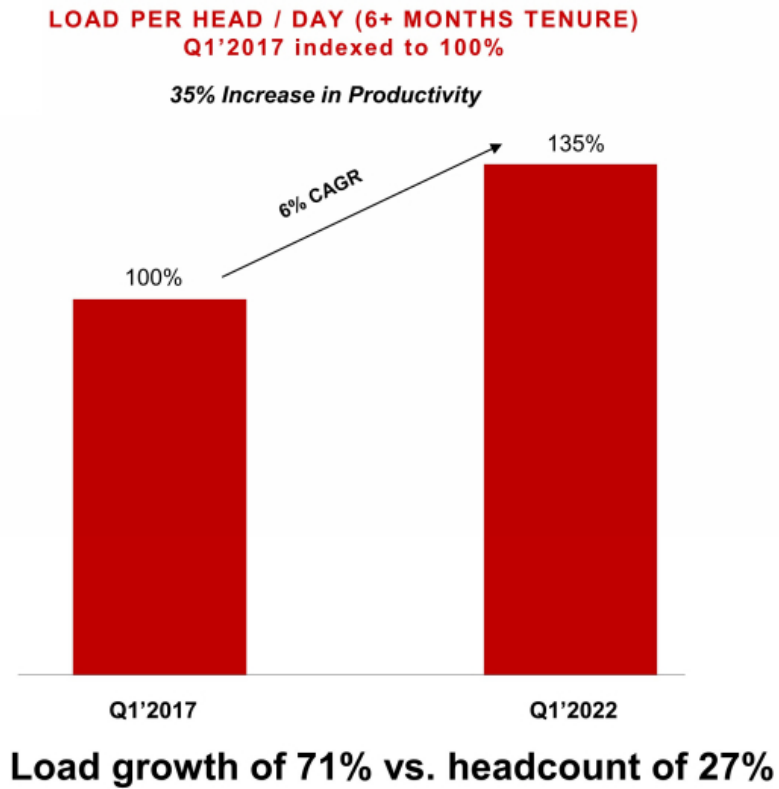
All data cumulative as of March 31, 2022

XPO Connect™ Captures Share and Reduces Costs

- 1 Significant opportunity to unlock incremental revenue and profit well beyond current levels
- 2 Comprehensive digital platform enhances offering beyond traditional full truckload
- 3 Reaches emerging growth customers with low-cost model: primarily digital, with some over-the-phone interactions
- 4 Value of XPO Connect™ will compound in response to fast-growing demand, further reaping the benefits of hundreds of millions of dollars of technology investment

Productivity Measures Enhance Margins

- Simplifying pricing execution with proprietary tools, including direct link to operational TMS
- Reducing time required to operate across modes via visibility in XPO Connect™



Pricing Levers Boost Revenue and Margins

OPTIMIZATION TOOLS

Proprietary machine-learning pricing engine for carrier procurement

- Costing algorithms and digital freight match capability
- Purchases transportation at optimal rates and expands margins
- Outperformed large competitors on margin 15 consecutive quarters, including 13 quarters after Dynamic Max Pay was implemented

Contract utilization

- Digital tool helps identify opportunities to improve margins on overutilized and underutilized contracts
- Helps better identify potential opportunities that can drive incremental volume and sales

Market pricing

- Pricing engine for Enterprise and National customers optimizes market-relevant pricing, enhanced by API tools
- Online tool for quoting and placing orders utilizing our proprietary pricing algorithm

Experienced and Cohesive Leadership



DREW WILKERSON
President, Transportation – North America

- Joined XPO in 2012
- Served as president of XPO's North American brokerage business
- In 2020, named president of North American Transportation
- Prior to XPO, held leadership positions with C.H. Robinson Worldwide
- CEO Elect of XPO's planned spin-off of its tech-enabled brokered transportation platform



LOUIS AMO
President, Brokerage
23 years

- Joined XPO in 2012
- Promoted to president, truck brokerage – North America in 2020
- Previously held senior positions with Electrolux, Union Pacific and SABIC (formerly GE Plastics)



YOAV AMIEL
Senior Vice President, Technology - North American Transportation
25 years

- Joined XPO in 2018
- Previously held roles including director of product at Amazon and head of product – machine-learned maps with both Uber and Microsoft
- CIO Elect of XPO's planned spin-off of its tech-enabled brokered transportation platform



ALYSSA MYERS
VP, Technology - Brokerage
7 years

- Joined XPO in 2014
- VP of Technology for the XPO Freight Brokerage team in 2019
- Prior experience at a Salesforce.com partner startup



PAUL BOOTHE
President, Managed Transportation
18 years

- Joined XPO in 2016
- Promoted to President of the Managed and Dedicated Transportation team in 2020
- Previously served in leadership roles at Ryder and Pepsi Logistics Company



LYNDON CRON
SVP, Sales, North American Transportation
28 years

- Joined XPO in 2014
- Promoted to lead all outside sales customer facing teams in 2022.
- Previously held leadership positions in sales for Pacer International

Note: Number of years indicate years of industry-relevant experience; company logos under each name denote the individual's prior work experience

Key Drivers of Value Creation

- 1 Expanding industry with low penetration and secular tailwinds
- 2 Differentiated scaled platform with market leadership in the US
- 3 Long-tenured, blue-chip customer relationships in attractive verticals
- 4 Proprietary technology with first mover advantage
- 5 Asset-light model generates high returns and substantial free cash flow
- 6 Experienced and proven leadership

Q&A

Reconciliation of North American Truck Brokerage Adjusted EBITDA¹

The following table reconciles XPO's operating income attributable to its North American Truck Brokerage business for the years ended December 31, 2019, 2020 and 2021, to adjusted EBITDA for the same periods.

\$ in millions
unaudited

	2019	2020	2021
Operating Income	\$ 75	\$ 105	\$ 190
Other income (expense)	2	(1)	1
Depreciation and amortization	12	13	13
Transaction and integration costs	–	2	–
Restructuring Costs	2	1	–
Adjusted EBITDA	91	120	204
Revenue	1,372	1,684	2,749
Adjusted EBITDA margin¹	6.6%	7.1%	7.4%

¹Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Refer to the "Non-GAAP Financial Measures" section on page 2.

We believe that **return on invested capital (ROIC)** is an important metric, as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for the trailing twelve months ended March 31, 2022, divided by invested capital as of March 31, 2022. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles.

RETURN ON INVESTED CAPITAL

\$ in millions
(unaudited)

Select income statement items	Trailing Twelve Months Ended March 31, 2022	Select balance sheet items	As of March 31, 2022
Adjusted EBITDA	\$ 1,281	Equity	\$ 1,598
(-) Depreciation	389	(+) Debt	3,559
(-) Real estate gains	45	(+) Operating lease liabilities	816
(+) Operating lease interest	30	(-) Cash	1,004
(-) Cash taxes	87	(-) Goodwill and intangibles	2,880
Net operating profit after tax (NOPAT) ⁽¹⁾	\$ 790	Invested capital	\$ 2,089

38% return on invested capital ⁽¹⁾

¹ Excluding the NOPAT related to our divested intermodal operation, our return on invested capital would have decreased by 4 percentage points

Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

The following table reconciles XPO's revenue attributable to its North American Truck Brokerage business for the years ended December 31, 2021, 2020 and 2019 to margin for the same periods.

RECONCILIATION OF NORTH AMERICAN TRUCK BROKERAGE MARGIN

\$ in millions
(unaudited)

	Years Ended December 31,		
	2019	2020	2021
Revenue	\$ 1,372	\$ 1,684	\$ 2,749
Cost of transportation and services (exclusive of depreciation and amortization)	1,142	1,398	2,322
Margin ⁽¹⁾	\$ 230	\$ 286	\$ 427
Margin % of Revenue ⁽¹⁾	16.7%	17.0%	15.5%

⁽¹⁾ Margin is calculated as revenue less cost of transportation and services (exclusive of depreciation and amortization)

Refer to the "Non-GAAP Financial Measures" section on page 2 of this document