Non-GAAP Financial Measures

The schedule below presents net debt, net leverage and adjusted EBITDA, which represent non-GAAP financial measures. We provide reconciliations of these measures to the most directly comparable measures calculated in accordance with United States generally accepted accounting principles ("GAAP"). We believe that net debt and net leverage are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our reported adjusted EBITDA for the trailing twelve months ended June 30, 2023. We believe that presenting adjusted EBITDA improves the comparability of our operating results 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 table that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. Other companies may calculate net leverage, net debt and adjusted EBITDA differently and, therefore, our measures may not be comparable to similarly titled measures of other companies. Net debt, net leverage and adjusted EBITDA should only be used as supplemental measures of our operating performance.

XPO, Inc.
Reconciliation of Net Leverage
(Unaudited)
(In millions)

	As of June 30, 2023
Reconciliation of Net Debt	
Total debt	$ 2,518
Less: Cash and cash equivalents	290
Net debt	$ 2,228

	Trailing Twelve Months Ended June 30, 2023
Reconciliation of Net Leverage	
Net debt	$ 2,228
Adjusted EBITDA	$ 978
Net leverage	2.3x

	Trailing Twelve Months Ended June 30, 2023	Six Months Ended June 30, 2023	Year Ended December 31, 2022	Six Months Ended June 30, 2022
Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA				
Net income from continuing operations attributable to common shareholders	$ 104	$ 48	$ 184	$ 128
Debt extinguishment loss	36	23	39	26
Interest expense	152	85	135	68
Income tax provision	52	17	74	39
Depreciation and amortization expense	410	208	392	190
Goodwill impairment	64	-	64	-
Transaction and integration costs	83	39	58	14
Restructuring costs	76	34	50	8
Other	1	-	1	-
Adjusted EBITDA	$ 978	$ 454	$ 997	$ 473