

**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): September 9, 2021

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
(Address of principal executive offices)

06831
(Zip Code)

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

N/A
(Former name or former address, if changed since last report)

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 (see General Instruction A.2 below):

- 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 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 September 9, 2021, XPO Logistics, Inc. (the “Company”) released a slide presentation expected to be used by the Company in connection with certain future investor presentations, together with a corresponding script. Copies of the script and slide presentation are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

The information furnished in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, 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.

Exhibit Number	Exhibit Description
99.1	Investor Presentation Script, dated September 9, 2021
99.2	Investor Presentation, dated September 9, 2021
104.1	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: September 9, 2021

XPO LOGISTICS, INC.

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



September 2021

Presentation Script and Slides

The following script should be read in conjunction with the accompanying slide presentation, which contains, among other information, source data for certain information set forth in the script.

Thank you for joining us.

Over the past 10 years, we've built XPO into one of the largest providers of supply chain services in the world. The August 2, 2021 spin-off of our logistics segment simplified our business and positioned us for significant growth as a pure-play freight transportation provider.

Our 40,000 employees currently serve more than 50,000 customers across 744 locations. Our two core lines of business — less-than-truckload (LTL) and truck brokerage — generate the vast majority of our revenue and more than 90% of our operating income. We believe that each of these businesses has strong competitive advantages tailored to the opportunities in their respective addressable markets.

Our core LTL and truck brokerage businesses are capitalizing on a combination of macro trends, secular industry tailwinds and company-specific initiatives that can accelerate both top-line growth and margin expansion.

- *Exposure to fast-growing verticals:* We have outsized exposure in verticals such as e-commerce that are growing much faster than the overall market, and to the rapidly recovering industrial sector — and we have steadily built up the massive capacity needed to serve this increased demand. Our capacity is critically important to shippers and to their end-markets.
- *Industry leader in technology:* Our first-mover advantage as an industry innovator is rooted in over \$3 billion spent on technology since 2011. We have XPO-specific initiatives that are optimizing our operations to increase efficiency and margin, positioning the company to thrive across market cycles. Most of these initiatives are managed within our digital ecosystem, where our brokerage platform also resides.
- *Scale benefits:* Our scale in both LTL and brokerage is important to customers and gives us the ability to drive significant operating leverage, benefit from purchasing power and continue to innovate.
- *Disciplined capital allocation and commitment to investment grade:* Our EBITDA growth and strong free cash flow support our continued deleveraging toward our target leverage of 1.0x to 2.0x by the first half of 2023. This is a key step in our process to achieve an investment-grade credit rating.
- *Enviably record of superior shareholder value creation:* In the last decade, XPO was the 7th best-performing stock on the Fortune 500, according to Bloomberg market data.

- *Strong culture:* Our secret sauce has always been the world-class people we attract to XPO — not just our senior executives, but also the thousands of other professionals who contribute to our exceptional performance while representing our values.

XPO is a top-three player in two highly compelling freight transportation sectors with vast, fragmented markets and growing penetration.

While we hold leading positions in LTL and truck brokerage in North America, our market share in each sector is in the single digits. We have approximately 8% share of the \$42 billion LTL market, and 3% share of the \$64 billion truck brokerage market — that's out of a \$360 billion total truckload spend that could be going through brokers. We view this huge truckload opportunity as a fertile environment for market share growth in our business.

In Europe, where we also hold leading positions in key geographies, we serve many of the largest customers. We're the #1 truck broker in France and Iberia (Spain / Portugal), the #3 truck broker in the UK, the #1 LTL provider in France and Iberia, and we have the #1 single-owner LTL network in the UK.

Less-Than-Truckload (LTL)

Our LTL operations in North America are asset-based. We provide customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services with one of the industry's largest networks of tractors, trailers, professional drivers and terminals. Our services include cross-border US freight movements to and from Mexico and Canada, as well as intra-Canada service.

The key factors driving growth and margin expansion in our LTL business are:

- *Critical capacity and national lane density*, supported by 291 terminals in North America, with large economies of scale. Our network represents over three decades of investment and ensures coverage in every major area, including approximately 99% of all US zip codes and key coverage in Canada;
- *Significant opportunities to leverage our LTL technology* to improve profitability beyond the sizable margin gains we've already achieved;
- *Favorable industry fundamentals*, including limited commoditization, rational pricing dynamics in North America, rising industrial demand and the continued growth of e-commerce, which is driving smaller, more frequent shipments; and
- *Over 30 years' experience and deep relationships* with tens of thousands of customers and providers.

We more than doubled our adjusted EBITDA in North American LTL four years after acquiring this business in 2015, and we're on track to deliver at least \$1 billion of adjusted EBITDA in LTL in 2022. We have plans in place to improve our LTL margin by hundreds of additional basis points in the future.

Our LTL team is laser-focused on the importance of delivering on-time, damage-free service at scale. Using a modern fleet equipped with safety technologies, we delivered approximately 12.9 million shipments during the 12 months ended June 30, 2021. We benefit from relationships with over 20,000 LTL customers in North America alone, primarily local accounts. And we're further diversifying our base by selling our LTL services across more verticals.

In addition to scale, our deployment of proprietary technology is also a significant growth driver. We use intelligent route-building to move LTL freight across North America, increasing the utilization of our linehaul fleet and optimizing our load factor. To improve pickup-and-delivery performance, we developed visualization tools that help our dispatchers reduce cost per stop. We're also investing development resources in improving our ability to price in a dynamic market — this includes elasticity models that adjust for lane conditions. And, we're deploying XPO Smart™ in our yard and dock operations to enhance productivity.

In Europe, we utilize a blend of fleet operations determined by geography. This includes asset-based (XPO-owned) and asset-light (contracted carrier) capacity, supported by a network of terminals. We have approximately 100 LTL locations serving countries across Europe.

Truck Brokerage

We have a long track-record of significant outperformance in truck brokerage, which is a subset of our company's brokerage segment. From 2013 through 2020, our North American revenue CAGR in truck brokerage was 23% — more than three times the brokerage industry revenue CAGR of 7%. And, our 30% load growth this year through June 30 has sharply outperformed the industry average.

Our brokerage business has an agile, non-asset model that generates high ROI and free cash flow conversion. It has a variable labor structure that lets us reduce costs when demand is soft and deploy additional resources to find trucks as demand returns. Essentially, shippers create the demand and we place their freight with qualified carriers that supply the capacity. This service is priced on either a spot or contract basis.

Our growth in truck brokerage continues to be propelled by our massive capacity, cutting-edge technology and favorable industry tailwinds:

- *The demand for truckload capacity in the e-commerce and omnichannel retail sectors is growing rapidly*, and at the same time, more and more shippers are outsourcing to brokers. Also, shippers increasingly prefer brokers like XPO that offer digital capabilities, so there's actually a three-part tailwind driving demand;
- *Through XPO Connect™, our leading digital platform, we can unlock incremental revenue and profit well beyond current levels*, and capture high-margin opportunities with our pricing technology;
- *Our blue-chip customer base is very sticky* — the average tenure of our top 10 customers is about 13 years, with low concentration risk, providing a large opportunity to grow wallet share and leverage our expertise in key verticals;
- *There is a significant opportunity for increased market penetration* — while we're the second-largest brokerage provider globally, we currently have just 3% share in our primary region, North America; and
- *Our team has been together for many years* — they have successfully piloted the business to a position of strength, where it's large enough to satisfy the needs of any customer, and nimble enough to pivot rapidly in dynamic environments.

As of June 30, 2021, we had approximately 85,000 independent carriers in our global brokerage network, giving us access to more than a million trucks. This enormous truckload capacity is a huge differentiator, together with our veteran brokerage leaders and our XPO Connect™ digital platform. By continually improving the brokerage experience through automation, we're achieving significant volume growth while expanding our margin.

Our brokerage segment also includes exposure to one of the fastest-growing brokerage subsectors — our asset-light last mile logistics service for the home delivery of heavy goods. This business is benefitting from the consumer trend toward purchasing large products through e-commerce, omnichannel retail and direct-to-consumer channels.

XPO is the largest provider of last mile logistics for heavy goods in North America, with a rapidly growing last mile presence in Europe. The service level requirements for heavy goods are significantly higher than for parcel, and our stellar service metrics — we only have one claim out of every 623 North American deliveries — have helped cement our industry-leading position.

XPO is the industry's original disruptor

A decade after making our first technology investment in 2011, we're now reaping the rewards of more than \$3 billion spent on technology, including innovating how goods move through supply chains. Our industry is evolving, and customers want to de-risk their supply chains with more automation and better visibility. We're well-positioned to satisfy these demands.

We use technology to increase our ROI and drive our competitive advantage in freight transportation. It also makes the most of the talent and assets within our organization. Our cloud-based platform speeds the deployment of new ways to increase efficiency, control costs and leverage our footprint.

In LTL, for example, our proprietary technology has played a huge role in improving our adjusted operating margin by more than 1,000 basis points since 2015. We have additional technology projects underway in LTL that are truly revolutionary, in areas like pricing, route optimization and productivity management in our cross-dock operations.

Even given the many benefits we've realized, we believe the greatest gains from our technology implementations lie ahead in the form of additional revenue and profit growth. The most significant impacts to date are in the following areas. All are proprietary to XPO:

XPO Connect™ and Freight Optimizer

Our digital freight management platform fully automates transportation procurement — it encompasses our Freight Optimizer system, shipper interface, pricing engine, carrier interface and our Drive XPO™ mobile app for carriers. When our customers have truckload freight to move, XPO Connect™ locates the optimal transportation provider based on a number of parameters, including price, market conditions, equipment, carrier profile and load profile.

Our investment in digitization is making our brokerage business much more efficient and reducing our costs. We can capture share by elevating customer service without large increases in headcount. From the second quarter of 2016 to the second quarter of 2021, we grew our brokerage load count at more than twice the rate of headcount. Today, approximately 60% of our brokerage orders are created digitally via EDI, APIs and customers directly on XPO Connect™, without the assistance of an XPO employee.

The rapid adoption of XPO Connect™ by both shippers and carriers is accelerating our revenue and margin expansion and contributing to our above-market performance. In the second quarter of 2021, cumulative customer accounts registered on the platform were more than six times higher than one year ago.

Drive XPO™

Truck drivers can access XPO Connect™ from the road through our proprietary mobile app, Drive XPO™. The app connects carriers to shippers with the capability for fully automated transactions, tracks freight during transit and includes intuitive tools for finding, bidding and booking loads. It enhances our differentiation in the truck brokerage space by giving XPO customers direct digital access to the capacity they need, regardless of market conditions.

Drive XPO™ is a resounding success. Over 500,000 truck drivers have downloaded the mobile app to date — that's up from 150,000 in the same period a year ago.

XPO Smart™

LTL is a rock-solid industry with strong fundamentals, so we focus our technology on continuously improving our margin. We do this by optimizing components of the service we provide — specifically, pricing, linehaul, dock productivity and pickup-and-delivery routing, as noted earlier.

Some of this ongoing margin improvement will come from XPO Smart™, our proprietary suite of workforce planning tools that improve productivity in our LTL dock operations. Our proprietary analytics “learn” the operations site by site and can forecast how a decision today could affect productivity in a future period.

We're seeing an average of 5% to 7% improvement in productivity from XPO Smart™ so far, and we expect to realize a major upside as we fully utilize the software in our network.

While each application of our technology delivers its own benefits, there can also be a strong synergistic effect on our LTL business as a whole. For example, when we optimize truck routes, that benefits asset utilization, driver utilization and customer service, and reduces our carbon footprint. Our technology is also contributing to the positive trajectory of our yield — a metric we've improved every year since acquiring the LTL operation in 2015.

A Culture with Purpose

XPO's strong culture puts the safety of our people first in all aspects of the workplace. Our culture is about being respectful, entrepreneurial, innovative and inclusive. It's about having compassion, being honest and respecting diverse points of view, while operating as a cohesive team. We foster both physical and emotional safety at work, with robust ethical guidelines that clearly define prohibited behavior, such as harassment, dishonesty, discrimination, workplace violence, bullying, conflicts of interest, insider trading and human trafficking.

In 2020, we created the position of Chief Diversity Officer to lead our DE&I initiatives. We also reinforce the importance of diversity through open-door management, the XPO University training curriculum, our Workplace virtual community, and equal opportunity hiring and promotion policies. We support diverse causes important to our employees, such as Soles4Souls, Girls With Impact, and Workfit programs for differently-abled people. This year, we're proud to be the official transportation partner for the Susan G. Komen 3-Day Walks®.

Our Pregnancy Care Policy is a gold standard not just for our industry, but for any industry. Any employee of XPO, female or male, who becomes a new parent through birth or adoption can qualify for six weeks of 100% paid leave as the infant's primary caregiver, or two weeks paid leave as the secondary caregiver. In addition, a woman receives up to 20 days of 100% paid prenatal leave for health and wellness and other preparations for her child's arrival.

Our women employees can request pregnancy accommodations without fear of discrimination. This includes "automatic yes" accommodations, such as changes to work schedules and the timing or frequency of breaks, or assistance with certain tasks. More extensive accommodations are easily determined with input from a doctor. Furthermore, we guarantee that a woman will continue to be paid her regular base wage rate while her pregnancy accommodations are in effect, even if her duties need to be adjusted, and she will remain eligible for wage increases while receiving alternate work arrangements.

We've also partnered with a leading healthcare network for women and families to offer supplemental health services from over 1,400 practitioners in 20 specialties via a virtual clinic. In total, more than 30 quality benefits are available to XPO women and families in the US. These include fertility services, prenatal and postpartum care, paid family bonding, and a return-to-work program.

Environmental Sustainability

Environmental sustainability is another significant priority for us. Our entire business model is based on transporting freight as efficiently as possible, which facilitates our ability to improve our carbon footprint over time by reducing empty miles, maintaining modern fleet and training our drivers in eco-friendly techniques, among other initiatives.

In the US, XPO has been named a Top 75 Green Supply Chain Partner by *Inbound Logistics* for six consecutive years. We've made substantial investments in fuel-efficient Freightliner Cascadia tractors in North America; these use EPA 2013-compliant and Greenhouse Gas 2014-compliant selective catalytic reduction (SCR) technology. Our North American LTL locations have energy-saving policies in place and are implementing a phased upgrade to LED lighting.

Our modern road fleet in Europe is 98% compliant with Euro V, EEV and Euro VI standards. We also own over 250 natural gas trucks operating in France, the UK, Spain and Portugal, including 80 tractors we purchased in 2020 that use liquified natural gas (LNG). In Spain, we own government-approved mega-trucks to transport freight with fewer trips, and our last mile operations in Europe use electric vehicles for deliveries in certain urban areas, reducing those emissions to zero.

The development of our culture will continue to be a steady march forward, as it has since our founding in 2011. Our Sustainability Report provides details of our global progress in key areas, including safety, employee engagement, diversity and inclusion, ethics and compliance, environmental protection and governance. The latest report is for the combined company in 2020 and can be downloaded from <https://sustainability.xpo.com>.

Second Quarter 2021 Pro Forma Financial Highlights¹ and Guidance

In the second quarter, our growth continued to outpace a macro environment that's recovering faster than expected. We increased revenue by 50% from the second quarter 2020, and we grew our adjusted EBITDA to \$331 million.

Highlights of our second quarter 2021 financial performance are:

- \$3.19 billion of revenue, compared with \$2.13 billion in Q2 2020
- \$175 million of operating income, compared with a loss of \$98 million

¹ Pro forma for the spin-off of the logistics segment, which was completed on August 2, 2021; reconciliations of non-GAAP financial measures used in this document are provided in the accompanying slide presentation

- \$204 million of adjusted operating income, compared with a loss of \$41 million² in Q2 2020
- \$103 million of net income³
- \$0.91 diluted earnings per share
- \$144 million of adjusted net income³
- \$1.28 adjusted diluted earnings per share
- \$331 million of adjusted EBITDA⁴, compared with \$84 million in Q2 2020

XPO Guidance

On July 28, 2021, XPO updated its pro forma full year financial targets in anticipation of the spin-off of its logistics segment. On August 2, 2021, we completed the spin-off.

XPO full year 2021 pro forma financial targets⁴

- Adjusted EBITDA of \$1.195 billion to \$1.235 billion, including adjusted EBITDA of \$574 million to \$614 million generated in the last six months of 2021;
- Depreciation and amortization of \$385 million to \$395 million, excluding approximately \$95 million of acquisition-related amortization expense;
- Interest expense of approximately \$200 million, pro forma for planned debt paydown;
- Effective tax rate of 23% to 25%;
- Adjusted diluted EPS of \$4.00 to \$4.30;
- Net capital expenditures of \$250 million to \$275 million; and
- Free cash flow of \$400 million to \$450 million.

Pro forma balance sheet and liquidity

On June 30, 2021, we had approximately \$1.3 billion of total liquidity.⁵ Our pro-forma net leverage was 2.7x, calculated as net debt of \$3.2 billion divided by adjusted EBITDA of \$1.2 billion for the trailing 12 months ended June 30, 2021.

In conclusion

We're continuing to execute extremely well, and we remain fiercely committed to continuous improvement. Our disciplined focus on operational excellence is a major reason why more than two-thirds of Fortune 100 companies trust XPO with their most important asset — their reputation.

This month, we celebrated an exhilarating first decade in business. In 2016, we made the Fortune 500 list for the first time, and one year later, XPO was named the fastest-growing transportation company on the list. In 2018, *Fortune* named us to their Fortune Future 50 list. Gartner has ranked us as a Magic Quadrant 3PL leader for four consecutive years. *Forbes* ranked us as the top-performing US company on the Global 2000 and one of the best employers in the US.

² Represents sum of transportation segment operating income and corporate; data derived from XPO's historical financial statements for the periods referenced

³ Net income attributable to common shareholders

⁴ Targets have been calculated as if the spin-off had been completed on January 1, 2021; adjusted diluted EPS assumes 116 million diluted shares outstanding at the time of the spin-off

⁵ Pro forma for the spin-off of logistics segment, equity issuance and reduction of XPO's ABL facility to \$1 billion

In February of this year, *Fortune* named us one of the World's Most Admired Companies for the fourth consecutive year. The *Financial Times* has honored us as a European Diversity Leader, and in 2020, we were named a Winning "W" Company by 2020 Women on Boards for the gender diversity of our board of directors. *Newsweek* ranked us in the top 100 of America's most responsible companies, and Statista named us one of the most socially responsible companies in France. In the UK, XPO was voted one of Glassdoor's top three best places to work. We thank our employees for creating the culture that has led to these recognitions.

When we receive awards for excellence from world-class companies, including Dow, Ford, Intel, GM, Nissan, Nordstrom, Owens Corning, Raytheon, The Home Depot, Ulta Beauty and Whirlpool, to name a few, we know we're delivering the quality our customers expect. Their confidence in XPO drives our growth.

Ultimately, our track record is the best proof of our commitment to continuous improvement. XPO's massive capacity, technology advantage and deep bench of expertise equip our operations to continue to outperform the competition, and our business model excels at delivering strong growth at both the top and bottom lines. We're confident that investors will recognize the full value of the company we've built and the strategy we're continuing to execute.

Thank you for your interest!

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 document to the most directly comparable measure under GAAP or a pro forma measure prepared and presented in accordance with Article 11 of Regulation S X, as applicable, which reconciliations are set forth in the financial tables attached to the accompanying slide presentation.

This document contains the following non-GAAP financial measures: adjusted operating income, adjusted operating ratio, and adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") for XPO's North American less-than-truckload business for the trailing twelve months ended June 30, 2021, three months ended June 30, 2021 and 2020, six months ended June 30, 2021 and June 30, 2020, the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; pro forma adjusted EBITDA excluding the results of operations for GXO Logistics, Inc. ("GXO") ("pro forma adjusted EBITDA"), pro forma adjusted net income (loss) attributable to common shareholders excluding the results of operations for GXO ("pro forma adjusted net income (loss)"), pro forma adjusted diluted earnings (loss) per share excluding the results of operations for GXO ("pro forma adjusted EPS") and pro forma adjusted operating income (loss) on a consolidated basis and for our transportation segment and corporate for the three months ended June 30, 2021 and 2020; pro forma adjusted EBITDA for the trailing twelve months ended June 30, 2021, twelve months ended December 31, 2021 and six months ended June 30, 2021 and 2020; and pro forma net debt and pro forma net leverage as of June 30, 2021.

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, pro forma adjusted EBITDA, pro forma adjusted net income (loss) and pro forma adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the financial tables attached to the accompanying slide presentation. 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 XPO's ongoing performance.

We believe that adjusted EBITDA and pro forma adjusted EBITDA 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 pro forma adjusted net income (loss) and pro forma adjusted 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. We believe that adjusted operating income and adjusted operating ratio (including and excluding real estate) for our North American less-than-truckload business improve the comparability of our operating results from period to period by (i) removing the impact of certain transaction, integration and rebranding costs and restructuring costs, as well as amortization expenses; and (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables. We believe that pro forma net debt and pro forma net leverage are important measures of our overall liquidity position. Pro forma net debt is calculated as total debt for XPO pre-spin; less cash and cash equivalents; less debt, primarily in the form of finance leases, attributed to GXO; less net proceeds from GXO debt offering and XPO stock offering described in this presentation; plus cash provided to GXO in connection with the spin-off. Pro forma net leverage is calculated as pro forma net debt divided by pro forma adjusted EBITDA for the trailing twelve months.

With respect to our pro forma financial targets for the full year 2021 for adjusted EBITDA, adjusted diluted EPS and free cash flow; our pro forma target for adjusted EBITDA for the last six months of 2021; and our pro forma net leverage, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

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 adjusted EBITDA in our North American less-than-truckload business; our pro forma full year 2021 financial targets for adjusted EBITDA, depreciation and amortization (excluding acquisition-related amortization expense), interest expense, effective tax rate, adjusted diluted EPS, net capital expenditures and free cash flow; our pro forma adjusted EBITDA target for the last six months of 2021; our pro forma net leverage; and our plan to achieve an investment-grade credit rating. 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 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 and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment and service centers, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the August 2021 spin-off of GXO Logistics, including the impact of the spin-off on the size and business diversity of our company; the ability of the spin-off 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 substantial 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; 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; and governmental regulation, including trade compliance laws, as well as changes in international trade policies 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.

SEPTEMBER 2021

Investor Presentation

Disclaimers

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 or a pro forma measure prepared and presented in accordance with Article 11 of Regulation S-X, as applicable, which reconciliations are set forth in the financial tables attached to this presentation.

This presentation contains the following non-GAAP financial measures: adjusted operating income, adjusted operating ratio, and adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") for XPO's North American less-than-truckload business for the trailing twelve months ended June 30, 2021, three months ended June 30, 2021 and 2020, six months ended June 30, 2021 and June 30, 2020, the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; pro forma adjusted EBITDA excluding the results of operations for GXO Logistics, Inc. ("GXO") ("pro forma adjusted EBITDA"), pro forma adjusted net income (loss) attributable to common shareholders excluding the results of operations for GXO ("pro forma adjusted net income (loss)"), pro forma adjusted diluted earnings (loss) per share excluding the results of operations for GXO ("pro forma adjusted EPS") and pro forma adjusted operating income (loss) on a consolidated basis and for our transportation segment and corporate for the three months ended June 30, 2021 and 2020; pro forma adjusted EBITDA for the trailing twelve months ended June 30, 2021, twelve months ended December 31, 2021 and six months ended June 30, 2021 and 2020; and pro forma net debt and pro forma net leverage as of June 30, 2021.

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, pro forma adjusted EBITDA, pro forma adjusted net income (loss) and pro forma adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the financial tables attached to this presentation. 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 XPO's ongoing performance.

We believe that adjusted EBITDA and pro forma adjusted EBITDA 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 pro forma adjusted net income (loss) and pro forma adjusted 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. We believe that pro forma net debt and pro forma net leverage are important measures of our overall liquidity position. Pro forma net debt is calculated as total debt for XPO pre-spin; less cash and cash equivalents; less debt, primarily in the form of finance leases, attributed to GXO; less net proceeds from GXO debt offering and XPO stock offering described in this presentation; plus cash provided to GXO in connection with the spin-off. Pro forma net leverage is calculated as pro forma net debt divided by pro forma adjusted EBITDA for the trailing twelve months.

With respect to our pro forma financial targets for the full year 2021 for adjusted EBITDA, adjusted diluted EPS and free cash flow; our pro forma target for adjusted EBITDA for the last six months of 2021; and our pro forma net leverage, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

Disclaimers (cont.)

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 adjusted EBITDA in our North American less-than-truckload business; our pro forma full year 2021 financial targets for adjusted EBITDA, depreciation and amortization (excluding acquisition-related amortization expense), interest expense, effective tax rate, adjusted diluted EPS, net capital expenditures and free cash flow; our pro forma adjusted EBITDA target for the last six months of 2021; and our pro forma net leverage. 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 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 and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment and service centers, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the August 2021 spin-off of GXO Logistics, including the impact of the spin-off on the size and business diversity of our company; the ability of the spin-off 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 substantial 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; 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; and governmental regulation, including trade compliance laws, as well as changes in international trade policies 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 deck 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 deck 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.

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Why invest in XPO today?

- 1** High-ROI businesses poised to benefit from secular tailwinds
- 2** Massive capacity in highly attractive less-than-truckload and truck brokerage sectors
- 3** Leading technology platform, with soaring industry adoption rates
- 4** Multiple initiatives to drive above-industry-average revenue and profit growth
- 5** Strong cash flows support deleveraging and investments in the business

Significant potential to drive dramatic growth

A leading provider of freight transportation services

TOP-THREE IN KEY GEOGRAPHIES

- Third largest provider of less-than-truckload (LTL) transportation in North America
- Second largest truck broker worldwide, and third largest in North America
- Leading positions in Europe: France, the United Kingdom, Spain and Portugal
- Truck brokerage revenue CAGR of 23% outperformed the brokerage industry CAGR by more than three times 2013-2020

XPO KEY METRICS¹

TTM revenue	\$11.8 billion
Locations	744
Employees	~40,000
Customers	~50,000
LTL industry, North America²	~\$42 billion
Truck brokerage industry, North America³	~\$64 billion

¹ Global data for revenue, locations, customers and employees as of June 30, 2021; excludes logistics segment, which was spun off on August 2, 2021

² Third-party research: North American less-than-truckload industry size

³ Third-party research: North American truck brokerage industry size; reflects brokered component of ~\$360 billion total addressable truckload opportunity

Continuing to execute strategy to drive outsized returns

LONG TRACK RECORD OF SIGNIFICANT SHAREHOLDER VALUE CREATION

- XPO was the 7th best-performing stock of the last decade on the Fortune 500, based on Bloomberg market data
- Spent more than \$3 billion on technology over the past 10 years, including truck brokerage digitization and LTL optimization
- Improved North American LTL adjusted operating margin by more than 1,000 bps since 2015
- XPO's truck brokerage revenue CAGR outperformed brokerage industry CAGR by over 3x, 2013 to June 30, 2021
- More than 90% of operating income derived from LTL and truck brokerage
- In Q2 2021, reported the highest revenue of any quarter in XPO's history at \$3.19 billion pro forma¹
- Robust EBITDA growth and free cash flow support continued deleveraging to 1.0x – 2.0x target leverage by first half of 2023, from pro forma 2.7x²

¹ Excludes logistics segment, which was spun off on August 2, 2021

² Calculated as pro forma net debt of \$3.2 billion divided by adjusted EBITDA of \$1.2 billion for TTM June 30, 2021. Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

XPO has a long runway for revenue and margin expansion

REVENUE GROWTH DRIVERS

- **Industrial recovery:** XPO is benefiting from the ongoing increase in industrial demand, as supply chains continue to recover from COVID-19
- **E-commerce:** As customers increasingly expect fast delivery, supply chains are getting compressed and demand is rising for LTL capacity
- **Transportation outsourcing:** XPO's ability to provide dependable capacity and enhanced visibility through technology continues to drive strong share gains in truck brokerage
- **XPO Connect™:** Customers value digital access to XPO's massive truckload carrier network, with a user-friendly interface and clear pricing visibility

MARGIN EXPANSION DRIVERS

- **XPO Connect™:** Managing more volume at lower cost, as shipper and carrier demand continues to build for the industry's most accomplished digital brokerage ecosystem
- **Pricing optimization:** Utilizing machine learning and data science to capture higher-margin pricing opportunities and tailor sales strategies for customers of various sizes and supply chain needs
- **LTL operational excellence:** Continue to deploy proprietary technology to improve efficiency, optimize routes and ramp up cross-dock productivity with XPO Smart™

**~\$300 million expected average annual spend on technology post-spin-off,
with team of 900 technologists**

XPO second quarter 2021 pro forma results¹

REVENUE	\$3.19 billion	Commentary
NET INCOME ²	\$103 million	
DILUTED EARNINGS PER SHARE	\$0.91	
ADJUSTED NET INCOME ²	\$144 million	
ADJUSTED DILUTED EARNINGS PER SHARE	\$1.28	
ADJUSTED EBITDA ³	\$331 million	

- Achieved record revenue and adjusted EBITDA
- Revenue was the highest of any quarter in XPO's history at \$3.19 billion, increasing by 50% from prior year Q2
- Operating income increased to \$175 million from prior year Q2 loss of \$98 million⁴
- Adjusted operating income increased to \$204 million from prior year Q2 loss of \$41 million
- Adjusted EBITDA increased to \$331 million from \$84 million in prior year Q2
- North American LTL adjusted operating ratio of 81.1%, excluding gains on real estate sales

¹ Excludes logistics segment, which was spun off on August 2, 2021

² Net income attributable to common shareholders

³ Includes the impact of \$5 million of costs, primarily related to general corporate overhead, incurred in Q2 2021 and previously allocated to the logistics segment; for pro forma purposes, these costs are not allocable to the now-discontinued logistics operations; the pro forma guidance range of \$574 million to \$614 million of adjusted EBITDA for the last half of 2021 (see next page) reflects management actions taken to mitigate the further impact of general corporate overhead costs related to the now-discontinued logistics operations, and consequently, a model for Q2 2022 should use a pro forma adjusted EBITDA base of \$336 million

⁴ Represents sum of transportation segment operating income and corporate; data derived from XPO's historical financial statements for the periods referenced. Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

XPO 2021 guidance

On July 28, 2021, XPO updated its pro forma full year financial targets in anticipation of the spin-off of its logistics segment¹. These targets have been calculated as if the spin-off had been completed on January 1, 2021.

ADJUSTED EBITDA	\$1.195 billion to \$1.235 billion, including adjusted EBITDA of \$574 million to \$614 million generated in the last six months of 2021
DEPRECIATION AND AMORTIZATION	\$385 million to \$395 million, excluding approximately \$95 million of acquisition-related amortization expense
INTEREST EXPENSE ²	Approximately \$200 million
EFFECTIVE TAX RATE	23% to 25%
ADJUSTED DILUTED EPS	\$4.00 to \$4.30, assumes 116 million shares outstanding
NET CAPITAL EXPENDITURES	\$250 million to \$275 million
FREE CASH FLOW	\$400 million to \$450 million

¹ Spin-off completed August 2, 2021

² Pro forma for debt paid down in Q3 2021

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

Pro forma balance sheet and liquidity as of June 30, 2021¹

NET DEBT²	\$3.2 billion	Commentary
NET LEVERAGE³	2.7x	
TOTAL LIQUIDITY⁴	\$1.3 billion	

- In July, GXO issued \$800 million of five-year and 10-year notes; \$794 million of net proceeds were used for a cash distribution to XPO in conjunction with the spin-off
- In July, XPO raised \$385 million through an offering of its common stock
- In conjunction with the spin-off, XPO provided GXO with \$100 million in cash
- In Q3 2021, XPO paid down senior notes due in 2023 and 2024

Committed to deleveraging to target net leverage ratio of 1.0x – 2.0x by first half of 2023

¹ Excludes logistics segment, which was spun off on August 2, 2021

² Calculated as total debt of \$5.27 billion for XPO pre-spin; less cash and cash equivalents of \$801 million; less debt of \$181 million, primarily in the form of finance leases, attributed to GXO; less net proceeds from GXO debt offering and XPO stock offering described above; plus approximately \$100 million of cash provided to GXO in connection with the spin-off

³ Calculated as net debt of \$3.2 billion divided by adjusted EBITDA of \$1.2 billion for TTM June 30, 2021

⁴ Includes approximately \$1 billion of available borrowing capacity and ~\$300 million of cash

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

Strong ESG culture, with chief diversity officer leading DE&I

ESG targets tie to executive compensation program

Core DE&I objectives relate to recruitment and retention

- Working to significantly increase the diversity of talent in the pipeline by collaborating with historically black colleges and universities (HBCUs) and others
- Promoting women and minority employees to middle and senior management roles
- Communicating culture of belonging to an expanded range of underrepresented groups, replicating XPO's success with hiring LGBTQ+ community members and military veterans

ESG Scorecard Target Areas



XPO's proprietary CO₂ calculator, CarbonNET, helps document emissions activity data

XPO extended its decade-long commitment to the CO₂ Charter in France

Less-than-truckload (LTL)

XPO is a top three provider of LTL transportation in North America

DRIVERS OF XPO'S LTL REVENUE AND MARGIN GROWTH

- Significant competitive advantages from one of the few national LTL networks, and ~20,000 customer accounts, including many longstanding relationships
- Favorable industry trends, including the recovery in industrial demand and the rapid growth of e-commerce
- North American LTL industry characterized by rational pricing dynamics
- Company-specific technology initiatives and significant economies of scale
- Self-learning LTL technology optimizes routing, load-building and labor productivity
- Over 12,000 professional XPO truck drivers, particularly valued by customers in the current truck driver shortage, which is predicted to continue

Note: LTL is the transportation of a quantity of freight that is larger than a parcel but too small to require an entire truck, often shipped on pallets. Freight for different customers is consolidated in the same trailer.

Key LTL operating and financial metrics

Industry size, North America	~\$42 billion ¹
XPO's industry share	~8%
Largest customer as % of annual revenue	2%
Shipments per year TTM June 30, 2021	~12.9 million
Locations	291
Employees	21,000
Number of tractors / trailers	~7,800 / 25,000

XPO LTL FINANCIAL METRICS AS OF JUNE 30, 2021	
TTM revenue	\$3.9 billion
TTM adjusted operating ratio	83.0% ²

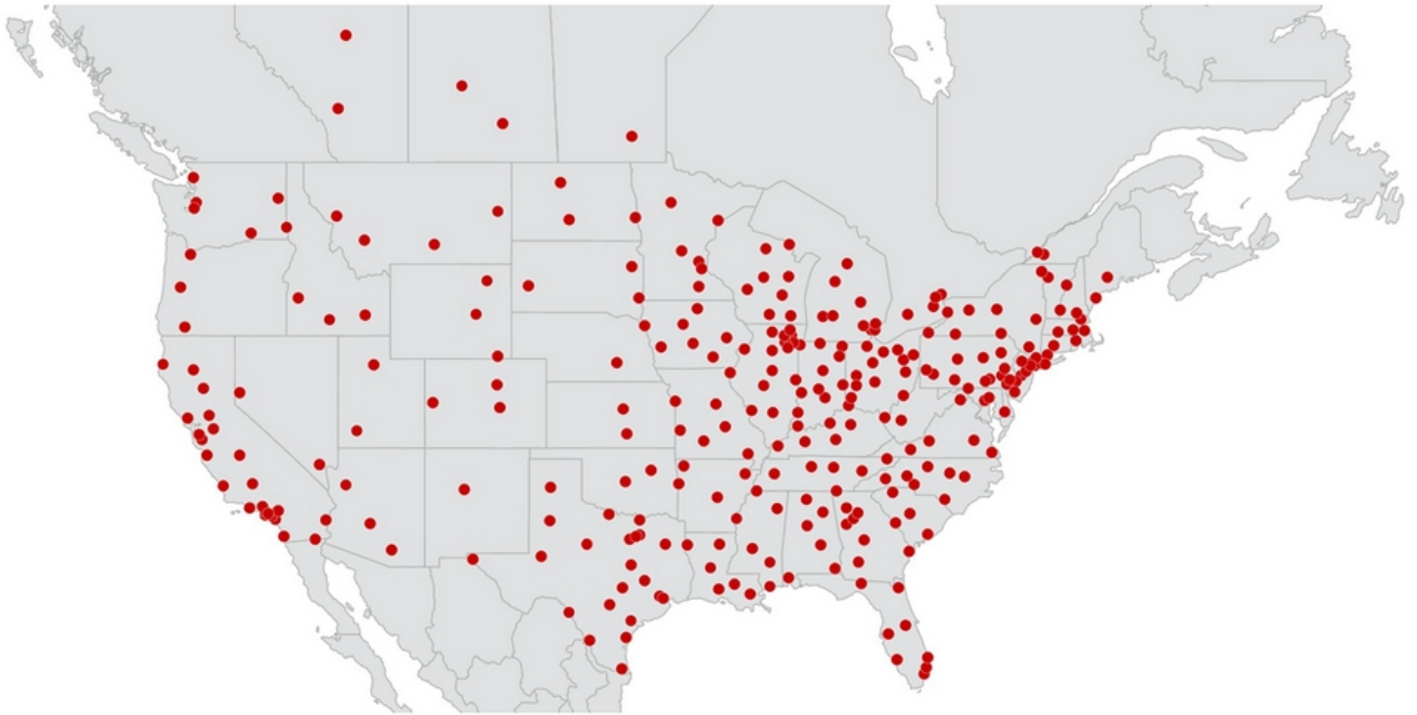
Expect to generate at least \$1 billion of LTL adjusted EBITDA in 2022

¹ Source: Third-party research

² Excluding gains from sales of real estate

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

Scaled LTL network represents multiple decades of investment



**291 terminals ensure LTL coverage in every major area, including
~99% of all US zip codes and key coverage in Canada**

Note: As of August 30, 2021

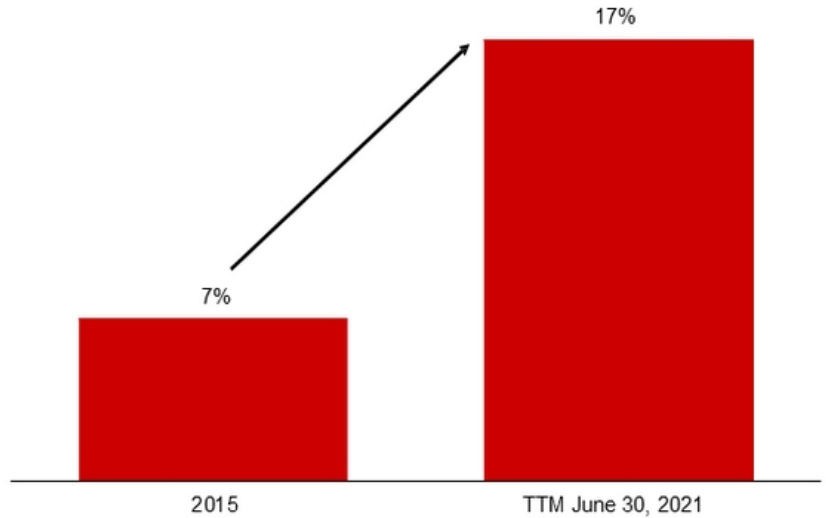
INVESTOR PRESENTATION | SEPTEMBER 2021

Over 1,000 bps improvement in LTL adjusted operating margin since 2015

XPO's optimization technology has already delivered significant margin expansion, with extensive room for more gains in four areas:

- **Routing:** Dynamic routing for pickups and deliveries, with real-time digital visibility
- **Load-building:** Automated load-building for higher trailer utilization
- **Pricing:** Data-driven pricing tools reduce cost-to-serve with smaller accounts and identify optimal pricing for larger accounts by using elasticity models
- **Labor productivity:** Intelligent analytics optimize the scheduling of dockworkers and truck drivers

XPO NORTH AMERICAN LTL ADJUSTED OPERATING MARGIN¹

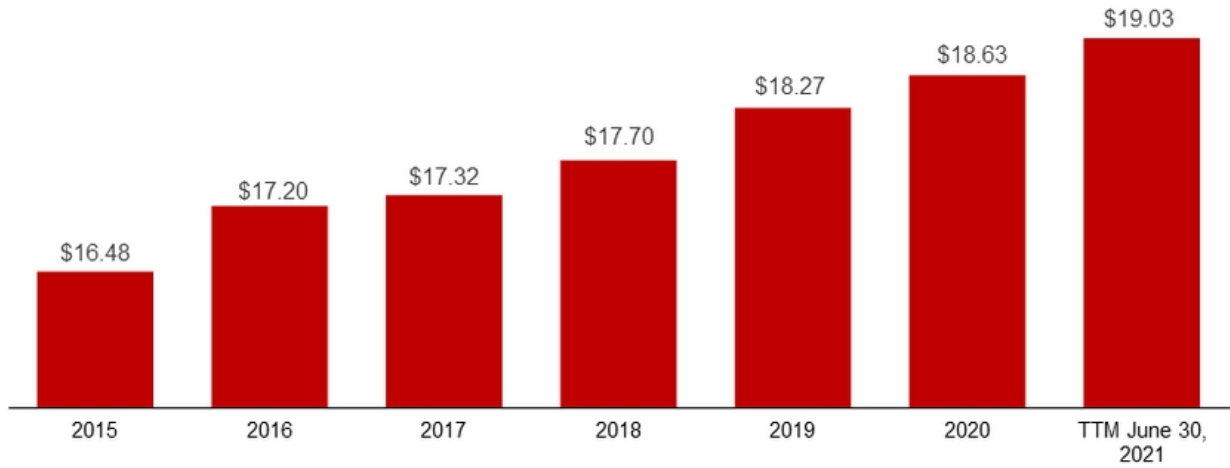


Expect to drive hundreds of basis points of additional improvement

¹ Excluding gains from sales of real estate
 Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information
 INVESTOR PRESENTATION | SEPTEMBER 2021

North America LTL pricing fundamentals are favorable for long-term expansion

XPO LTL GROSS REVENUE PER HUNDREDWEIGHT¹



Steady increases in yield enhanced by company-specific initiatives

¹ Excludes the impact of fuel surcharges

XPO Smart™ intelligent productivity tools optimize LTL variable labor spend

Proprietary technology uses machine learning to become continually smarter at site-specific optimization

- Analyzes all major productivity levers simultaneously, giving managers the data to make the best overall decisions about full-time labor, part-time labor, length of work shift, scheduling and overtime hours
- Drives ground-level operational improvements with high engagement of dockworkers and drivers on LTL cross-docks
- Provides visibility into cross-dock labor activity in real time, as well as pre-scheduled labor for future periods
- Helps managers understand the future impact of operational decisions through site-specific modeling
- Takes turnover and training time into account when mapping productivity



XPO expects to realize major productivity enhancements as software is fully utilized in LTL network

Truck brokerage

XPO is the second largest truck broker worldwide

DRIVERS OF XPO'S BROKERAGE REVENUE AND MARGIN GROWTH

- Massive capacity of 85,000 carriers globally, representing a total of one million trucks
- First-mover technology advantage with investments in automation starting in 2011, ahead of the curve
- Proprietary, cutting-edge digital brokerage platform with soaring adoption rates
- Proven ability of XPO Connect™ to drive profit growth with more volume at less cost
- Blue-chip customer base across diverse verticals
- Agile, non-asset model designed to make money in any market environment
- Highly experienced leadership team that has worked together for many years, bringing unmatched agility and expertise to the business

Note: Truck brokerage is a non-asset business that facilitates the movement of full truckloads of freight, typically from a single shipper. A broker purchases truck capacity from independent carriers.

Key truck brokerage operating and financial metrics

Industry size, North America	\$64 billion ¹	XPO BROKERAGE FINANCIAL METRIC	
XPO's industry share	~3%	TTM revenue June 30, 2021	\$2.2 billion
Average tenure of XPO's top 10 customers	~13 years		
Full truckload market opportunity, North America	\$360 billion ¹		
Five-year CAGR of brokers' share of truckload market	~8%		

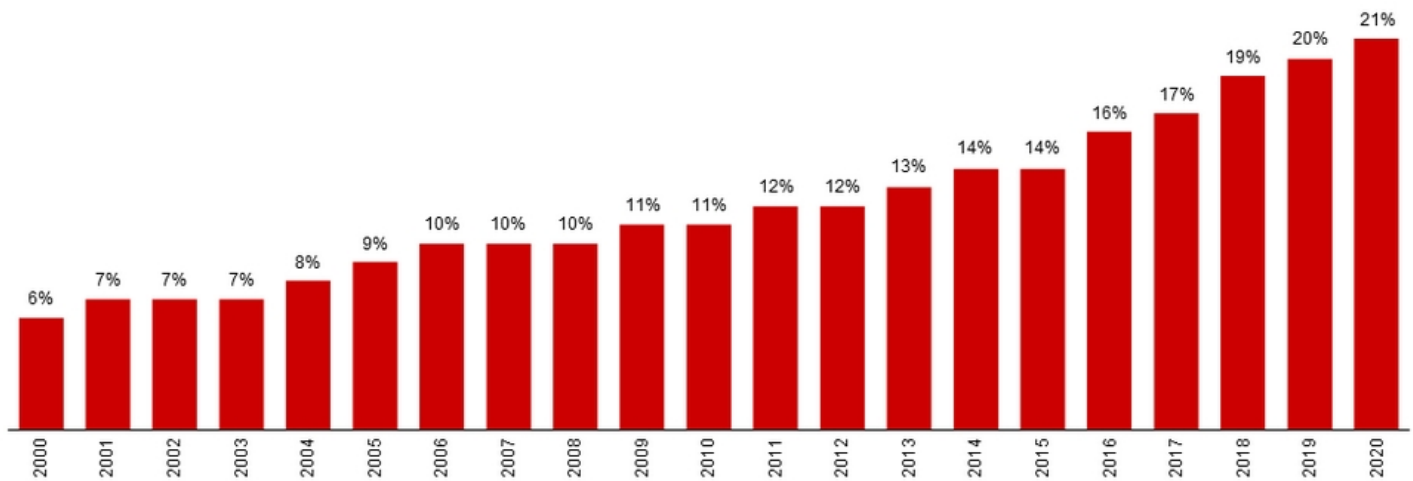
XPO's 30% load growth sharply outperformed the industry average in the first half of 2021

Over 1 million loads invoiced for the trailing 12 months ended June 30, 2021

¹ Source: Third-party research

Brokers have been steadily capturing truckload share for decades

BROKER PENETRATION OF NORTH AMERICAN TRUCKLOAD INDUSTRY



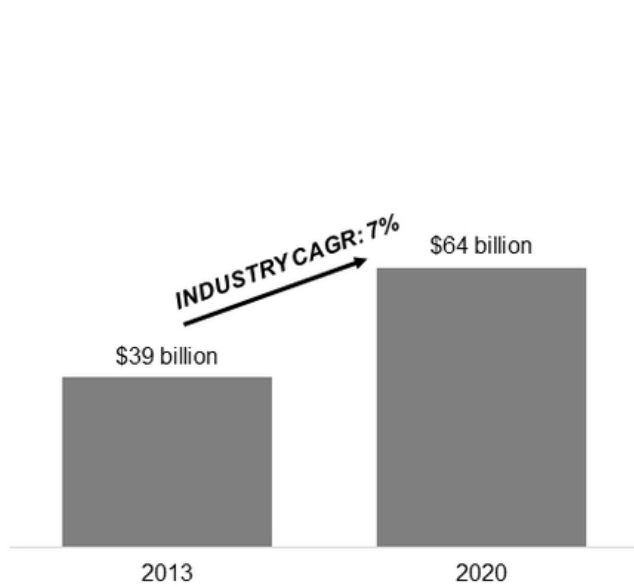
Outsourced freight transportation is shifting from asset-based trucking companies to brokers, as shippers seek reliable access to capacity and real-time pricing

Source: Third-party research

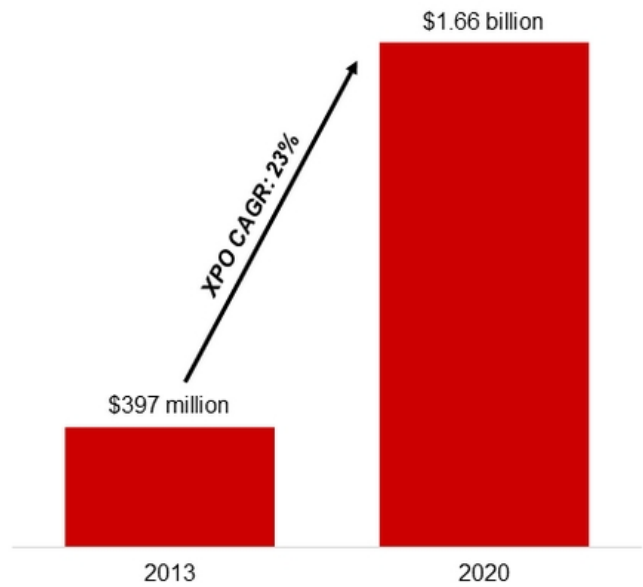
INVESTOR PRESENTATION SEPTEMBER 2021

XPO's brokerage revenue CAGR has outperformed industry by more than 3x

US BROKERAGE INDUSTRY GROWTH
2013-2020¹



XPO BROKERAGE REVENUE GROWTH
2013-2020



¹ Third-party research: North American truck brokerage industry size; reflects brokered component of ~\$360 billion total addressable truckload opportunity

XPO Connect™ is our cutting-edge digital freight platform

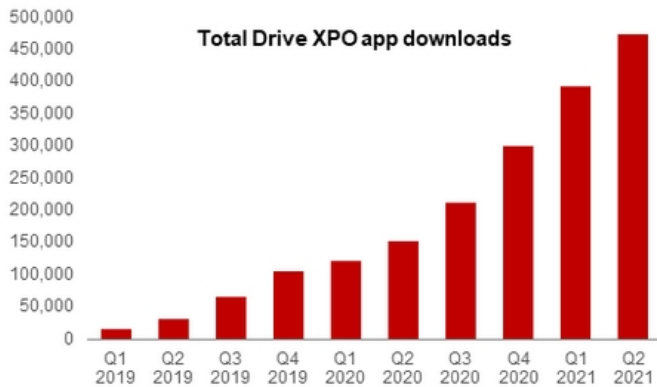
XPO ENVISIONED DEMAND FOR A FULLY AUTOMATED, CLOUD-BASED DIGITAL FREIGHT-MATCHING PLATFORM A DECADE AGO

- Improves transportation procurement by providing deep visibility into available capacity and market conditions
- Captures high-margin opportunities with proprietary pricing technology
- Optimizes shipper services by sourcing the best carrier for each load profile and providing tracking from pickup to delivery in real time
- Integrates with customer TMS systems and provides real-time pricing that is backed by service and capacity
- Equips truck drivers to find, win and book loads, negotiate rates and locate backhauls to reduce empty miles, using XPO's mobile app
- Gives shippers and carriers the ability to interact directly when tendering loads for maximum efficiency
- Drives up productivity in XPO's brokerage operation — grew loads at over twice the rate of headcount, Q2 2016-Q2 2021
- Gives customers easy-to-use automation — 60% of XPO's brokerage orders are created digitally in XPO Connect™ via EDI, APIs and customers directly on the platform

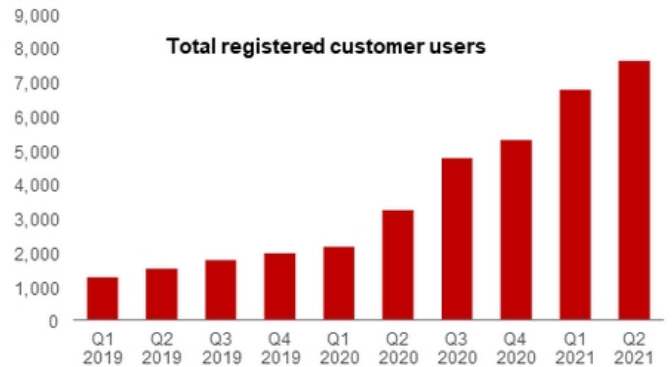
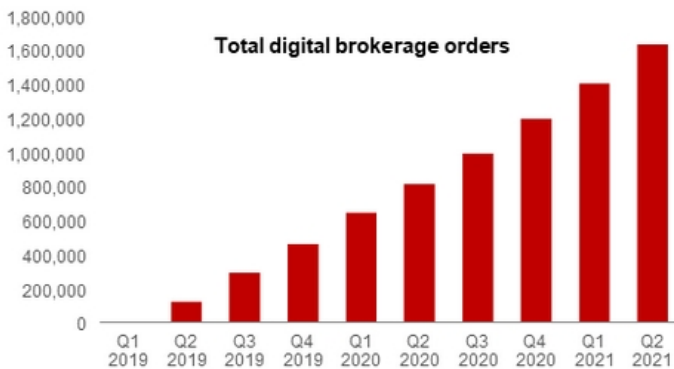
Note: XPO Connect™ is a breakthrough technology that helps shippers and carriers make informed decisions, leveraging an integrated platform tailored for every mode of transportation.

XPO's digital marketplace is widely adopted and growing hyper-fast

CARRIERS WANT DIGITAL ACCESS TO LOADS THAT XPO CONNECT™ OFFERS



MORE THAN 6X INCREASE IN CUSTOMER ACCOUNTS ON XPO CONNECT™ Y o Y

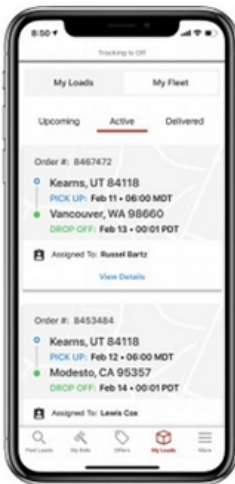


Note: All data is cumulative as of June 30, 2021

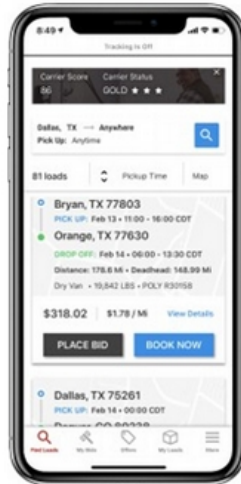
Drivers have downloaded the Drive XPO™ app over 500,000 times

- Proprietary mobile app gives truck drivers access to the XPO Connect™ platform from the road
- Fully automated transactions, tracking solution and intuitive tools for bidding, booking loads and more
- Enhances access to truckload capacity for XPO customers regardless of market conditions

CAPACITY POSTING



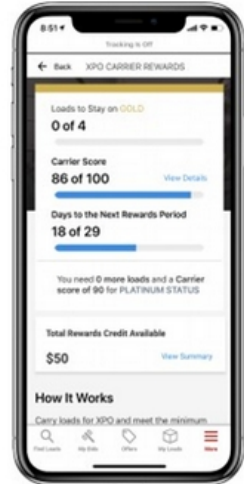
LOAD BOOKING



FREIGHT MANAGEMENT



CARRIER SCORE AND REWARDS



More than 3x the cumulative downloads of a year ago

Supplemental materials

Highly skilled management team

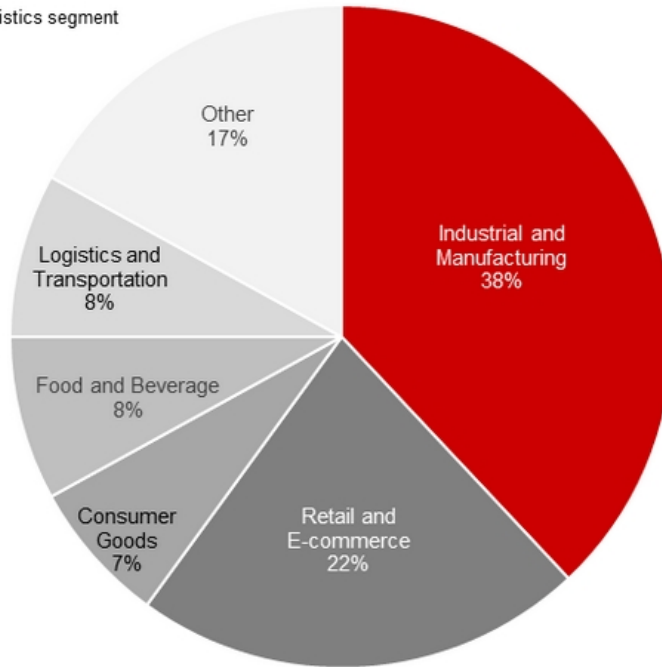
LEADERSHIP	PRIOR EXPERIENCE
Brad Jacobs <i>Chief Executive Officer</i>	United Rentals, United Waste
Lou Amo <i>President, Truck Brokerage – North America</i>	Electrolux, Union Pacific, Odyssey Logistics
Josephine Berisha <i>Chief Human Resources Officer</i>	Morgan Stanley
Tony Brooks <i>President, Less-Than-Truckload – North America</i>	Sysco, PepsiCo, Roadway
Erik Caldwell <i>President, Last Mile Logistics</i>	Hudson's Bay, Luxottica
Troy Cooper <i>President</i>	United Rentals, United Waste
Matthew Fassler <i>Chief Strategy Officer</i>	Goldman Sachs
Mario Harik <i>Chief Information Officer</i>	Oakleaf Waste Management
Luis-Angel Gómez Izaguirre <i>Managing Director, Transport – Europe</i>	Norbert Dentressangle
LaQuenta Jacobs <i>Chief Diversity Officer</i>	Delta Air Lines, Home Depot, Turner Broadcasting
Ravi Tulsyan <i>Chief Financial Officer</i>	ADT, Tyco, PepsiCo
Drew Wilkerson <i>President, Transportation – North America</i>	C.H. Robinson

Note: Partial list

Highly diversified revenue across attractive verticals

XPO REVENUE DIVERSIFICATION BY VERTICALS

TTM June 30, 2021
Pro forma for spin-off of logistics segment



#1 last mile logistics provider for heavy goods

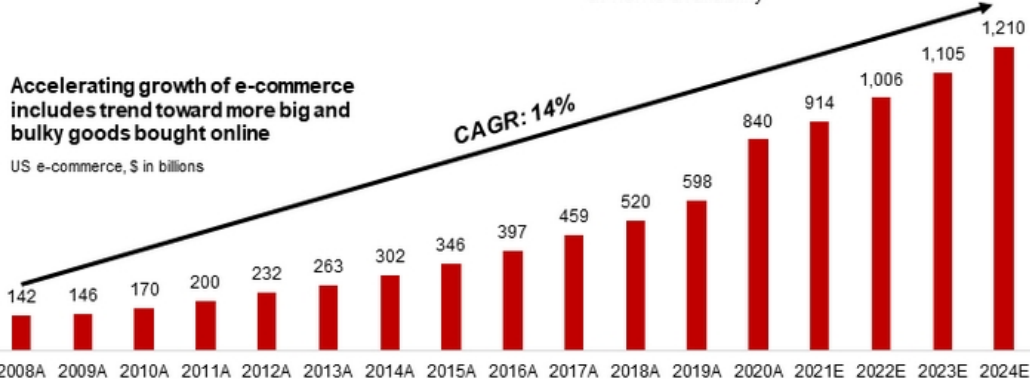
Note: Last mile logistics is the facilitation of deliveries to consumer homes, often with white-glove service. XPO specializes in last mile logistics for heavy goods, such as appliances, furniture and large electronics. North American industry size: ~\$13 billion¹.

XPO KEY METRICS²

TTM revenue	\$1 billion
Hub locations	85
Employees³	~1,800
Carriers / trucks	~1,800 / ~4,300
TTM deliveries and installations per year	Over 11 million

INDUSTRY LEADER IN NORTH AMERICA

- XPO is the largest last mile provider for heavy goods
- Outstanding customer satisfaction levels resulting from in-house expertise, digital consumer engagement via XPO technology and high-quality network of independent contractors
- Customers include omnichannel retail, e-commerce and direct-to-consumer manufacturers
- Asset-light platform positioned within 125 miles of 90% of the US population; independent contractor network
- XPO Connect™ tools balance route efficiency with consumer at-home availability



¹ Source: Third-party research

² Data as of June 30, 2021, North America

³ Additionally ~800 temporary workers

XPO holds leading transportation positions in key European geographies

TRUCK BROKERAGE

#1 broker in France and Iberia (Spain / Portugal)

#3 broker in the UK

LESS-THAN-TRUCKLOAD

#1 LTL provider in France and Iberia

#1 single-owner LTL network in the UK

- Approximately 100 LTL locations serving countries across Europe
- Optimal LTL operating model utilized for each coverage area: contracted capacity, owned capacity or blended capacity



XPO is widely recognized for performance and culture

- Named one of the World's Most Admired Companies by Fortune, 2018, 2019, 2020, 2021
- Ranked #1 in the Fortune 500 category of Transportation and Logistics, 2017, 2018, 2019, 2020, 2021
- Named one of Spain's Best Companies to Work For by Forbes, 2019, 2020, 2021
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2017, 2018, 2019, 2020, 2021
- Received Intel's Supplier Achievement Award for COVID response, 2021
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution 2019, managed transportation 2020, 2021
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021
- Named one of Best Leadership Teams and Best CEOs for Diversity by Comparably, 2021
- Winner of Dow Chemical's Sustainability Award for road transportation, 2021
- Named LTL Collaborator of the Year by GlobalTranz, 2021
- Recognized as one of the Most Socially Responsible Companies in France by Statista, 2020
- Honored with Whirlpool Corporation Intermodal Carrier of the Year Award and Maytag Dependability Award, 2020
- Ranked #7 of the Top 20 UK Companies for Quality of Workplace Culture by the Chartered Management Institute, 2020
- Ranked in top three of the Top 100 Transport Companies in France by l'Officiel des Transporteurs, 2019, 2020
- Recognized by Ford Motor Company with World Excellence Awards, 2019 silver-level, 2020 gold-level
- Recognized by Owens Corning as Supplier of the Year Award, 2020
- Recognized by Raytheon Company with EPIC Supplier Excellence Award for on-time delivery, 2019
- Named a European Diversity Leader by the Financial Times, 2019
- Ranked in top 100 of America's Most Responsible Companies by Newsweek, 2019
- Named a Winning "W" Company by 2020 Women on Boards for gender diversity of the board of directors, 2019
- Named a Disruptive Technology Leader on the Freight.Tech 25 by FreightWaves, 2019
- Recognized by Nissan Manufacturing UK for excellence at Operational Logistics Awards, 2014, 2015, 2016, 2017, 2018, 2019
- Ranked #3 of the Glassdoor Top 20 UK companies with the best leadership and culture, 2018, 2019
- Awarded Best Employer Practice Award for partnership with DS Workfit by British Association for Supported Employment, 2019
- CEO Jacobs ranked #10 on Barron's readers list of World's Best CEOs, 2018
- Named to the Fortune Future 50 list of US companies best positioned for breakout growth, 2018

Selected highlights of XPO's people-first culture

- Road to Zero program helped decrease the percentages of distracted driving, lost work days and crashes by double-digits in 2020
- Appointed a Chief Diversity Officer and launched a Diversity and Inclusion Council in 2020
- Launched a Sustainability Steering Committee and a Diversity and Inclusion Steering Committee in Europe in 2020
- Named 2021 transportation partner of 3-Day Walks® for Susan G. Komen Foundation in its fight against breast cancer
- Partnered with Hispanic Association of Colleges and Universities to provide financial support for HACU's objectives
- Partnered with Truckers Against Trafficking to help combat human trafficking
- Recognized by Human Rights Campaign on the Corporate Equality Index (CEI) for LGBTQ+ inclusion, 2020, 2021
- Recognized by Disability:IN and the American Association of People with Disabilities on the Disability Equality Index, 2021
- Donated services to Soles4Souls, a non-profit committed to disrupting the cycle of poverty
- Partnered with a leading virtual clinic for women and families to provide supplemental health services for employees
- Tuition benefit reimburses employees up to \$5,250 annually for pursuing continuing education
- Robust recruitment initiatives emphasize diversity hiring; awarded Victory's bronze-level Military-Friendly Employer®
- Company celebrates Black History, Women's History, Hispanic Heritage, LGBTQ+ Pride and Military Appreciation months

Progressive Pregnancy Care and Family Bonding benefits

- Any XPO employee, male or female, receives up to six weeks of 100% paid postnatal leave as primary caregiver; women receive up to 20 days of 100% paid prenatal leave for health and wellness
- "Automatic yes" pregnancy accommodations granted on request; more extensive accommodations easily arranged
- XPO guarantees that a woman will continue to be paid her regular base wage rate, and remain eligible for wage increases, while her pregnancy accommodations are in effect

XPO is strongly committed to sustainability

- CarbonNET, XPO's proprietary, cloud-based calculator, helps document emission sources, activity data and CO₂ calculations
- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018, 2019, 2020, 2021
- Awarded Trophées EVE 2020 for implementing an "urban river" solution to reduce CO₂ emissions during inner-city deliveries in Paris, in cooperation with the Ports of Paris, City of Paris, Île-de-France region and Voies Navigables de France
- Renewed three-year commitment to the CO₂ Charter in France, extending 10-year commitment to sustainability
- Expanded fleet with 80 liquified natural gas (LNG) trucks in Europe in 2020; now over 250 natural gas trucks in Europe
- Invested in fuel-efficient Freightliner Cascadia tractors in North America (EPA-compliant and GHG14-compliant technology), and Stralis Natural Power Euro VI tractors in Europe
- European fleet has reduced fuel consumption by 10% since 2015
- Partnered with ENGIE Solutions, a leading provider of sustainable mobility, to transport natural gas in cryogenic tanks capable of maintaining extremely low temperatures
- XPO mega-trucks in Spain can reduce CO₂ emissions by up to 20% by transporting more freight per trip
- XPO drivers train in responsible eco-driving and fuel usage reduction techniques
- North American LTL locations implementing phased upgrades to LED lighting
- Experimenting in Europe with diesel-electric hybrids and zero-emission electric vans for last mile service
- Utilizing electronic waybills and documentation in global operations to reduce paper and other waste

The latest XPO Sustainability Report is available online at sustainability.xpo.com

Business glossary

XPO SERVICES

- **Less-than-truckload (LTL):** LTL is the transportation of a quantity of freight that is larger than a parcel but too small to require an entire truck, and is often shipped on a pallet. LTL shipments are priced according to the weight of the freight, its commodity class (generally determined by cube/weight ratio and type of product), and mileage within designated lanes. An LTL carrier typically operates a hub-and-spoke network that allows for the consolidation of multiple shipments for different customers in single trucks. XPO is the third largest LTL provider in North America, with a national network that provides customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services, including cross-border US service to and from Mexico and Canada, and intra-Canada service. The company also has one of the largest LTL networks in Western Europe, using a blended model of owned and contracted capacity to provide customers with domestic and pan-European solutions.
- **Truck brokerage:** Truck brokerage is a variable-cost business that facilitates the trucking of freight by procuring carriers through the use of technology, typically referred to as a TMS (transportation management system). Brokerage net revenue is the spread between the price to the shipper and the cost of purchased transportation. The vast majority of truck brokerage shipments are full truckload; cargo is provided by a single shipper in an amount that requires the full limit of the trailer, either by dimension or weight. XPO is the second largest freight broker globally and the third largest in North America. The company matches shippers' loads with third-party independent contractors that have the ability to interact directly on the company's proprietary XPO Connect™ digital platform (see below). Truck brokers have steadily increased their share of the for-hire trucking market throughout cycles, and shippers and carriers increasingly value automation, making digital truck brokerage one of the strongest trends in the freight transportation industry.

XPO TECHNOLOGY

- **XPO Connect™:** XPO's proprietary, fully automated, self-learning digital freight marketplace connects shippers and carriers directly, as well as through company operations. XPO Connect™ gives shippers comprehensive visibility into current market conditions, including fluctuations in capacity, spot rates by geography and digital negotiating through an automated counteroffer feature. Carriers can post available truck capacity and bid on loads, and shippers can tender loads and track their freight in real time. Drivers use the Drive XPO™ app for mobile access to XPO Connect™ from the road. The app also serves as a geo-locator and supports voice-to-text communications. The cloud-based XPO Connect™ platform is deployed globally.
- **XPO Smart™:** XPO's proprietary, intelligent labor optimization tools improve productivity in cross-dock operations at XPO's LTL network terminals.

Financial reconciliations

The following table reconciles XPO's pro forma net income (loss) attributable to common shareholders for the periods ended June 30, 2021 and 2020 to pro forma adjusted EBITDA for the same periods.

RECONCILIATION OF PRO FORMA ADJUSTED EBITDA

\$ in millions
(unaudited)

	Three Months Ended June 30,		
	2021	2020	Change %
Pro forma net income (loss) attributable to common shareholders	\$ 103	\$ (123)	NM
Distributed and undistributed net income ⁽¹⁾	-	1	
Net income (loss) attributable to noncontrolling interests	(1)	(3)	
Net income (loss)	102	(125)	NM
Debt extinguishment loss	-	-	
Interest expense	49	70	
Income tax provision (benefit) ⁽²⁾	30	(39)	
Depreciation and amortization expense	119	118	
Unrealized (gain) loss on foreign currency option and forward contracts	2	3	
Transaction and integration costs	28	28	
Restructuring costs	1	29	
Pro forma adjusted EBITDA	\$ 331	\$ 84	294.0%

Note: NM = not meaningful

¹ Relates to Series A Preferred Stock and comprises actual preferred stock dividends and non-cash allocation of undistributed earnings

² Calculated by applying the overall estimated effective tax rate to the pre-tax amount, unless the nature of the item and/or tax jurisdiction in which the item has been recorded require(s) a specific tax rate and/or treatment, in which case the required tax rate or treatment is used to calculate the tax effect

Note: Adjusted EBITDA was prepared assuming 100% ownership of XPO Logistics Europe in all periods

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

Financial reconciliations (cont.)

The following table reconciles XPO's pro forma net income (loss) attributable to common shareholders for the periods ended June 30, 2021 and 2020 to pro forma adjusted net income (loss) attributable to common shareholders for the same periods.

RECONCILIATIONS OF PRO FORMA ADJUSTED NET INCOME (LOSS) AND PRO FORMA ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE

\$ in millions, except per-share data
(unaudited)

	Three Months Ended June 30,	
	2021	2020 ⁽¹⁾
Pro forma net income (loss) attributable to common shareholders	\$ 103	\$ (123)
Debt extinguishment loss	-	-
Unrealized (gain) loss on foreign currency option and forward contracts	2	3
Amortization of acquisition-related intangible assets	22	21
Transaction and integration costs	28	28
Restructuring costs	1	29
Income tax associated with the adjustments above ⁽²⁾	(12)	(32)
Impact of noncontrolling interests on above adjustments	-	(1)
Allocation of undistributed earnings	-	-
Pro forma adjusted net income (loss) attributable to common shareholders	\$ 144	\$ (75)
Pro forma diluted earnings (loss) per share	\$ 0.91	\$ (1.35)
Pro forma adjustments per share	0.37	0.53
Pro forma adjusted diluted earnings (loss) per share	\$ 1.28	\$ (0.82)
Diluted weighted-average common shares outstanding		
For pro forma diluted earnings (loss) per share	113	91
For pro forma adjusted diluted earnings (loss) per share	113	91

¹ Q2 2020 was recast to exclude the amortization of acquisition-related intangible assets

² Calculated by applying the overall estimated effective tax rate to the pre-tax amount, unless the nature of the item and/or tax jurisdiction in which the item has been recorded require(s) a specific tax rate and/or treatment, in which case the required tax rate or treatment is used to calculate the tax effect. Refer to the "Non-GAAP Financial Measures" section on page 2 of this document.

Financial reconciliations (cont.)

The following table reconciles XPO's pro forma operating income (loss) for the periods ended June 30, 2021 and 2020 to pro forma adjusted operating income (loss).

RECONCILIATION OF PRO FORMA ADJUSTED OPERATING INCOME (LOSS)

\$ in millions
(unaudited)

	Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
	Transportation	Corporate	Pro Forma	Transportation	Corporate	Pro Forma
Pro forma operating income (loss) ⁽¹⁾	\$ 255	\$ (80)	\$ 175	\$ (15)	\$ (83)	\$ (98)
Transaction and integration costs	2	26	28	13	15	28
Restructuring costs	-	1	1	21	8	29
Pro forma adjusted operating income (loss)	<u>\$ 257</u>	<u>\$ (53)</u>	<u>\$ 204</u>	<u>\$ 19</u>	<u>\$ (60)</u>	<u>\$ (41)</u>

¹ Operating income (loss) has been derived from XPO's historical financial statements for the periods presented. Refer to the "Non-GAAP Financial Measures" section on page 2 of this document.

Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to the company's North American less-than-truckload business for the trailing twelve months ended June 30, 2021, the quarters ended June 30, 2021 and 2020, the six-month periods ended June 30, 2021 and 2020, and the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015 to adjusted operating income, adjusted operating ratio and adjusted EBITDA for the same periods.

RECONCILIATIONS OF NORTH AMERICAN LESS-THAN-TRUCKLOAD ADJUSTED OPERATING RATIO AND ADJUSTED EBITDA

\$ in millions
(unaudited)

	Trailing Twelve Months		Three Months Ended June 30,		Six Months Ended June 30,		Years Ended December 31,											
	Ended June 30,		2021		2020		2020		2019		2018		2017		2016		2015	
	2021																	
Revenue (excluding fuel surcharge revenue)	\$ 3,375	\$ 917	\$ 700	\$ 1,744	\$ 1,475	\$ 3,106	\$ 3,259	\$ 3,230	\$ 3,140	\$ 3,035	\$ 3,081							
Fuel surcharge revenue	517	164	92	299	215	433	532	552	455	370	448							
Revenue	3,892	1,081	792	2,043	1,690	3,539	3,791	3,782	3,595	3,405	3,529							
Salaries, wages and employee benefits	1,834	486	416	939	853	1,748	1,786	1,754	1,697	1,676	1,741							
Purchased transportation	387	116	70	210	157	334	397	400	438	438	508							
Fuel and fuel-related taxes	226	71	35	134	92	186	264	293	234	191	230							
Other operating expenses	509	145	147	279	265	495	471	590	574	538	635							
Depreciation and amortization	222	57	58	112	114	224	227	243	233	203	164							
Rents and leases	72	19	15	37	30	65	49	44	42	41	49							
Operating income ⁽¹⁾	640	187	51	332	179	487	597	458	377	318	202							
Operating ratio ⁽²⁾	83.6%	82.7%	93.6%	83.7%	89.4%	86.2%	84.3%	87.9%	89.5%	90.7%	94.3%							
Transaction, integration and rebranding costs	-	-	3	-	5	5	-	-	19	24	21							
Restructuring costs	(1)	-	5	-	5	4	3	-	-	-	-							
Amortization expense	34	9	9	17	17	34	34	33	34	34	10							
Other income ⁽³⁾	50	14	10	28	21	43	22	29	12	-	-							
Depreciation adjustment from updated purchase price allocation of acquired assets	-	-	-	-	-	-	-	-	-	(2)	-							
Adjusted operating income ⁽¹⁾	\$ 723	\$ 210	\$ 78	\$ 377	\$ 227	\$ 573	\$ 656	\$ 523	\$ 442	\$ 374	\$ 233							
Adjusted operating ratio ^{(4) (5) (6)}	81.4%	80.6%	90.1%	81.5%	86.6%	83.8%	82.7%	86.2%	87.7%	89.0%	93.4%							
Depreciation expense	188	48	49	95	97	190	193	210	199	169	154							
Other	1	-	-	-	-	1	2	-	6	4	(8)							
Adjusted EBITDA ⁽¹⁾	\$ 912	\$ 258	\$ 127	\$ 472	\$ 324	\$ 764	\$ 851	\$ 733	\$ 647	\$ 547	\$ 381							

¹ Operating income, adjusted operating income and adjusted EBITDA include real estate gains of \$5 million and \$10 million for the three months ended June 30, 2021 and 2020, respectively, and \$62 million for the trailing twelve months ended June 30, 2021

² Operating ratio is calculated as (1 - (operating income divided by revenue))

³ Other income primarily consists of pension income

⁴ Adjusted operating ratio is calculated as (1 - (adjusted operating income divided by revenue)); adjusted operating margin is the inverse of adjusted operating ratio

⁵ Excluding the impact of gains on real estate transactions from both periods, adjusted operating ratio improved by 1,030 basis points, from 91.4% in Q2 2020 to 81.1% in Q2 2021

⁶ Excluding the impact of gains on real estate transactions, adjusted operating ratio is 83.0% for the trailing twelve months ended June 30, 2021

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

