

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32172

**XPO**Logistics

**XPO Logistics, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

Five American Lane

Greenwich, CT

(Address of principal executive offices)

03-0450326

(I.R.S. Employer  
Identification No.)

06831

(Zip Code)

(855) 976-6951

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 4, 2022, there were 115,018,449 shares of the registrant's common stock, par value \$0.001 per share, outstanding.

**XPO Logistics, Inc.**  
**Quarterly Report on Form 10-Q**  
**For the Quarterly Period Ended March 31, 2022**  
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**Part I—Financial Information**
**Item 1. Financial Statements.**

**XPO Logistics, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

<i>(In millions, except per share data)</i>	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,004	\$ 260
Accounts receivable, net of allowances of \$47 and \$47, respectively	2,248	2,105
Other current assets	279	286
Current assets of discontinued operations	24	26
<b>Total current assets</b>	<b>3,555</b>	<b>2,677</b>
<b>Long-term assets</b>		
Property and equipment, net of \$1,790 and \$1,828 in accumulated depreciation, respectively	1,796	1,808
Operating lease assets	821	908
Goodwill	2,332	2,479
Identifiable intangible assets, net of \$578 and \$612 in accumulated amortization, respectively	548	580
Other long-term assets	268	255
<b>Total long-term assets</b>	<b>5,765</b>	<b>6,030</b>
<b>Total assets</b>	<b>\$ 9,320</b>	<b>\$ 8,707</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,330	\$ 1,110
Accrued expenses	1,084	1,107
Short-term borrowings and current maturities of long-term debt	682	58
Short-term operating lease liabilities	134	170
Other current liabilities	178	69
Current liabilities of discontinued operations	24	24
<b>Total current liabilities</b>	<b>3,432</b>	<b>2,538</b>
<b>Long-term liabilities</b>		
Long-term debt	2,877	3,514
Deferred tax liability	300	316
Employee benefit obligations	120	122
Long-term operating lease liabilities	682	752
Other long-term liabilities	311	327
<b>Total long-term liabilities</b>	<b>4,290</b>	<b>5,031</b>
<b>Stockholders' equity</b>		
Common stock, \$0.001 par value; 300 shares authorized; 115 shares issued and outstanding as of March 31, 2022 and December 31, 2021	—	—
Additional paid-in capital	1,176	1,179
Retained earnings	531	43
Accumulated other comprehensive loss	(109)	(84)
<b>Total equity</b>	<b>1,598</b>	<b>1,138</b>
<b>Total liabilities and equity</b>	<b>\$ 9,320</b>	<b>\$ 8,707</b>

See accompanying notes to condensed consolidated financial statements.

**XPO Logistics, Inc.**  
**Condensed Consolidated Statements of Income**  
**(Unaudited)**

<i>(In millions, except per share data)</i>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	\$ 3,473	\$ 2,989
Cost of transportation and services (exclusive of depreciation and amortization)	2,437	2,053
Direct operating expense (exclusive of depreciation and amortization)	385	334
Sales, general and administrative expense	344	338
Depreciation and amortization expense	116	119
Gain on sale of business	(450)	—
Transaction and integration costs	10	5
Restructuring costs	6	1
<b>Operating income</b>	<b>625</b>	<b>139</b>
Other income	(14)	(16)
Debt extinguishment loss	—	8
Interest expense	37	65
<b>Income from continuing operations before income tax provision</b>	<b>602</b>	<b>82</b>
Income tax provision	113	19
<b>Income from continuing operations</b>	<b>489</b>	<b>63</b>
Income (loss) from discontinued operations, net of taxes	(1)	55
<b>Net income</b>	<b>488</b>	<b>118</b>
Net income from discontinued operations attributable to noncontrolling interests	—	(3)
<b>Net income attributable to XPO</b>	<b>\$ 488</b>	<b>\$ 115</b>
<b>Net income (loss) attributable to common shareholders</b>		
Continuing operations	\$ 489	\$ 63
Discontinued operations	(1)	52
Net income attributable to common shareholders	\$ 488	\$ 115
<b>Earnings (loss) per share data</b>		
Basic earnings per share from continuing operations	\$ 4.26	\$ 0.59
Basic earnings (loss) per share from discontinued operations	(0.01)	0.49
Basic earnings per share attributable to common shareholders	\$ 4.25	\$ 1.08
Diluted earnings per share from continuing operations	\$ 4.23	\$ 0.56
Diluted earnings (loss) per share from discontinued operations	(0.01)	0.46
Diluted earnings per share attributable to common shareholders	\$ 4.22	\$ 1.02
<b>Weighted-average common shares outstanding</b>		
Basic weighted-average common shares outstanding	115	106
Diluted weighted-average common shares outstanding	116	112

See accompanying notes to condensed consolidated financial statements.

**XPO Logistics, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

<i>(In millions)</i>	Three Months Ended March 31,	
	2022	2021
<b>Net income</b>	\$ 488	\$ 118
<b>Other comprehensive loss, net of tax</b>		
Foreign currency translation loss, net of tax effect of \$(2) and \$(6)	\$ (26)	\$ (42)
Unrealized gain on financial assets/liabilities designated as hedging instruments, net of tax effect of \$— and \$—	1	—
<b>Other comprehensive loss</b>	<b>(25)</b>	<b>(42)</b>
<b>Comprehensive income</b>	<b>\$ 463</b>	<b>\$ 76</b>
Less: Comprehensive loss attributable to noncontrolling interests	—	(2)
<b>Comprehensive income attributable to XPO</b>	<b>\$ 463</b>	<b>\$ 78</b>

See accompanying notes to condensed consolidated financial statements.

**XPO Logistics, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

<i>(In millions)</i>	Three Months Ended March 31,	
	2022	2021
<b>Cash flows from operating activities of continuing operations</b>		
Net income	\$ 488	\$ 118
Income (loss) from discontinued operations, net of taxes	(1)	55
Income from continuing operations	489	63
<b>Adjustments to reconcile income from continuing operations to net cash from operating activities</b>		
Depreciation, amortization and net lease activity	116	119
Stock compensation expense	8	6
Accretion of debt	4	5
Deferred tax (benefit) expense	(12)	9
Debt extinguishment loss	—	8
Gain on sale of business	(450)	—
Gains on sales of property and equipment	(1)	(23)
Other	10	2
<b>Changes in assets and liabilities</b>		
Accounts receivable	(405)	(198)
Other assets	94	(21)
Accounts payable	366	34
Accrued expenses and other liabilities	(19)	73
<b>Net cash provided by operating activities from continuing operations</b>	<b>200</b>	<b>77</b>
<b>Cash flows from investing activities of continuing operations</b>		
Proceeds from sale of business	705	—
Payment for purchases of property and equipment	(137)	(74)
Proceeds from sale of property and equipment	3	36
<b>Net cash provided by (used in) investing activities from continuing operations</b>	<b>571</b>	<b>(38)</b>
<b>Cash flows from financing activities of continuing operations</b>		
Repayment of borrowings related to securitization program	—	(24)
Repurchase of debt	—	(1,200)
Repayment of borrowings on ABL facility	—	(200)
Repayment of debt and finance leases	(16)	(24)
Payment for debt issuance costs	—	(5)
Change in bank overdrafts	3	8
Payment for tax withholdings for restricted shares	(12)	(21)
Other	1	2
<b>Net cash used in financing activities from continuing operations</b>	<b>(24)</b>	<b>(1,464)</b>

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<i>(In millions)</i>	Three Months Ended March 31,	
	2022	2021
<b>Cash flows from discontinued operations</b>		
Operating activities of discontinued operations	1	96
Investing activities of discontinued operations	—	(57)
Financing activities of discontinued operations	—	(37)
<b>Net cash provided by discontinued operations</b>	<b>1</b>	<b>2</b>
Effect of exchange rates on cash, cash equivalents and restricted cash	(3)	(2)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>745</b>	<b>(1,425)</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>273</b>	<b>2,065</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>1,018</b>	<b>640</b>
<b>Less: Cash, cash equivalents and restricted cash of discontinued operations, end of period</b>	<b>4</b>	<b>407</b>
<b>Cash, cash equivalents and restricted cash of continued operations, end of period</b>	<b>\$ 1,014</b>	<b>\$ 233</b>
<b>Supplemental disclosure of cash flow information</b>		
Leased assets obtained in exchange for new operating lease liabilities	\$ 46	\$ 79
Leased assets obtained in exchange for new finance lease liabilities	4	16
Cash paid for interest	13	74
Cash paid for income taxes	5	1

See accompanying notes to condensed consolidated financial statements.

**XPO Logistics, Inc.**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

	Series A Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total XPO Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
<i>(Shares in thousands, dollars in millions)</i>										
<b>Balance as of December 31, 2021</b>	—	\$ —	114,737	\$ —	\$ 1,179	\$ 43	\$ (84)	\$ 1,138	\$ —	\$ 1,138
Net income	—	—	—	—	—	488	—	488	—	488
Other comprehensive loss	—	—	—	—	—	—	(25)	(25)	—	(25)
Exercise and vesting of stock compensation awards	—	—	245	—	—	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	—	—	(12)	—	—	(12)	—	(12)
Stock compensation expense	—	—	—	—	8	—	—	8	—	8
Other	—	—	—	—	1	—	—	1	—	1
<b>Balance as of March 31, 2022</b>	—	\$ —	114,982	\$ —	\$ 1,176	\$ 531	\$ (109)	\$ 1,598	\$ —	\$ 1,598

	Series A Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total XPO Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
<i>(Shares in thousands, dollars in millions)</i>										
<b>Balance as of December 31, 2020</b>	1	\$ 1	102,052	\$ —	\$ 1,998	\$ 868	\$ (158)	\$ 2,709	\$ 140	\$ 2,849
Net income	—	—	—	—	—	115	—	115	3	118
Other comprehensive loss	—	—	—	—	—	—	(37)	(37)	(5)	(42)
Exercise and vesting of stock compensation awards	—	—	270	—	—	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	—	—	(21)	—	—	(21)	—	(21)
Conversion of preferred stock to common stock	(1)	(1)	139	—	1	—	—	—	—	—
Exercise of warrants	—	—	9,215	—	—	—	—	—	—	—
Stock compensation expense	—	—	—	—	10	—	—	10	—	10
<b>Balance as of March 31, 2021</b>	—	\$ —	111,676	\$ —	\$ 1,988	\$ 983	\$ (195)	\$ 2,776	\$ 138	\$ 2,914

See accompanying notes to condensed consolidated financial statements.



**XPO Logistics, Inc.**

**Notes to Condensed Consolidated Financial Statements**

**(Unaudited)**

**1. Organization, Description of Business and Basis of Presentation**

XPO Logistics, Inc., together with its subsidiaries (“XPO” or “we”), is a leading provider of freight transportation services. We use our proprietary technology to move goods efficiently through our customers’ supply chains, primarily by providing less-than-truckload (“LTL”) and truck brokerage services. See Note 4—Segment Reporting for additional information on our operations.

***2022 Strategic Plan***

On March 8, 2022, we announced that our Board of Directors approved a plan to pursue the strategic spin-off of our tech-enabled brokered transportation platform in North America as a publicly traded company and to pursue two divestitures: the sale of our North American intermodal operation and the sale or listing of our European business. We sold our intermodal operation, which provides rail brokerage and drayage services, in March 2022. For further information, see Note 3—Divestiture.

If the spin-off to XPO shareholders is completed, the transaction will result in two pure-play, publicly traded companies with simplified business models and clearly delineated value propositions. The core business of the spin-off will be our truck brokerage service, with complementary brokered services for managed transportation, last mile logistics and global forwarding. The remaining company will be an asset-based provider of LTL service in North America. The planned spin-off transaction, which is intended to be tax-free to XPO and our shareholders for U.S. federal income tax purposes, would result in XPO shareholders owning stock in both companies. In connection with the transaction, it is anticipated that a portion of XPO’s outstanding debt may be repaid using proceeds from borrowings incurred and debt securities to be issued by the spun-off company.

We currently expect to complete the spin-off in the fourth quarter of 2022, subject to various conditions, including the effectiveness of a Form 10 registration statement, receipt of a tax opinion from counsel, the refinancing of XPO’s debt on terms satisfactory to the XPO Board of Directors, and final approval by the XPO Board of Directors, among other requirements. There can be no assurance that any strategic transaction will occur, or if one or more do occur, of the terms or timing.

***2021 Spin-Off of the Logistics Segment***

On August 2, 2021, we completed the spin-off of our Logistics segment as GXO Logistics, Inc. (“GXO”). The historical results of our Logistics segment are presented as discontinued operations in our Condensed Consolidated Financial Statements. For information on our discontinued operations, see Note 2—Discontinued Operations.

***Basis of Presentation***

We prepared our Condensed Consolidated Financial Statements in accordance with U.S. generally accepted accounting principles (“GAAP”) and on the same basis as the accounting policies described in our annual report on Form 10-K for the year ended December 31, 2021 (the “2021 Form 10-K”). The interim reporting requirements of Form 10-Q allow certain information and note disclosures normally included in annual consolidated financial statements to be condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the 2021 Form 10-K.

The Condensed Consolidated Financial Statements are not audited but reflect all adjustments that are of a normal recurring nature and are necessary for a fair presentation of the financial condition, operating results and cash flows for the interim periods presented. Operating results for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

We have recast prior period amounts to conform to the current period’s presentation.

### Restricted Cash

As of March 31, 2022 and December 31, 2021, our restricted cash included in Other long-term assets on our Condensed Consolidated Balance Sheets was \$10 million.

### Trade Receivables Securitization and Factoring Programs

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We also sell trade accounts receivable under our securitization program. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is €200 million (approximately \$221 million as of March 31, 2022). As of March 31, 2022, €1 million (approximately \$1 million) was available under the program, subject to having sufficient receivables available to sell and with consideration to amounts previously purchased. The weighted average interest rate was 0.53% as of March 31, 2022. Charges for commitment fees, which are based on a percentage of available amounts, and charges for administrative fees were not material to our results of operations for the three months ended March 31, 2022 and 2021.

Information related to the trade receivables sold was as follows:

(In millions)	Three Months Ended March 31,	
	2022	2021 <sup>(1)</sup>
<b>Securitization programs</b>		
Receivables sold in period	\$ 447	\$ 347
Cash consideration	447	347
<b>Factoring programs</b>		
Receivables sold in period	27	16
Cash consideration	27	16

(1) Information for the three months ended March 31, 2021 excludes the Logistics segment.

### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The levels of inputs used to measure fair value are:

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3—Valuations based on inputs that are unobservable, generally utilizing pricing models or other valuation techniques that reflect management's judgment and estimates.

We base our fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and current maturities of long-term debt approximated their fair values as of March 31, 2022 and December 31, 2021 due to their short-term nature and/or being receivable or payable on demand. The Level 1 cash equivalents include money market funds valued using quoted prices in active markets and a cash deposit for the securitization program. Our derivative instruments are classified as Level 2 and are valued using inputs other than quoted prices, such as foreign exchange rates and yield curves. For information on financial liabilities, see Note 7—Debt.

The fair value hierarchy of cash equivalents was as follows:

<i>(In millions)</i>	Carrying Value	Fair Value	Level 1
March 31, 2022	\$ 931	\$ 931	\$ 931
December 31, 2021	181	181	181

Cash equivalents at March 31, 2022 include the cash proceeds from the sale of our intermodal operation in March 2022. For further information, see Note 3—Divestiture.

#### **Adoption of New Accounting Standard**

In November 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2021-10, “Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance.” The ASU increases the transparency surrounding government assistance by requiring annual disclosure of (i) the types of assistance received, (ii) an entity’s accounting for the assistance and (iii) the effect of the assistance on the entity’s financial statements. We adopted this standard on January 1, 2022, on a prospective basis. The adoption did not have a material impact on our financial statement disclosures.

#### **Accounting Pronouncement Issued but Not Yet Effective**

In March 2020, the FASB issued ASU 2020-04, “Reference rate reform (Topic 848)—Facilitation of the effects of reference rate reform on financial reporting.” The ASU provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. The amendments apply only to contracts and hedging relationships that reference London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued due to reference rate reform. The amendments are elective and are effective upon issuance through December 31, 2022. We intend to apply this guidance if modifications of contracts that include LIBOR occur, which is not expected to have a material impact on our consolidated financial statements.

## **2. Discontinued Operations**

The following table summarizes the financial results from discontinued operations of GXO:

<i>(In millions)</i>	Three Months Ended March 31,	
	2021	
<b>Revenue</b>	\$	1,818
Direct operating expense (exclusive of depreciation and amortization)		1,514
Sales, general and administrative expense		150
Depreciation and amortization expense		73
Transaction and other operating costs		17
<b>Operating income</b>		64
Other income		(11)
Interest expense		4
<b>Income from discontinued operations before income tax provision</b>		71
Income tax provision		16
<b>Net income from discontinued operations, net of taxes</b>		55
Net income from discontinued operations attributable to noncontrolling interests		(3)
<b>Net income from discontinued operations attributable to GXO</b>	\$	52

During the three months ended March 31, 2022 and 2021, we incurred approximately \$4 million and \$13 million, respectively, of costs related to the GXO spin-off. For the three months ended March 31, 2021, \$12 million of these

costs are reflected within income from discontinued operations in our Condensed Consolidated Statements of Income.

In accordance with a separation and distribution agreement, GXO has agreed to indemnify XPO for payments XPO makes with respect to certain self-insurance matters that were incurred by GXO prior to the spin-off and remain obligations of XPO. The receivable and reserve for these matters was approximately \$20 million each as of March 31, 2022 and approximately \$23 million and \$21 million, respectively, as of December 31, 2021.

### **3. Divestiture**

In March 2022, we sold our North American intermodal operation for cash proceeds of approximately \$705 million, net of cash disposed and subject to a customary post-closing purchase price adjustment. We recorded a pre-tax gain on the sale of \$450 million, net of transaction costs, for the three months ended March 31, 2022. We agreed to provide certain specified customary transition services for a period not exceeding 12 months from the sale. The intermodal operation generated revenue of \$1.2 billion and operating income of \$53 million for the year ended December 31, 2021. The intermodal operation was included in our Brokerage and Other Services segment through the date of the sale.

### **4. Segment Reporting**

We are organized into two reportable segments: (i) North American LTL and (ii) Brokerage and Other Services.

In our asset-based North American LTL segment, we provide our customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services. Our services include cross-border U.S. freight movements to and from Mexico and Canada, as well as intra-Canada service.

In our asset-light Brokerage and Other Services segment, shippers create demand for our technology-enabled services and we place their freight with qualified independent carriers, pricing the transactions on either a contract or a spot basis. Our truck brokerage business is the largest component of the segment, which also includes three complementary brokered services: managed transportation, last mile logistics for heavy goods and global forwarding. Our European business, which we plan to divest through either a sale or a listing on a European stock exchange, is also currently reported within this segment.

Some of our operating units provide services to our other operating units outside of their reportable segment. Billings for such services are based on negotiated rates and are reflected as revenues of the billing segment. We adjust these rates from time to time based on market conditions. We eliminate intersegment revenues and expenses in our consolidated results.

Corporate includes corporate headquarters costs for executive officers and certain legal and financial functions, and other costs and credits not attributed to our reporting segments.

Our chief operating decision maker (“CODM”) regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. We include items directly attributable to a segment, and those that can be allocated on a reasonable basis, in segment results reported to the CODM. We do not provide asset information by segment to the CODM. Our CODM evaluates segment profit (loss) based on adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”), which we define as income from continuing operations before debt extinguishment loss, interest expense, income tax, depreciation and amortization expense, gain on sale of business, transaction and integration costs, restructuring costs and other adjustments.

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Selected financial data for our segments is as follows:

<i>(in millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
North American LTL	\$ 1,105	\$ 962
Brokerage and Other Services	2,432	2,071
Eliminations	(64)	(44)
<b>Total</b>	<b>\$ 3,473</b>	<b>\$ 2,989</b>
<b>Adjusted EBITDA</b>		
North American LTL	\$ 205	\$ 214
Brokerage and Other Services	164	125
Corporate	(48)	(60)
<b>Total adjusted EBITDA</b>	<b>321</b>	<b>279</b>
Less:		
Debt extinguishment loss	—	8
Interest expense	37	65
Income tax provision	113	19
Depreciation and amortization expense	116	119
Unrealized (gain) loss on foreign currency option and forward contracts	—	(1)
Gain on sale of business	(450)	—
Transaction and integration costs <sup>(1)</sup>	10	5
Restructuring costs <sup>(2)</sup>	6	1
<b>Income from continuing operations</b>	<b>\$ 489</b>	<b>\$ 63</b>
<b>Depreciation and amortization expense</b>		
North American LTL	\$ 55	\$ 55
Brokerage and Other Services	60	60
Corporate	1	4
<b>Total</b>	<b>\$ 116</b>	<b>\$ 119</b>

(1) Transaction and integration costs for the three months ended March 31, 2022 and 2021 are primarily comprised of third-party professional fees related to strategic initiatives, including the spin-offs and other disposal activities, as well as retention awards paid to certain employees. Transaction and integration costs for the three months ended March 31, 2022 and 2021 include \$2 million and \$1 million, respectively, related to our Brokerage and Other Services segment and \$8 million and \$4 million, respectively, related to Corporate.

(2) See Note 6— Restructuring Charges for further information on our restructuring actions.

## 5. Revenue Recognition

### Disaggregation of Revenues

We disaggregate our revenue by geographic area and service offering. Our revenue disaggregated by geographical area, based on sales office location, was as follows:

<i>(In millions)</i>	Three Months Ended March 31, 2022			
	North American LTL	Brokerage and Other Services	Eliminations	Total
Revenue				
United States	\$ 1,082	\$ 1,519	\$ (64)	\$ 2,537
North America (excluding United States)	23	101	—	124
France	—	352	—	352
United Kingdom	—	225	—	225
Europe (excluding France and United Kingdom)	—	210	—	210
Other	—	25	—	25
Total	<u>\$ 1,105</u>	<u>\$ 2,432</u>	<u>\$ (64)</u>	<u>\$ 3,473</u>

<i>(In millions)</i>	Three Months Ended March 31, 2021			
	North American LTL	Brokerage and Other Services	Eliminations	Total
Revenue				
United States	\$ 940	\$ 1,221	\$ (44)	\$ 2,117
North America (excluding United States)	22	69	—	91
France	—	342	—	342
United Kingdom	—	209	—	209
Europe (excluding France and United Kingdom)	—	213	—	213
Other	—	17	—	17
Total	<u>\$ 962</u>	<u>\$ 2,071</u>	<u>\$ (44)</u>	<u>\$ 2,989</u>

Our revenue disaggregated by service offering was as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2022	2021
North America		
LTL <sup>(1)</sup>	\$ 1,133	\$ 976
Truck brokerage	824	596
Last mile	246	246
Other brokerage <sup>(2)</sup>	551	453
Total North America	2,754	2,271
Europe	787	763
Eliminations	(68)	(45)
Total	\$ 3,473	\$ 2,989

(1) LTL revenue is before intercompany eliminations and includes revenue from our trailer manufacturing business.

(2) Other brokerage includes intermodal, expedite, freight forwarding and managed transportation services. Freight forwarding includes operations conducted outside of North America but managed by our North American entities. In March 2022, we sold our intermodal operation. For further information, see Note 3—Divestiture.

### **Performance Obligations**

Remaining performance obligations represent firm contracts for which services have not been performed and future revenue recognition is expected. As permitted in determining the remaining performance obligation, we omit obligations that: (i) have original expected durations of one year or less or (ii) contain variable consideration. On March 31, 2022, the fixed consideration component of our remaining performance obligation was approximately \$120 million, and we expect approximately 89% of that amount to be recognized over the next three years and the remainder thereafter. We estimate remaining performance obligations at a point in time and actual amounts may differ from these estimates due to changes in foreign currency exchange rates and contract revisions or terminations.

### **6. Restructuring Charges**

We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and other disposal activities. These actions generally include severance and facility-related costs, including impairment of operating lease assets, as well as contract termination costs and are intended to improve our efficiency and profitability.

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Our restructuring-related activity was as follows:

(In millions)	Reserve Balance as of December 31, 2021	Three Months Ended March 31, 2022		Reserve Balance as of March 31, 2022
		Charges Incurred	Payments	
<b>Severance</b>				
Brokerage and Other Services	\$ 6	\$ 2	\$ (3)	\$ 5
Corporate	7	1	(2)	6
<b>Total severance</b>	<b>13</b>	<b>3</b>	<b>(5)</b>	<b>11</b>
<b>Facilities</b>				
Brokerage and Other Services	2	—	—	2
<b>Total facilities</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>2</b>
<b>Contract termination</b>				
North American LTL	—	3	(3)	—
<b>Total contract termination</b>	<b>—</b>	<b>3</b>	<b>(3)</b>	<b>—</b>
<b>Total</b>	<b>\$ 15</b>	<b>\$ 6</b>	<b>\$ (8)</b>	<b>\$ 13</b>

We expect the majority of the cash outlays related to the charges incurred in the first quarter of 2022 will be complete within 12 months.

**7. Debt**

(In millions)	March 31, 2022		December 31, 2021	
	Principal Balance	Carrying Value	Principal Balance	Carrying Value
Term loan facilities	\$ 2,003	\$ 1,979	\$ 2,003	\$ 1,977
6.25% Senior notes due 2025	1,150	1,141	1,150	1,141
6.70% Senior debentures due 2034	300	215	300	214
Finance leases, asset financing and other	224	224	240	240
<b>Total debt</b>	<b>3,677</b>	<b>3,559</b>	<b>3,693</b>	<b>3,572</b>
Short-term borrowings and current maturities of long-term debt	682	682	58	58
<b>Long-term debt</b>	<b>\$ 2,995</b>	<b>\$ 2,877</b>	<b>\$ 3,635</b>	<b>\$ 3,514</b>

The fair value of our debt and classification in the fair value hierarchy was as follows:

(In millions)	Fair Value	Level 1	Level 2
March 31, 2022	\$ 3,717	\$ 1,500	\$ 2,217
December 31, 2021	3,811	1,571	2,240

We valued Level 1 debt using quoted prices in active markets. We valued Level 2 debt using bid evaluation pricing models or quoted prices of securities with similar characteristics. The fair value of the asset financing arrangements approximates carrying value as the debt is primarily issued at a floating rate, the debt may be prepaid at any time at par without penalty, and the remaining life of the debt is short-term in nature.

**ABL Facility**

As of March 31, 2022, our borrowing base was \$1.0 billion and our availability under our revolving loan credit agreement (the “ABL Facility”) was \$996 million after considering outstanding letters of credit of \$4 million. As of March 31, 2022, we were in compliance with the ABL Facility’s financial covenants.



***Letters of Credit Facility***

As of March 31, 2022, we have issued \$185 million in aggregate face amount of letters of credit under our \$200 million uncommitted secured evergreen letter of credit facility.

***Term Loan Facilities***

In the first quarter of 2021, we amended our Senior Secured Term Loan Credit Agreement (the “Term Loan Credit Agreement”) and recorded a debt extinguishment loss of \$3 million. The interest rate on our term loan facility was 1.99% as of March 31, 2022.

***Senior Notes Due 2025***

In March 2022, we provided notice to redeem \$630 million of the \$1.15 billion principal amount of our outstanding 6.25% senior notes due 2025. See Note 11—Subsequent Events for more information.

***Senior Notes Due 2022***

In January 2021, we redeemed our outstanding 6.50% senior notes due 2022. The redemption price for the notes was 100% of the principal amount, plus accrued and unpaid interest. We paid for the redemption with available cash. We recorded a debt extinguishment loss of \$5 million in the first quarter of 2021 due to this redemption.

**8. Stockholders’ Equity**

***Series A Convertible Perpetual Preferred Stock and Warrants***

Commencing in the fourth quarter of 2020, holders of our convertible preferred stock and warrants exchanged their holdings for our common stock or a combination of our common stock and cash. These exchanges were intended to simplify our equity capital structure, including in contemplation of the spin-off of our Logistics segment. In the first quarter of 2021, 975 preferred shares were exchanged, and we issued 0.1 million shares of common stock and 9.8 million warrants were exchanged, and we issued 9.2 million shares of common stock. The warrants exchanged included holdings of Jacobs Private Equity, LLC, an entity controlled by the Company’s chairman and chief executive officer.

***Share Repurchases***

In February 2019, our Board of Directors authorized repurchases of up to \$1.5 billion of our common stock. Our share repurchase authorization permits us to purchase shares in both the open market and in private transactions, with the timing and number of shares dependent on a variety of factors, including price, general business conditions, market conditions, alternative investment opportunities and funding considerations. We are not obligated to repurchase any specific number of shares and may suspend or discontinue the program at any time.

There have been no share repurchases since the first quarter of 2020. Our remaining share repurchase authorization was \$503 million as of March 31, 2022.

## 9. Earnings per Share

The computations of basic and diluted earnings per share were as follows:

<i>(In millions, except per share data)</i>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Basic earnings (loss) per common share</b>		
Net income from continuing operations attributable to common shares	\$ 489	\$ 63
Income (loss) from discontinued operations, net of taxes	\$ (1)	\$ 55
Net income from discontinued operations attributable to noncontrolling interests	—	(3)
Net income (loss) from discontinued operations attributable to common shares	\$ (1)	\$ 52
Net income from continuing operations attributable to common shares, basic	\$ 489	\$ 63
Net income (loss) from discontinued operations attributable to common shares, basic	(1)	52
Net income attributable to common shares, basic	<u>\$ 488</u>	<u>\$ 115</u>
Basic weighted-average common shares	115	106
Basic earnings from continuing operations per share	\$ 4.26	\$ 0.59
Basic earnings (loss) from discontinued operations per share	(0.01)	0.49
Basic earnings per share	<u>\$ 4.25</u>	<u>\$ 1.08</u>
<b>Diluted earnings (loss) per common share</b>		
Net income from continuing operations attributable to common shares, diluted	\$ 489	\$ 63
Net income (loss) from discontinued operations attributable to common shares, diluted	(1)	52
Net income attributable to common shares, diluted	<u>\$ 488</u>	<u>\$ 115</u>
Basic weighted-average common shares	115	106
Dilutive effect of stock-based awards and warrants	1	6
Diluted weighted-average common shares	116	112
Diluted earnings from continuing operations per share	\$ 4.23	\$ 0.56
Diluted earnings (loss) from discontinued operations per share	(0.01)	0.46
Diluted earnings per share	<u>\$ 4.22</u>	<u>\$ 1.02</u>

## 10. Commitments and Contingencies

We are involved, and will continue to be involved, in numerous proceedings arising out of the conduct of our business. These proceedings include claims for property damage or personal injury incurred in connection with the transportation of freight, commercial disputes, insurance coverage disputes, and employment-related claims, including claims involving asserted breaches of employee restrictive covenants. These matters also include several collective and class action cases involving claims that our owner-operators or contract carriers should be treated as employees, rather than independent contractors (“misclassification claims”) and may seek substantial monetary damages (including claims for unpaid wages, overtime, failure to provide meal and rest breaks, unreimbursed business expenses, penalties and other items), injunctive relief, or both.

We establish accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. We review and adjust accruals for loss contingencies quarterly and as additional information becomes available. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, we assess whether there is at least a reasonable possibility

that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, we disclose the estimate of the possible loss or range of loss if it is material and an estimate can be made, or disclose that such an estimate cannot be made. The determination as to whether a loss can reasonably be considered to be possible or probable is based on our assessment, together with legal counsel, regarding the ultimate outcome of the matter.

We believe that we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. We do not believe that the ultimate resolution of any matters to which we are presently a party will have a material adverse effect on our results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our financial condition, results of operations or cash flows. Legal costs incurred related to these matters are expensed as incurred.

We carry liability and excess umbrella insurance policies that we deem sufficient to cover potential legal claims arising in the normal course of conducting our operations as a transportation company. The liability and excess umbrella insurance policies generally do not cover the misclassification claims described in this note. In the event we are required to satisfy a legal claim outside the scope of the coverage provided by insurance, our financial condition, results of operations or cash flows could be negatively impacted.

#### *Shareholder Litigation*

On December 14, 2018, a putative class action captioned *Labul v. XPO Logistics, Inc. et al.*, was filed in the U.S. District Court for the District of Connecticut against us and some of our current and former executives, alleging violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 20(a) of the Exchange Act, based on alleged material misstatements and omissions in our public filings with the U.S. Securities and Exchange Commission. On June 3, 2019, lead plaintiffs Local 817 IBT Pension Fund, Local 272 Labor-Management Pension Fund, and Local 282 Pension Trust Fund and Local 282 Welfare Trust Fund (together, the “Pension Funds”) filed a consolidated class action complaint. Defendants moved to dismiss the consolidated class action complaint on August 2, 2019. On November 4, 2019, the Court dismissed the consolidated class action complaint without prejudice to the filing of an amended complaint. The Pension Funds, on January 3, 2020, filed a first amended consolidated class action complaint against us and a current executive. Defendants moved to dismiss the first amended consolidated class action complaint on March 3, 2020. On March 19, 2021, the Court dismissed the first amended consolidated class action complaint with prejudice and closed the case. On April 29, 2021, the Pension Funds filed a notice of appeal, and the appellate process is ongoing.

Also, on May 13, 2019, Adriana Jez filed a purported shareholder derivative action captioned *Jez v. Jacobs, et al.*, (the “Jez complaint”) in the U.S. District Court for the District of Delaware, alleging breaches of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of the Exchange Act against some of our current and former directors and officers, with the company as a nominal defendant. The Jez complaint was later consolidated with similar derivative complaints filed by purported shareholders Erin Candler and Kevin Rose under the caption *In re XPO Logistics, Inc. Derivative Litigation*. On December 12, 2019, the Court ordered plaintiffs to designate an operative complaint or file an amended complaint within 45 days. On January 27, 2020, plaintiffs designated the Jez complaint as the operative complaint in the consolidated cases. Defendants moved to dismiss the operative complaint on February 26, 2020. Rather than file a brief in opposition, on March 27, 2020, plaintiffs moved for leave to file a further amended complaint and to stay briefing on defendants’ motions to dismiss. The Court granted plaintiffs’ motion on July 6, 2020. On April 14, 2021, the Court issued an order staying proceedings pending resolution of an appeal in the Labul action. Plaintiffs stipulated that they will dismiss the shareholder derivative action with prejudice if the Labul dismissal is affirmed on appeal.

We believe these suits are without merit and we intend to defend the company vigorously. We are unable at this time to determine the amount of the possible loss or range of loss, if any, that we may incur as a result of these matters.

#### *Insurance Contribution Litigation*

In April 2012, Allianz Global Risks US Insurance Company sued eighteen insurance companies in a case captioned *Allianz Global Risks US Ins. Co. v. ACE Property & Casualty Ins. Co., et al.*, Multnomah County Circuit Court (Case No. 1204-04552). Allianz sought contribution on environmental and product liability claims that Allianz

agreed to defend and indemnify on behalf of its insured, Daimler Trucks North America (“DTNA”). Defendants had insured Freightliner’s assets, which DTNA acquired in 1981. Con-way, Freightliner’s former parent company, intervened. We acquired Con-way in 2015. Con-way and Freightliner had self-insured under fronting agreements with defendant insurers ACE, Westport, and General. Under those agreements, Con-way agreed to indemnify the fronting carriers for damages assessed under the fronting policies. Con-way’s captive insurer, Centron, was also a named defendant. After a seven-week jury trial in 2014, the jury found that Con-way and the fronting insurers never intended that the insurers defend or indemnify any claims against Freightliner. In June 2015, Allianz appealed to the Oregon Court of Appeals. In May 2019, the Oregon Court of Appeals upheld the jury verdict. In September 2019, Allianz appealed to the Oregon Supreme Court. In March 2021, the Oregon Supreme Court reversed the jury verdict, holding that it was an error to allow the jury to decide how the parties intended the fronting policies to operate, and also holding that the trial court improperly instructed the jury concerning one of the pollution exclusions at issue. In July of 2021, the matter was remanded to the trial court for further proceedings consistent with the Oregon Supreme Court’s decision. There is no date yet set for the next stages of the proceeding. The parties have filed cross-motions for summary judgment concerning the interpretation of certain of the fronting policies, which are yet to be decided. Following summary judgment, we anticipate a jury trial on the pollution exclusion, then a bench trial on allocation of defense costs among the subject insurance policies. We have accrued an immaterial amount for the potential exposure associated with Centron in the bench trial regarding allocation. As any losses that may arise in connection with the fronting policies issued by defendant insurers ACE, Westport, and General are not reasonably estimable at this time, no liability has been accrued in the accompanying interim consolidated financial statements for those potential exposures.

#### **11. Subsequent Events**

In March 2022, we provided notice to redeem \$630 million (“Redeemed Notes”) of the \$1.15 billion principal amount of our outstanding 6.25% senior notes due 2025. The redemption price for the Redeemed Notes was 100% of the principal amount plus a premium as defined in the indenture and accrued and unpaid interest. In April 2022, we completed the redemption of the Redeemed Notes using available liquidity. The loss on debt extinguishment of approximately \$26 million will be reflected in the second quarter of 2022 results of operations.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **Cautionary Statement Regarding Forward-Looking Statements**

*This Quarterly Report on Form 10-Q and other written reports and oral statements we make from time to time contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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 the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes 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 those discussed below and the risks discussed in the Company's other filings with the Securities and Exchange Commission (the "SEC"). All forward-looking statements set forth in this Quarterly Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The following discussion should be read in conjunction with the Company's unaudited Condensed Consolidated Financial Statements and related notes thereto included elsewhere in this Quarterly Report, and with the audited consolidated financial statements and related notes thereto included in the 2021 Annual Report on Form 10-K. Forward-looking statements set forth in this Quarterly Report 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.*

### **Executive Summary**

XPO Logistics, Inc., together with its subsidiaries ("XPO," or "we"), is a leading provider of freight transportation services. We use our proprietary technology to move goods efficiently through our customers' supply chains, primarily by providing less-than-truckload ("LTL") and truck brokerage services. These two core lines of business generated the majority of our 2021 revenue and operating income.

Our company has two reportable segments — (i) North American LTL and (ii) Brokerage and Other Services — and within each segment, we are a leading provider in vast, fragmented transportation sectors with growing penetration. As of March 31, 2022, we had approximately 42,000 employees and 731 locations in 20 countries serving approximately 50,000 multinational, national, regional and local customers. We believe that our substantial exposure to secular industry growth trends, our first-mover advantage as an innovator and our blue-chip customer relationships are compelling competitive advantages.

#### *2022 Strategic Plan*

On March 8, 2022, we announced that our Board of Directors approved a plan to pursue the strategic spin-off of our tech-enabled brokered transportation platform in North America as a publicly traded company and to pursue two divestitures: the sale of our North American intermodal operation and the sale or listing of our European business.

If the spin-off to XPO shareholders is completed, the transaction will result in two pure-play, publicly traded companies with simplified business models and clearly delineated value propositions. The core business of the spin-off will be our truck brokerage service, with complementary brokered services for managed transportation, last mile logistics and global forwarding. The remaining company will be an asset-based provider of LTL service in North America. The planned spin-off transaction, which is intended to be tax-free to XPO and our shareholders for U.S. federal income tax purposes, would result in XPO shareholders owning stock in both companies. In connection with

the transaction, it is anticipated that a portion of XPO's outstanding debt may be repaid using proceeds from borrowings incurred and debt securities to be issued by the spun-off company.

We currently expect to complete the spin-off in the fourth quarter of 2022, subject to various conditions, including the effectiveness of a Form 10 registration statement, receipt of a tax opinion from counsel, the refinancing of XPO's debt on terms satisfactory to the XPO Board of Directors, and final approval by the XPO Board of Directors, among other requirements. There can be no assurance that any strategic transaction will occur, or if one or more do occur, of the terms or timing.

In March 2022, we sold our North American intermodal operation for cash proceeds of approximately \$705 million, net of cash disposed and subject to a customary post-closing purchase price adjustment. We recorded a pre-tax gain on the sale of \$450 million, net of transaction costs, for the three months ended March 31, 2022. We agreed to provide certain specified customary transition services for a period not exceeding 12 months from the sale. The intermodal operation was included in our Brokerage and Other Services segment through the date of the sale.

#### *2021 Spin-Off of the Logistics Segment*

On August 2, 2021, we completed the spin-off of our Logistics segment as GXO Logistics, Inc. ("GXO"). The historical results of our Logistics segment are presented as discontinued operations in our Condensed Consolidated Financial Statements. For information on our discontinued operations, see Note 2 —Discontinued Operations.

During the three months ended March 31, 2022 and 2021, we incurred approximately \$4 million and \$13 million, respectively, of costs related to the GXO spin-off. For the three months ended March 31, 2021, \$12 million of these costs are reflected within income from discontinued operations in our Condensed Consolidated Statements of Income.

#### *North American Less-Than-Truckload Segment*

XPO is the fourth largest provider of asset-based LTL services in North America — we have one of the industry's largest networks of tractors, trailers and terminals, and approximately 8% share of the \$51 billion LTL market as of December 31, 2021. We provide our customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services. Our services include cross-border U.S. freight movements to and from Mexico and Canada, as well as intra-Canada service.

Our LTL business is one of the few truly national LTL providers in North America, with a historically high return on capital ("ROIC") and robust free cash flow generation. Our LTL customer base is levered to the industrial economy, which we expect to be a growing opportunity for us as supply chain disruptions resolve and manufacturing scales up in North America. In addition to our competitive positioning, we benefit from favorable industry fundamentals of rational pricing and limited commoditization. We have relationships with approximately 25,000 LTL customers in North America, the majority of which are local accounts. For the trailing 12 months ended March 31, 2022, we delivered approximately 18 billion pounds of freight.

After the planned spin-off of our North American brokered transportation platform, our company will be the third largest pure-play LTL provider in North America. We expect our business to move forward with continued strong momentum from the numerous company-specific initiatives we have underway for network growth and efficiency. We are using a combination of operational tactics and investments in our capacity of tractors, trailers, doors and truck drivers, including our goal of adding 900 net new doors to our network by year-end 2023. Importantly, the plan leverages XPO-specific competitive advantages, including our continued deployment of proprietary LTL technology, the expansion of our national driver training network, and increased production at our Company-owned trailer manufacturing facility in Arkansas.

We are making good progress in these areas, including the opening of three new LTL terminals from October 31, 2021 through March 31, 2022, one new terminal in April 2022 and one expected to open in May 2022. In January 2022, we added a second production line at our trailer manufacturing facility to double our output run-rate. We expect to graduate approximately 1,800 driver school trainees this year, which is twice the number of 2021 graduates, to counteract the industry-wide driver shortage.

Specific to our technology, we believe that we have a significant opportunity to further improve the profitability of our LTL network through innovation, beyond the large gain in operating margin we have achieved to date. We use

intelligent route-building to move LTL freight across North America, and proprietary visualization tools to help reduce the cost of pickups and deliveries. Our XPO Smart™ productivity tools are deployed in our LTL cross-dock operations. Our largest opportunity is related to our proprietary pricing technology, which includes automated, dynamic pricing for local accounts and a new pricing platform utilized by our pricing experts for larger accounts.

#### *Brokerage and Other Services Segment*

XPO is one of the largest truck brokers in North America. As of December 31, 2021, we had approximately 3% share of the \$88 billion truck brokerage industry — which is a subset of the \$400 billion total addressable opportunity of for-hire trucking in North America. Shippers create truckload demand and we place their freight with qualified independent carriers, pricing the transactions on either a contract or a spot basis. Our truck brokerage business has an agile model with a variable labor structure that generates a high ROIC and free cash flow conversion.

The key factors driving growth and margin expansion in our truck brokerage business are massive capacity, our cutting-edge XPO Connect® technology platform and favorable industry tailwinds. The demand for truckload capacity in the e-commerce and omnichannel retail sectors continues to be robust. At the same time, more and more shippers are outsourcing to brokers, while increasingly preferring brokers like XPO that offer digital capabilities.

As of March 31, 2022, we had approximately 106,000 independent truckload carriers in our global brokerage network; approximately 88,000 of these carriers are in North America, representing more than one and a half million trucks. Our XPO Connect® brokerage platform is a major differentiator for our business and, together with our pricing technology, we believe it can unlock incremental profitable growth well beyond our current levels. As of March 31, 2022, cumulative truck driver downloads of the mobile app for XPO Connect® surpassed 700,000.

Our Brokerage and Other Services segment also includes three asset-light, brokered transportation services, all of which are complementary to our truck brokerage business: managed transportation, last mile logistics for heavy goods and global forwarding. Our European business, which we plan to divest through either a sale or a listing, is also currently reported within this segment.

Post-spin-off, we expect all of the brokered transportation services to continue to lever the first-mover technology advantage the new company will inherit from XPO.

From 2013 through 2021, our truck brokerage business in North America generated a compound annual growth rate (“CAGR”) of 27.4% — three times the truck brokerage industry growth rate of 9.6%.

#### *Technology and Corporate Sustainability*

Proprietary technology is a major competitive advantage for us across our service lines. Our company has been investing in transportation automation and digitization for more than a decade to innovate how goods move through supply chains. We believe that we are well-positioned to satisfy customer demands for faster, more efficient supply chains with greater visibility, while enhancing revenue and profitability.

Importantly, our technology also helps our Company and customers meet our respective environmental, social and governance (“ESG”) goals, such as a reduction in the carbon footprint of certain supply chains operations. For a detailed discussion of our philosophy relating to innovation and ESG matters, see the Executive Overview included in our 2021 Annual Report on Form 10-K, as well as our current Sustainability Report at [sustainability.xpo.com](https://www.xpo.com/sustainability).

#### **Impacts of COVID-19 and Other Notable External Conditions**

As a leading provider of freight transportation services, our business can be impacted to varying degrees by factors beyond our control. The COVID-19 pandemic that emerged in 2020 affected, and may continue to affect, economic activity broadly and customer sectors served by our industry. Labor shortages, particularly a shortage of truck drivers and dockworkers, and equipment shortages continue to present challenges to many transportation-related industries. Additionally, disruptions in supply chains for industrial materials and supplies, such as semiconductor chips, have impacted some of the end-market activities that create demand for our services. We cannot predict how long these dynamics will last in the economic recovery, or whether future challenges, if any, will adversely affect our results of operations. To date, the totality of the actions we have taken during the pandemic, and continue to take

in the recovery, have mitigated the impact on our profitability relative to the impact on our revenue and volumes, while our strong liquidity and disciplined capital management enable us to continue to invest in growth initiatives.

Additionally, economic inflation can have a negative impact on our operating costs. A prolonged period of inflation could cause interest rates, fuel, wages and other costs to continue to increase, which would adversely affect our results of operations unless our pricing to our customers correspondingly increases. For the three months ended March 31, 2022, the transportation industry's truck driver shortage, together with rising fuel prices, resulted in higher transportation procurement costs to meet growing demand, which costs were largely offset by mechanisms in our customer contracts, including fuel surcharge clauses and general rate increases.

Regarding the war between Russia and Ukraine, we have no direct exposure to those geographies. We cannot predict how global supply chain activities or the economy at large may be impacted by a prolonged war in Ukraine or sanctions imposed in response to the war, or whether future conflicts, if any, may adversely affect our results of operations.

### Consolidated Summary Financial Table

	Three Months Ended March 31,		Percent of Revenue		Change
	2022	2021	2022	2021	2022 vs. 2021
<i>(Dollars in millions)</i>					
<b>Revenue</b>	\$ 3,473	\$ 2,989	100.0 %	100.0 %	16.2 %
Cost of transportation and services (exclusive of depreciation and amortization)	2,437	2,053	70.2 %	68.7 %	18.7 %
Direct operating expense (exclusive of depreciation and amortization)	385	334	11.1 %	11.2 %	15.3 %
Sales, general and administrative expense	344	338	9.9 %	11.3 %	1.8 %
Depreciation and amortization expense	116	119	3.3 %	4.0 %	(2.5)%
Gain on sale of business	(450)	—	(13.0)%	— %	NM
Transaction and integration costs	10	5	0.3 %	0.2 %	100.0 %
Restructuring costs	6	1	0.2 %	— %	500.0 %
<b>Operating income</b>	<b>625</b>	<b>139</b>	<b>18.0 %</b>	<b>4.7 %</b>	<b>349.6 %</b>
Other income	(14)	(16)	(0.4)%	(0.5)%	(12.5)%
Debt extinguishment loss	—	8	— %	0.3 %	(100.0)%
Interest expense	37	65	1.1 %	2.2 %	(43.1)%
<b>Income from continuing operations before income tax provision</b>	<b>602</b>	<b>82</b>	<b>17.3 %</b>	<b>2.7 %</b>	<b>634.1 %</b>
Income tax provision	113	19	3.3 %	0.6 %	494.7 %
<b>Income from continuing operations</b>	<b>489</b>	<b>63</b>	<b>14.1 %</b>	<b>2.1 %</b>	<b>676.2 %</b>
Income from discontinued operations, net of taxes	(1)	55	— %	1.8 %	NM
<b>Net income</b>	<b>\$ 488</b>	<b>\$ 118</b>	<b>14.1 %</b>	<b>3.9 %</b>	<b>313.6 %</b>

NM - Not meaningful

### Three Months Ended March 31, 2022 Compared with Three Months Ended March 31, 2021

Revenue for the first quarter of 2022 increased 16.2% to \$3.5 billion, compared with the same quarter in 2021. The increase in revenue reflects growth in both our Brokerage and Other Services and LTL segments and includes the impact of increased revenue from fuel surcharges. Foreign currency movement reduced revenue by approximately 1.2 percentage points in the first quarter of 2022.

Cost of transportation and services (exclusive of depreciation and amortization) includes the cost of providing or procuring freight transportation for XPO customers and salaries paid to employee drivers in our LTL and truck brokerage businesses.

Cost of transportation and services (exclusive of depreciation and amortization) for the first quarter of 2022 was \$2.4 billion, or 70.2% of revenue, compared with \$2.1 billion or 68.7% of revenue, for the same quarter in 2021. The year-over-year increase as a percentage of revenue is primarily due to higher third-party transportation costs, which were partially offset by pricing actions.



Direct operating expenses (exclusive of depreciation and amortization) are comprised of both fixed and variable expenses and include operating costs related to our LTL service centers. Direct operating expenses (exclusive of depreciation and amortization) consist mainly of personnel costs, facility and equipment expenses, such as rent, utilities, equipment maintenance and repair, costs of materials and supplies, information technology expenses, and gains and losses on sales of property and equipment.

Direct operating expense (exclusive of depreciation and amortization) for the first quarter of 2022 was \$385 million, or 11.1% of revenue, compared with \$334 million, or 11.2% of revenue, for the same quarter in 2021. The year-over-year decrease as a percentage of revenue was primarily driven by the leveraging of compensation costs across a larger revenue base. This decrease was almost entirely offset by a \$23 million gains on sales of property and equipment in the first quarter of 2021. There were no gains on sales of property and equipment in the first quarter of 2022.

Sales, general and administrative expense (“SG&A”) primarily consists of salaries and commissions for the sales function, salary and benefit costs for executive and certain administration functions, professional fees, facility costs, bad debt expense and legal costs.

SG&A for the first quarter of 2022 was \$344 million, or 9.9% of revenue, compared with \$338 million, or 11.3% of revenue, for the same quarter in 2021. The year-over-year decrease as a percentage of revenue was primarily driven by lower compensation expense and third-party professional and consulting fees.

Depreciation and amortization expense for the first quarter of 2022 was \$116 million, compared with \$119 million for the same quarter in 2021.

Gain on sale of business was \$450 million, net of transaction costs, for the first quarter of 2022 as we sold our North American intermodal operation. For more information, see Note 3—Divestiture to our Condensed Consolidated Financial Statements.

Transaction and integration costs for the first quarter of 2022 were \$10 million, compared with \$5 million for the same quarter in 2021. Transaction and integration costs for the first three months of 2022 and 2021 are primarily comprised of third-party professional fees related to strategic initiatives, including the spin-offs and other disposal activities, as well as retention awards paid to certain employees.

Restructuring costs for the first quarter of 2022 were \$6 million, compared with \$1 million for the same quarter in 2021. We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and other disposal activities. For more information, see Note 6—Restructuring Charges to our Condensed Consolidated Financial Statements. We may incur incremental restructuring costs in 2022 in connection with the planned spin-off of our North American brokered transportation operation or for other reasons; however, we are currently unable to reasonably estimate these costs.

Other income primarily consists of pension income. Other income for the first quarter of 2022 was \$14 million, compared with \$16 million for the same quarter in 2021.

Debt extinguishment loss was \$8 million for the first quarter of 2021 and related to the write-off of debt issuance costs for the redemption of our outstanding senior notes due 2022, as well as costs incurred related to the amendment of our term loan credit agreement. There was no debt extinguishment loss in the first quarter of 2022.

Interest expense decreased to \$37 million for the first three months of 2022 from \$65 million for the first three months of 2021. The decrease in interest expense reflected lower average total indebtedness in the first quarter of 2022.

Our effective income tax rates were 18.8% and 23.0% for the first three months of 2022 and 2021, respectively. The effective tax rates for the first quarter of 2022 and 2021 were based on forecasted full-year effective tax rates, adjusted for discrete items that occurred within the periods presented. The primary items impacting the effective tax rate for the first three months of 2022 compared to the same quarter in 2021 included a tax expense of \$78 million from the sale of our North American intermodal operation, which resulted in a reduction to our effective tax rate due to the book gain exceeding the tax gain, as well as a tax benefit of \$2 million from stock-based compensation. The primary item impacting the effective tax rate for the first quarter of 2021 was a tax benefit of \$3 million from stock-based compensation.

## Segment Financial Results

Our chief operating decision maker (“CODM”) regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. Our CODM evaluates segment profit based on adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”), which we define as income from continuing operations before debt extinguishment loss, interest expense, income tax, depreciation and amortization expense, gain on sale of business, transaction and integration costs, restructuring costs and other adjustments. See Note 4—Segment Reporting for further information and a reconciliation of adjusted EBITDA to Income from continuing operations.

### North American Less-Than-Truckload Segment

(Dollars in millions)	Three Months Ended March 31,		Percent of Revenue		Change
	2022	2021	2022	2021	2022 vs. 2021
<b>Revenue</b>	\$ 1,105	\$ 962	100.0 %	100.0 %	14.9 %
<b>Adjusted EBITDA</b>	205	214	18.5 %	22.2 %	(4.2)%
<b>Depreciation and amortization expense</b>	55	55	5.0 %	5.7 %	— %

Revenue in our North American LTL segment increased 14.9% to \$1.1 billion for the first quarter of 2022, compared with \$962 million for the same quarter in 2021. Revenue included fuel surcharge revenue of \$207 million and \$135 million, respectively, for the first three months of 2022 and 2021.

We evaluate the revenue performance of our LTL business using several commonly used metrics, including volume (weight per day in pounds) and yield, which is a commonly used measure of LTL pricing trends. We measure yield using gross revenue per hundredweight excluding fuel surcharges. Impacts on yield can include weight per shipment and length of haul, among other factors. The following table summarizes our key revenue metrics:

	Three Months Ended March 31,		
	2022	2021	Change %
Pounds per day (thousands)	70,176	70,730	(0.8)%
Gross revenue per hundredweight, excluding fuel surcharges	\$ 20.76	\$ 19.11	8.7 %

The year-over-year increase in revenue for the first quarter of 2022 reflects an increase in gross revenue per hundredweight. The decrease in weight per day for the first quarter reflects lower shipments per day, partially offset by higher weight per shipment.

Adjusted EBITDA was \$205 million, or 18.5% of revenue, for the first three months of 2022, compared with \$214 million, or 22.2% of revenue, for the same quarter in 2021. Adjusted EBITDA for the first quarter of 2021 included \$17 million of gains from real estate transactions. There were no gains from real estate transactions in the first quarter of 2022. Additionally, adjusted EBITDA in the first quarter of 2022 reflected higher revenue, partially offset by increased compensation costs, purchased transportation expense and fuel costs incurred to meet growing demand.

### Brokerage and Other Services Segment

(Dollars in millions)	Three Months Ended March 31,		Percent of Revenue		Change
	2022	2021	2022	2021	2022 vs. 2021
<b>Revenue</b>	\$ 2,432	\$ 2,071	100.0 %	100.0 %	17.4 %
<b>Adjusted EBITDA</b>	164	125	6.7 %	6.1 %	31.2 %
<b>Depreciation and amortization expense</b>	60	60	2.5 %	2.9 %	— %

Revenue in our Brokerage and Other Services segment increased 17.4% to \$2.4 billion for the first quarter of 2022, compared with \$2.1 billion for the same quarter in 2021. The year-over-year revenue increase for the first three

months of 2022 primarily reflected an increase in North American truck brokerage loads, facilitated by our digital platform, as well as strength in other services. Foreign currency movement reduced revenue by approximately 1.7 percentage points in the first quarter of 2022.

Adjusted EBITDA was \$164 million, or 6.7% of revenue, for the first three months of 2022, compared with \$125 million, or 6.1% of revenue, for the same quarter in 2021. The increase was primarily driven by higher revenue due to load growth in North American truck brokerage and strong pricing in other brokerage services, partially offset by higher third-party transportation and compensation costs.

### **Liquidity and Capital Resources**

Our cash and cash equivalents balance was \$1.0 billion as of March 31, 2022, compared to \$260 million as of December 31, 2021. Our principal existing sources of cash are (i) cash generated from operations; (ii) borrowings available under our Second Amended and Restated Revolving Loan Credit Agreement, as amended (the “ABL Facility”); (iii) proceeds from the issuance of other debt; and (iv) proceeds from divestiture activities. As of March 31, 2022, we have \$996 million available to draw under our ABL Facility, based on a borrowing base of \$1.0 billion and outstanding letters of credit of \$4 million. Additionally, we have a \$200 million uncommitted secured evergreen letter of credit facility, under which we have issued \$185 million in aggregate face amount of letters of credit as of March 31, 2022.

As of March 31, 2022, we had approximately \$2.0 billion of total liquidity. We continually evaluate our liquidity requirements in light of our operating needs, growth initiatives and capital resources. We believe that our existing liquidity and sources of capital are sufficient to support our operations over the next 12 months.

### **Trade Receivables Securitization and Factoring Programs**

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We also sell trade accounts receivable under our securitization program. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers. For more information, see Note 1—Organization, Description of Business and Basis of Presentation to our Condensed Consolidated Financial Statements.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is €200 million (approximately \$221 million as of March 31, 2022). As of March 31, 2022, €1 million (approximately \$1 million) was available under the program, subject to having sufficient receivables available to sell and with consideration to amounts previously purchased.

Under the program, we service the receivables we sell on behalf of the Purchasers, which gives us visibility into the timing of customer payments. The benefit to our cash flow includes the difference between the cash consideration in the table below and the amount we collected as a servicer on behalf of the Purchasers. In the first three months of 2022 and 2021, we collected cash as servicer of \$464 million and \$341 million, respectively.

### **Term Loan Facilities**

In the first quarter of 2021, we amended our Senior Secured Term Loan Credit Agreement (the “Term Loan Credit Agreement”) and recorded a debt extinguishment loss of \$3 million.

### **Senior Notes Due 2025**

In March 2022, we provided notice to redeem \$630 million (“Redeemed Notes”) of the \$1.15 billion principal amount of our outstanding 6.25% senior notes due 2025. The redemption price for the Redeemed Notes was 100% of the principal amount plus a premium as defined in the indenture and accrued and unpaid interest. In April 2022, we completed the redemption of the Redeemed Notes using available liquidity. The loss on debt extinguishment of approximately \$26 million will be reflected in the second quarter of 2022 results of operations.

### **Senior Notes Due 2022**

In January 2021, we redeemed our outstanding 6.50% senior notes due 2022. The redemption price for the notes was 100% of the principal amount, plus accrued and unpaid interest. We paid for the redemption with available cash. We recorded a debt extinguishment loss of \$5 million in the first quarter of 2021 due to this redemption.

### **Preferred Stock and Warrant Exchanges**

Commencing in the fourth quarter of 2020, holders of our convertible preferred stock and warrants exchanged their holdings for our common stock or a combination of our common stock and cash. These exchanges were intended to simplify our equity capital structure, including in contemplation of the spin-off of our Logistics segment. In the first quarter of 2021, 975 preferred shares were exchanged, and we issued 0.1 million shares of common stock and 9.8 million warrants were exchanged, and we issued 9.2 million shares of common stock.

### **Share Repurchases**

In February 2019, our Board of Directors authorized repurchases of up to \$1.5 billion of our common stock. Our share repurchase authorization permits us to purchase shares in both the open market and in private transactions, with the timing and number of shares dependent on a variety of factors, including price, general business conditions, market conditions, alternative investment opportunities and funding considerations. We are not obligated to repurchase any specific number of shares and may suspend or discontinue the program at any time.

There have been no share repurchases since the first quarter of 2020. Our remaining share repurchase authorization was \$503 million as of March 31, 2022.

### **Loan Covenants and Compliance**

As of March 31, 2022, we were in compliance with the covenants and other provisions of our debt agreements. Any failure to comply with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

### **Sources and Uses of Cash**

<i>(In millions)</i>	Three Months Ended March 31,	
	2022	2021
Net cash provided by operating activities from continuing operations	\$ 200	\$ 77
Net cash provided by (used in) investing activities from continuing operations	571	(38)
Net cash used in financing activities from continuing operations	(24)	(1,464)

During the three months ended March 31, 2022, we: (i) generated cash from operating activities from continuing operations of \$200 million and (ii) generated net proceeds from sale of a business of \$705 million. We used cash during this period primarily to purchase property and equipment of \$137 million.

During the three months ended March 31, 2021, we: (i) generated cash from operating activities from continuing operations of \$77 million and (ii) generated proceeds from sales of property and equipment of \$36 million. We used cash during this period primarily to: (i) purchase property and equipment of \$74 million; (ii) redeem our senior notes due 2022 for \$1.2 billion; and (iii) repay our ABL Facility borrowings of \$200 million.

Cash flows from operating activities from continuing operations for the three months ended March 31, 2022 increased by \$123 million, compared with the same period in 2021. The increase reflects higher income from continuing operations of \$426 million for the three months ended March 31, 2022, compared with the same period in 2021, and the impact of operating assets and liabilities providing \$36 million of cash in the first three months of 2022, compared to utilizing \$112 million during the same period in 2021. Partially offsetting these impacts was a \$450 million gain on sale of business recognized during the three months ended March 31, 2022. Within operating assets and liabilities, accounts payable generated \$332 million more cash while accounts receivable utilized \$207 million more cash in the first quarter of 2022 compared to the same period in 2021 as a result of higher revenues and timing of payments.

Investing activities from continuing operations generated \$571 million of cash in the three months ended March 31, 2022 and used \$38 million of cash in the three months ended March 31, 2021. During the three months ended March 31, 2022, we received \$705 million of cash from the sale of our intermodal operation, net of cash disposed, and used \$137 million to purchase property and equipment. During the three months ended March 31, 2021, we used

\$74 million of cash to purchase property and equipment and received \$36 million from sales of property and equipment.

Financing activities from continuing operations used \$24 million of cash in the three months ended March 31, 2022 and \$1.5 billion of cash in the three months ended March 31, 2021. The primary uses of cash from financing activities during the first three months of 2022 were \$16 million used to repay borrowings. The primary uses of cash from financing activities during the three months ended March 31, 2021 were \$1.2 billion used to redeem the senior notes due 2022 and \$200 million used to repay borrowings under our ABL Facility.

Except for the notice of our intent to redeem a portion of our senior notes due 2025 as described above, there were no material changes to our December 31, 2021 contractual obligations during the three months ended March 31, 2022. We anticipate full year net capital expenditures to be between \$425 million and \$475 million in 2022 (without giving effect to the planned spin-off and other dispositions).

#### ***New Accounting Standards***

Information related to new accounting standards is included in Note 1—Organization, Description of Business and Basis of Presentation to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

#### **Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

We are exposed to market risk related to changes in interest rates, foreign currency exchange rates and commodity risk. There have been no material changes to our quantitative and qualitative disclosures about market risk related to our continuing operations during the three months ended March 31, 2022, as compared with the quantitative and qualitative disclosures about market risk described in our Annual Report on Form 10-K for the year ended December 31, 2021.

#### **Item 4. Controls and Procedures.**

##### **Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2022. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures as of March 31, 2022 were effective as of such time such that the information required to be included in our Securities and Exchange Commission (“SEC”) reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including our consolidated subsidiaries; and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

##### **Changes in Internal Control Over Financial Reporting**

There have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **Part II—Other Information**

##### **Item 1. Legal Proceedings.**

For information related to our legal proceedings, refer to “Legal Proceedings” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 and Note 10—Commitments and Contingencies of Item 1, “Financial Statements” of this Quarterly Report on Form 10-Q.

##### **Item 1A. Risk Factors.**

There are no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, except as set forth below.

***The announced spin-off and sale or listing of our European business are contingent upon the satisfaction of a number of conditions, may not be completed on the currently contemplated timeline, or at all, and may not achieve the intended benefits.***

On March 8, 2022, we announced that our Board of Directors had approved a plan to pursue the strategic spin-off of our tech-enabled brokered transportation platform in North America as a publicly traded company and pursue two divestitures, including the sale or listing of our European business. Completion of the announced spin-off, as well as the timing of completion, is subject to a number of conditions, including the effectiveness of a Form 10 registration statement, receipt of a tax opinion from counsel, the refinancing of our debt on terms satisfactory to our Board of Directors, and final approval by our Board of Directors. These transactions are complex in nature and may be affected by unanticipated developments or changes in market conditions. There is the potential for business disruption and significant separation costs. These or other unanticipated developments or costs could delay or prevent the announced transactions, or cause the announced transactions to occur on terms or conditions that are less favorable than anticipated. Furthermore, if the transactions are completed, there is no guarantee that they will be successful in meeting their objectives or achieving their intended benefits. Any of these factors could have a material adverse effect on our business and results of operations.

**Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.***

None.

**Item 3. *Defaults upon Senior Securities.***

None.

**Item 4. *Mine Safety Disclosures.***

Not applicable.

**Item 5. *Other Information.***

None.

**Item 6. Exhibits.**

Exhibit Number	Description
10.1+*	<a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan)</a>
10.2+*	<a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan)</a>
31.1 *	<a href="#">Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022.</a>
31.2 *	<a href="#">Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022.</a>
32.1 **	<a href="#">Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022.</a>
32.2 **	<a href="#">Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022.</a>
101.INS *	<i>XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.</i>
101.SCH *	<i>XBRL Taxonomy Extension Schema.</i>
101.CAL *	<i>XBRL Taxonomy Extension Calculation Linkbase.</i>
101.DEF *	<i>XBRL Taxonomy Extension Definition Linkbase.</i>
101.LAB *	<i>XBRL Taxonomy Extension Label Linkbase.</i>
101.PRE *	<i>XBRL Taxonomy Extension Presentation Linkbase.</i>
104 *	<i>Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).</i>
*	Filed herewith.
**	Furnished herewith.
+	This exhibit is a management contract or compensatory plan or arrangement.

**SIGNATURES**

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 thereunto duly authorized.

XPO LOGISTICS, INC.

By: /s/ Brad Jacobs  
Brad Jacobs  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Ravi Tulsyan  
Ravi Tulsyan  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 10, 2022



PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE XPO LOGISTICS, INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as  
of March 7, 2022 (the “Grant Date”) between XPO LOGISTICS, INC., a Delaware corporation (the  
“Company”), and [Name].

This Performance-Based Restricted Stock Unit Award Agreement (this “Award Agreement”) sets forth the terms and conditions of an award of performance-based restricted stock units with respect to a target number of shares (the “Target Amount”) of the Company’s Common Stock, \$0.001 par value (“Share”) equal to [●] restricted stock units (this “Award”), that is subject to the terms and conditions specified herein (each such restricted stock unit, an “RSU”) and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (the “Plan”). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, Shares or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement, including the provisions of Section 6(e) of the Plan. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

“Cause” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board of Directors of the Company.

“Determination Date” means, with respect to each Performance Period, the date following the completion of such Performance Period on which the Committee certifies the level of achievement of the applicable Performance Goals, which shall be no later than March 10 immediately following the Performance Period.

“Earned Amount” means the number of RSUs earned with respect to the Award based on the level of achievement of the Financial Performance Goals or otherwise in accordance with this Award Agreement.

“Employment Agreement” means any individual employment agreement, change in control and severance agreement, or confidential information protection agreement between you and the Company or any of its Subsidiaries.

“Financial Performance Goal” means the financial performance goals applicable to the Award as set forth in Exhibit A.

“Gating Performance Goal” means the completion of a distribution to shareholders of the Company of 80% or more of the common stock of a subsidiary of the Company that holds the Company’s North America Transport business (which may include, at the discretion of the Board, all or any combination of the Company’s Brokerage, Expedite, Managed Transportation, Global Forwarding, Intermodal and Drayage, and Last Mile business lines) that occurs on or prior to December 31, 2022. Such distribution is referred to herein as the “NAT Spinoff”.

“Good Reason” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Performance Period” means calendar year 2022.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

“Settlement Date” means on, or as soon as reasonably practicable (and in any event no later than ten (10) calendar days) following, the later of the date on which the Award becomes vested in accordance with Section 3 of this Award Agreement and the Determination Date; provided that with respect to any portion of the Award that becomes vested on your termination of employment pursuant to Section 3(b) or Section 3(c) of this Award Agreement, the Settlement Date shall not be later than the March 15 immediately following the calendar year during which your termination of employment occurred.

“Vesting Date” means [December 31, 2023]<sup>1</sup>[the third anniversary of the Grant Date].<sup>2</sup>

### SECTION 3. Vesting and Settlement.

(a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, the Earned Amount, determined based on the level of achievement of the Financial Performance Goals during the Performance Period as certified by the Committee, shall vest on the Vesting Date contingent upon (i) the completion of the Gating Performance Goal during the Performance Period and (ii) your continued employment through the Vesting Date (except as otherwise provided in Sections 3(b) (i) and 3(c)). Except as otherwise provided in this Award Agreement, no RSUs shall be earned and payable with respect to the Award unless the Committee has certified the level of achievement of the Financial Performance Goals. The Committee shall have sole discretion to determine the level of achievement of the Financial Performance Goals. If the Gating Performance Goal is not achieved during the Performance Period then, upon the last day of the Performance Period, 100% of the RSUs granted pursuant to this Award Agreement shall be forfeited, regardless of the level of achievement of the Financial Performance Goals.

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<sup>1</sup> Brad Jacobs and Mario Harik

<sup>2</sup> Mario Harik and Ravi Tulsyan

(b) Termination of Employment. Notwithstanding anything to the contrary in this Award Agreement or the Plan to the contrary but subject to Section 3(c), all unvested RSUs will be forfeited upon your termination of employment for any reason prior to the end of the Performance Period, except that:

(i) if your employment terminates by reason of your death, you shall vest in (A) if your termination of employment occurs prior to the Determination Date, the Target Amount of RSUs or (B) if your termination of employment occurs after the Determination Date, the Earned Amount of RSUs;

(ii) if your employment is involuntarily terminated by the Company without Cause (and other than due to your Disability), either (A) if your termination of employment occurs during the Performance Period, then a prorated portion of the Target Amount of RSUs, with proration based on a fraction, the numerator of which is the number of days from the first day of such Performance Period through your termination of employment and the denominator of which is the total number of days in such Performance Period, will remain outstanding and eligible to vest and will vest if and when the Gating Performance Goal is achieved or will be forfeited on the last day of the Performance Period if the Gating Performance Goal has not been achieved or (B) if your termination of employment occurs after the end of the Performance Period and the Gating Performance Goal has been achieved during the Performance Period, then the Earned Amount of the RSUs will vest in full, which vesting shall occur on the date of your termination of employment (or, if later, the Determination Date). Any RSUs that are outstanding on the date of your involuntary termination of employment without Cause (other than due to your Disability) that do not become vested pursuant to this Section 3(b)(ii) shall be forfeited.

(c) Change of Control. If a Change of Control occurs during the Performance Period and while the Award remains outstanding, then (i) the Gating Performance Goal shall be deemed achieved upon the occurrence of the Change of Control and (ii) the Earned Amount of RSUs shall be determined upon the completion of the Change of Control and shall be deemed to be equal to the greater of (A) the Target Amount of RSUs and (B) the amount of RSUs that would be earned based on the actual level of achievement of the Financial Performance Goals through the latest practicable date prior to the date of the Change of Control as determined by the Committee. Upon a Change of Control that occurs prior to the Vesting Date, if you remain employed at the time of such Change of Control, the Earned Amount of the RSUs as determined pursuant to this Section 3(c) (including any RSUs replaced in compliance with Section 8(b) of the Plan) shall remain outstanding and unvested, and shall continue to vest in accordance with the time-based vesting conditions set forth in Section 3(a), subject to your continued employment through the Vesting Date, or shall vest upon your earlier termination of employment (1) due to your death, (2) due to an involuntary termination by the Company without Cause (and other than due to your Disability), or (iii) solely during the two-year period commencing on the date of the Change in Control, due to your resignation for Good Reason. Or, if such RSUs are not replaced in compliance with Section 8(b) of the Plan or your employment was terminated without Cause (other than due to your Disability) prior to the Change of Control, the Earned Amount of the RSUs as determined pursuant to this Section 3(c) shall vest immediately upon the completion of the Change of Control.

(d) Settlement of RSU Award. If RSUs vest pursuant to the foregoing provisions of this Section 3, then no later than the applicable Settlement Date, the Company shall deliver to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU that has been deemed earned and vested based on the Earned Amount in accordance with the

terms of this Award Agreement; provided, that the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

(e) [For all purposes of this Award Agreement, after you cease to be an employee of the Company, references to “employment” in this Award Agreement shall refer to, if applicable, your continued service on the Board as a non-employee director; provided that, after you cease to be an employee of the Company, (i) if you are removed from the Board without cause (as defined in your Employment Agreement excluding clauses (i) and (ii) thereof) or (ii) if you are not nominated for election to the Board or you are nominated for election but not re-elected to the Board, your cessation of service on the Board shall be treated as a termination of employment without Cause by the Company for purposes of this Award Agreement.]<sup>3</sup>

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including any Employment Documents and the confidentiality covenant contained in Section 10(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a 15-day cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding, Consents and Legends.

(a) Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on satisfaction of any applicable withholding taxes in accordance with this Section 7(a) and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. In the event that there is withholding tax liability in connection with the settlement of the RSUs, if authorized by the Committee in its sole discretion, you may satisfy, in whole or in part, any withholding tax liability by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth

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<sup>3</sup> Brad Jacobs

in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(c) Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. Notwithstanding any provision in your Employment Documents, you and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan.

(c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 10, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 11. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company:	XPO Logistics, Inc. Five American Lane Greenwich, CT 06831 Attention: Chief Human Resources Officer
If to you:	To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words "include," "includes" or "including" are used in this Award Agreement, they shall be deemed to be followed by the words "but not limited to". The term "or" is not exclusive.

SECTION 14. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 15(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement comply with Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates.

(c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest (except as otherwise provided in your Employment Documents), on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulations Section 1.409A-2(b)(2) (iii).

(d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

SECTION 16. Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by “pdf”) shall be deemed effective for all purposes.

SECTION 17. Securities Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company’s preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the “Trade Monitoring Policy”). The Company’s preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company’s preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

SECTION 18. [Replacement of Cash LTI Award].<sup>4</sup> Reference is made to the Cash Long-Term Incentive Award Agreement, dated as of July 31, 2020, between the Company and you (the “Cash LTI Award Agreement”) pursuant to which a cash long-term incentive award (the “Cash LTI Award”) was granted to you. Capitalized terms used and not defined in this Section 18 have the meanings given to such terms in the Cash LTI Award Agreement. This Award is intended to serve as a replacement for [50%]<sup>5</sup>[100%]<sup>6</sup> of the Target Amount of the 2022 Tranche of the Cash LTI Award (such amount, the “Replaced Amount”). Accordingly, as an express condition to receipt of this Award, you hereby acknowledge and agree that you are forfeiting the Replaced Amount in its entirety and, accordingly, the Target Amount of the 2022 Tranche of the

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<sup>4</sup> Brad Jacobsn and Mario Harik

<sup>5</sup> Brad Jacobs

<sup>6</sup> Mario Harik

Cash LTI Award is hereby [reduced by the amount of the Replaced Amount]<sup>7</sup>[eliminated].<sup>8</sup> The Cash LTI Award Agreement shall be deemed amended to reflect the foregoing provisions of this Section 18.]

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement as of the date first written above.

XPO LOGISTICS, INC.

by

/s/ Josephine Berisha

Name: Josephine Berisha

Title: Chief Human Resources  
Officer

[PARTICIPANT]

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<sup>7</sup> Brad Jacobs  
<sup>8</sup> Mario Harik



## LTL -- Exhibit A

### Performance Goals

- (1) **Performance Goals.** The metrics for the Financial Performance Goals shall be (a) LTL Adjusted Operating Ratio Improvement (weighted 50%), and (b) LTL Adjusted EBITDA (weighted 50%). The Financial Performance Goal for each metric is set forth below in this Section 1, unless the Committee shall determine in its discretion to reduce, or adjust the underlying elements of, the applicable Financial Performance Goal based on changes in economic circumstances or government-related mandates that impact the Company's financial metrics, changes in the competitive market, operational or financial changes (including changes in allocation of corporate costs) in connection with the NAT Spinoff, or other factors that materially change the relevance of the metric in the Performance Period. The level of achievement of each Financial Performance Goal shall be measured over the Performance Period.

- a. LTL Adjusted Operating Ratio Improvement (weighted 50%):

- i. **Target Performance Goal** – 100 basis point improvement in the LTL Adjusted Operating Ratio. The payout scale is set forth below.

<b>Payout based on Achievement of Financial Performance Goal</b>	<b>Shares Earned as Percentage of Target*</b>
Below 100 basis points	0%
100 basis points	100% of shares earned
200 basis points	200% of shares earned

\* Linear interpolation shall be applied between each level.

- b. LTL Adjusted EBITDA (weighted 50%).

- i. **Target Performance Goal** – \$1 billion of LTL Adjusted EBITDA for fiscal year 2022. For purposes of measuring this Financial Performance Goal, LTL Adjusted EBITDA attributable to gains on sales of real estate will be capped at \$50 million.

<b>Payout based on Achievement of Financial Performance Goal</b>	<b>Shares Earned as Percentage of Target*</b>
Below \$1 billion	0%
\$1 billion	100% of shares earned
\$1.05 billion	200% of shares earned

\* Linear interpolation shall be applied between each level.

(2) Certain Definitions.

- a. “LTL Adjusted Operating Ratio Improvement” means fiscal year 2022 adjusted operating ratio for the Less-than-Truckload business, less fiscal year 2021 adjusted operating ratio for the Less-than-Truckload business (measured in basis points) where “adjusted operating ratio” is calculated as  $(1 - (\text{Adjusted operating income} / \text{Revenue}))$  and adjusted operating income excludes the impact of gains on the sales of real estate.
- b. “LTL Adjusted EBITDA” means, with respect to fiscal year 2022, earnings for the Less-than-Truckload business before the payments of interest, taxes, depreciation and amortization expenses, in each case calculated in a manner consistent with the Company’s externally reported figures. LTL Adjusted EBITDA shall exclude any contribution in excess of \$50 million from gains on sales of real estate. At the Committee’s discretion, the Committee may make adjustments to this calculation for items that the Committee, in good faith, determines appropriate (including, without limitation, extraordinary gains and extraordinary losses, or costs related to acquired organizations).
- c. “Revenue” means revenue (as calculated in accordance with GAAP) of the Less-than-Truckload business, inclusive of fuel surcharge revenue.

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE XPO LOGISTICS, INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as  
of March 7, 2022 (the “Grant Date”) between XPO LOGISTICS, INC., a Delaware corporation (the  
“Company”), and [Name].

This Performance-Based Restricted Stock Unit Award Agreement (this “Award Agreement”) sets forth the terms and conditions of an award of performance-based restricted stock units with respect to a number of shares of the Company’s Common Stock, \$0.001 par value (“Share”) equal to [●] (this “Award”), that is subject to the terms and conditions specified herein (each such restricted stock unit, an “RSU”) and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (the “Plan”). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, Shares or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement, including the provisions of Section 6(e) of the Plan. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

“Cause” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Employment Agreement” means any individual employment agreement, change in control and severance agreement, or confidential information protection agreement between you and the Company or any of its Subsidiaries.

“Good Reason” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Performance Goal” means the completion of a distribution to shareholders of the Company of 80% or more of the common stock of a subsidiary of the Company that holds the Company’s North America Transport business (which may include, at the discretion of the Board, all or any combination of the Company’s Brokerage, Expedite, Managed Transportation, Global Forwarding, Intermodal and Drayage, and Last Mile business lines) that occurs on or prior to December 31, 2022.

“Performance Period” means calendar year 2022.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

“Settlement Date” means a date that is as soon as reasonably practicable (and in any event within 10 calendar days) following the date, if any, on which the RSUs vest pursuant to Section 3.

### SECTION 3. Vesting and Settlement.

(a) Vesting Requirements. Except as otherwise provided in this Award Agreement, you shall vest in 100% of the RSUs granted pursuant to this Award Agreement on the third anniversary of the Grant Date (the “Vesting Date”) contingent upon (i) the completion of the Performance Goal during the Performance Period and (ii) your continued employment through the Vesting Date (except as otherwise provided in Sections 3(b)(i) and 3(c)). If the Performance Goal is not achieved during the Performance Period then, upon the last day of the Performance Period, 100% of the RSUs granted pursuant to this Award Agreement shall be forfeited.

(b) Termination of Employment. Notwithstanding anything to the contrary in this Award Agreement or the Plan but subject to Section 3(c), all outstanding and unvested RSUs will be forfeited upon your termination of employment for any reason prior to the Vesting Date, except that:

(i) if your employment terminates by reason of your death prior to the Vesting Date, then 100% of the RSUs shall vest immediately; and

(ii) upon your involuntary termination of employment without Cause (and other than due to your Disability) prior to the Vesting Date, either (A) if your termination of employment occurs during the Performance Period and prior to the achievement of the Performance Goal, then 100% of the RSUs will remain outstanding and eligible to vest and will vest in full if and when the Performance Goal is achieved or will be forfeited on the last day of the Performance Period if the Performance Goal has not been achieved or (B) if your termination of employment occurs after the achievement of the Performance Goal, then 100% of the RSUs will immediately vest in full.

(c) Change of Control. If a Change of Control occurs during the Performance Period and while the Award remains outstanding, then the Performance Goal will be deemed achieved upon the occurrence of the Change of Control. If a Change of Control occurs prior to the Vesting Date and if you remain employed at the time of such Change of Control, then all outstanding RSUs (including any RSUs replaced in compliance with Section 8(b) of the Plan) shall remain outstanding and unvested, and shall continue to vest in accordance with the time-based vesting conditions set forth in Section 3(a), subject to your continued employment through the Vesting Date, or shall vest upon your earlier termination of employment (i) due to your death, (ii) due to an involuntary termination by the Company without Cause (and other than due to your Disability), or (iii) due to your resignation for Good Reason. Or, if such RSUs are not replaced in compliance with Section 8(b) of the Plan or your employment was terminated without Cause (other than due to your Disability) prior to the Change of Control, such RSUs shall vest immediately upon the occurrence of the Change of Control.

(d) Settlement of RSU Award. If RSUs vest pursuant to the foregoing provisions of this Section 3, then no later than the applicable Settlement Date, the Company shall deliver to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU

that has been deemed earned and vested in accordance with the terms of this Award Agreement; provided, that the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including your Employment Agreement and the confidentiality covenant contained in Section 10(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a 15-day cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding, Consents and Legends.

(a) Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on satisfaction of any applicable withholding taxes in accordance with this Section 7(a) and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. In the event that there is withholding tax liability in connection with the settlement of the RSUs, if authorized by the Committee in its sole discretion, you may satisfy, in whole or in part, any withholding tax liability by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(c) Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. Notwithstanding any provision in your Employment Agreement, you and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan.

(c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 10, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 11. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three business days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company: XPO Logistics, Inc.  
Five American Lane  
Greenwich, CT 06831  
Attention: Chief Human Resources Officer

If to you: To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words "include," "includes" or "including" are used in this Award Agreement, they shall be deemed to be followed by the words "but not limited to". The term "or" is not exclusive.

SECTION 14. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 15(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancelation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement comply with Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates.

(c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required

to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest (except as otherwise provided in your Employment Agreement), on the first business day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

SECTION 16. Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes.

SECTION 17. Section 280G. Notwithstanding anything in this Award Agreement to the contrary and regardless of whether this Award Agreement has otherwise expired or terminated, unless otherwise provided in your Employment Agreement, in the event that any payments, distributions, benefits or entitlements of any type payable to you ("CIC Benefits") (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your CIC Benefits shall be reduced to such lesser amount (the "Reduced Amount") that would result in no portion of such benefits being subject to the Excise Tax; provided that such amounts shall not be so reduced if the Company determines, based on the advice of Golden Parachute Tax Solutions LLC, or such other nationally recognized certified public accounting firm as may be designated by the Company (the "Accounting Firm"), that without such reduction you would be entitled to receive and retain, on a net after tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code), an amount that is greater than the amount, on a net after tax basis, that you would be entitled to retain upon receipt of the Reduced Amount. Unless the Company and you otherwise agree in writing, any determination required under this Section 17 shall be made in writing in good faith by the Accounting Firm. In the event of a reduction of benefits hereunder, benefits shall be reduced by first reducing or eliminating the portion of the CIC Benefits that are payable under this Award Agreement and then by reducing or eliminating the portion of the CIC Benefits that are payable in cash and then by reducing or eliminating the non-cash portion of the CIC Benefits, in each case, in reverse order beginning with payments or benefits which are to be paid the furthest in the future. For purposes of making the calculations required by this Section 17, the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably require in order to make a determination under this Section 17, and the Company shall bear the cost of all fees the Accounting Firm charges in connection with any calculations contemplated by this Section 17. In connection with making determinations under this Section 17, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered



by you before or after the Change of Control, including any non-competition provisions that may apply to you and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

SECTION 18. Securities Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company's preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the "Trade Monitoring Policy"). The Company's preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company's preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

The parties have duly executed this Award Agreement as of the date first written above.

XPO Logistics, INC.

By

/s/ Josephine Berisha

Name: Josephine Berisha

Title: Chief Human Resources Officer

[PARTICIPANT]

## CERTIFICATION

I, Brad Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of XPO Logistics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brad Jacobs

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Brad Jacobs  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 10, 2022

## CERTIFICATION

I, Ravi Tulsyan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of XPO Logistics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ravi Tulsyan

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Ravi Tulsyan  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 10, 2022

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**

**Pursuant to 18 U.S.C. Section 1350  
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of XPO Logistics, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brad Jacobs

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Brad Jacobs

Chief Executive Officer

(Principal Executive Officer)

Date: May 10, 2022

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

**Pursuant to 18 U.S.C. Section 1350  
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of XPO Logistics, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ravi TulSYan

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Ravi TulSYan

Chief Financial Officer

(Principal Financial Officer)

Date: May 10, 2022