



# Investor Overview

Q2 2023

August 2023





# Forward-looking statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to our full year 2023 expectations of gross capex, interest expense, pension income, effective tax rate, and diluted share count, and future financial targets of North American LTL revenue CAGR, adjusted EBITDA CAGR, adjusted operating ratio improvement, and return on invested capital (ROIC). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC, and the following: the effects of business, economic, political, legal, and regulatory impacts or conflicts upon our operations; supply chain disruptions, the global shortage of certain components such as semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages; our ability to align our investments in capital assets, including equipment, service centers, and warehouses and other network facilities, to our customers’ demands; our ability to implement our cost and revenue initiatives; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to benefit from a sale or other divestiture of one or more business units; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired and spun-off companies; goodwill impairment, including in connection with a business unit sale or other divestiture; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; the expected benefits of the spin-off of RXO, Inc.; the impact of the prior spin-offs of GXO Logistics, Inc. and RXO, Inc. on the size and business diversity of our company; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters; litigation; risks associated with our self-insured claims; governmental or political actions; and competition and pricing pressures.

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

# Non-GAAP financial measures

This presentation contains non-GAAP financial measures. For a description of these non-GAAP financial measures, including a reconciliation to the most comparable measure under GAAP, see the Appendix to this presentation.

# Second quarter 2023 highlights

## Delivering solid results

**\$1.9 billion of revenue**

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**\$244 million of adjusted EBITDA**

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**\$0.71 adjusted diluted earnings per share**

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**LTL adjusted operating ratio of 87.6%, 200 bps sequential improvement from Q1'23**

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**LTL shipments per day up 1.9% YoY**

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**LTL damage claims ratio of 0.7% improved from 0.9% in Q2'22**

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**\$131 million of capital expenditures**

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**Significant service improvements drove an increase in shipments and accelerated yield growth**

Refer to "Financial Reconciliations" and "Non-GAAP Financial Measures" sections in Appendix for related information

# Second quarter 2023 performance

|  |                |
|--|----------------|
| <b>REVENUE</b>   | \$1.92 billion |
| <b>NET INCOME<sup>1</sup></b>                          | \$31 million   |
| <b>DILUTED EARNINGS PER SHARE<sup>2</sup></b>          | \$0.27         |
| <b>ADJUSTED NET INCOME<sup>1</sup></b>                 | \$83 million   |
| <b>ADJUSTED DILUTED EPS<sup>2</sup></b>                | \$0.71         |
| <b>ADJUSTED EBITDA</b>                                 | \$244 million  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES<sup>3</sup></b> | \$131 million  |
| <b>FREE CASH FLOW</b>                                  | \$5 million    |

<sup>1</sup> Net income from continuing operations attributable to common shareholders

<sup>2</sup> Diluted earnings from continuing operations per share

<sup>3</sup> Net cash provided by operating activities from continuing operations

Refer to "Financial Reconciliations" and "Non-GAAP Financial Measures" sections in Appendix for related information

## BY SEGMENT

### NORTH AMERICAN LTL

|                          |                |
|--------------------------|----------------|
| REVENUE                  | \$1.14 billion |
| ADJUSTED EBITDA          | \$208 million  |
| ADJUSTED OPERATING RATIO | 87.6%          |

### EUROPEAN TRANSPORTATION

|                 |               |
|-----------------|---------------|
| REVENUE         | \$781 million |
| ADJUSTED EBITDA | \$46 million  |

# Why invest in XPO?

**1**

An LTL leader in a bedrock industry with disciplined pricing and deep competitive moat

**2**

Critical nationwide LTL network coverage, with in-house sources of capacity

**3**

Data-driven levers of profit growth embedded in proprietary technology

**4**

High-ROIC business with compelling outlook and well-defined growth strategy

**5**

Results-oriented leaders with long history of transforming operations

**LTL growth, profitability and efficiency targets  
2021-2027**

**Revenue CAGR of 6% to 8%**

**Adjusted EBITDA CAGR of 11% to 13%**

**Adjusted operating ratio improvement of at least 600 bps**

Note: Targets are for North American LTL only and assume 8% to 12% gross capex as a percent of revenue, on average, over the next several years  
Refer to "Non-GAAP Financial Measures" section in Appendix for related information

# Strong position in North American LTL







# A leading carrier in a compelling industry

## 6% North American LTL industry revenue CAGR

- \$59 billion bedrock industry for the US economy; with 77% of share held by top 10 LTL players
- Diverse demand across verticals, with secular growth drivers
- Attractive pricing environment, with industry pricing positive YoY each year for over a decade
- Strong service quality is key gating factor for share gains
- Industry service center capacity has stayed nearly flat for a decade, while demand had trended up<sup>1</sup>

Sources: Third-party research; company filings

Note: revenue CAGR is for period 2010-2022

<sup>1</sup> US service centers, includes ARCB, FDX, ODFL, SAIA, XPO and YELL; total number of service centers includes zones with doors

**XPO**

# A major player in the supply-chain ecosystem



**\$4.6 billion**  
annual revenue

**8%**  
2022 industry share

**9%**  
2022 revenue allocated  
to gross capex

**34%**  
return on invested capital

**27,000**  
customers served

**620 million**  
linehaul miles run  
per year

**>12 million**  
shipments per year

**18 billion**  
pounds of freight  
per year

**22,000**  
employees

**13,000**  
drivers

**30,000**  
trailers

**294**  
service centers

Note: Company data for North American LTL segment as of December 31, 2022, unless otherwise noted; employees, drivers, trailers, and service centers are as of June 30, 2023. Refer to "Financial Reconciliations" and "Non-GAAP Financial Measures" sections in Appendix for related information

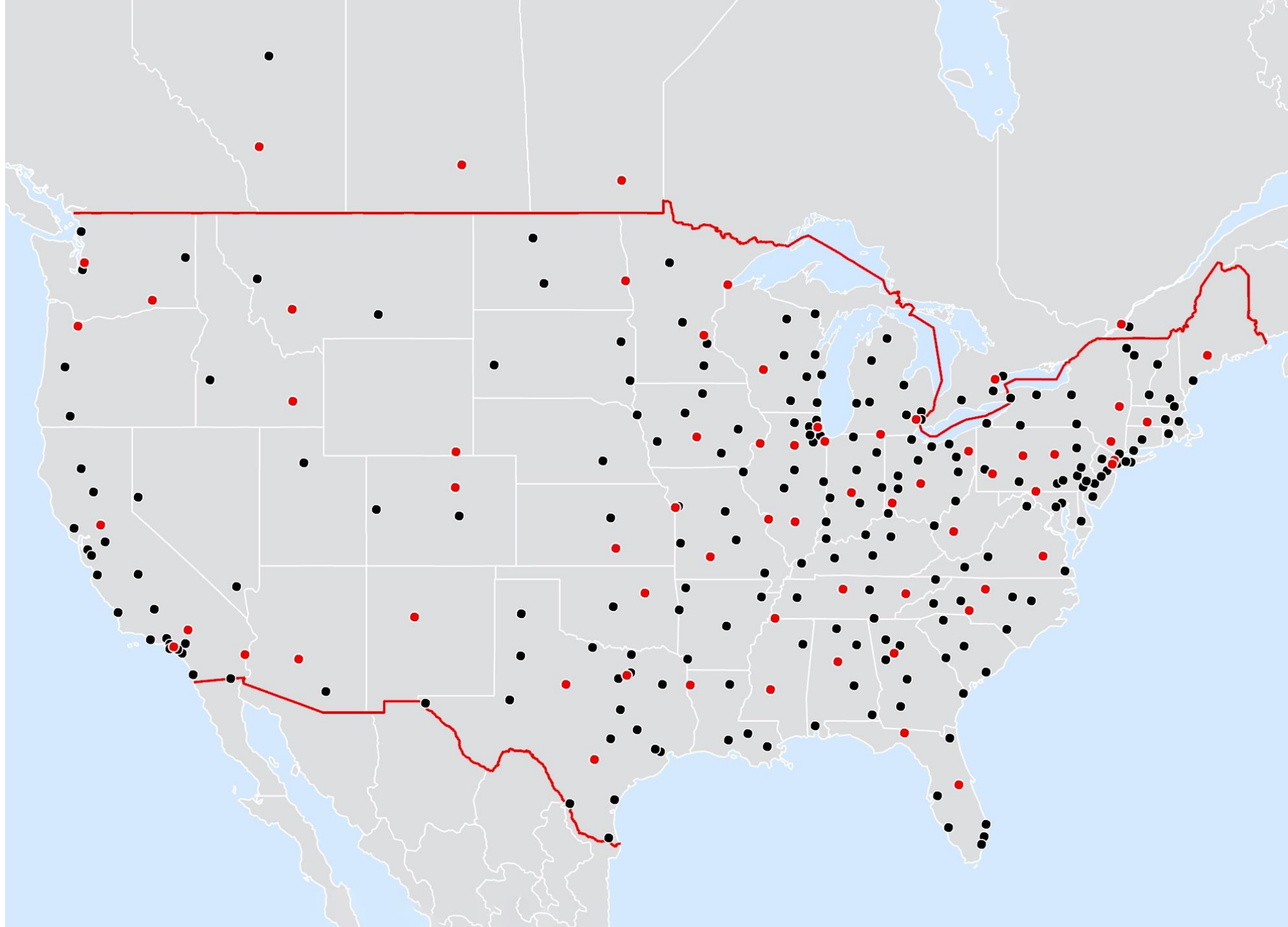




# Expansive network covering 99% of US zip codes

- Service Centers
- Freight Assembly Centers

- 294 service centers
- Cross-border and offshore capabilities
- Strategic investments in high-demand markets



# Strategic mix of blue-chip and local customers



**27,000**

customers as of  
December 31, 2022

**2% revenue**

from largest customer, low  
concentration risk

**16-year**

average tenure of top 10  
customers

# LTL growth plan and levers





# Strong momentum in executing LTL 2.0 growth plan

## ▶ Provide best-in-class service

- Building a best-in-class service organization
  - Incentivizing employees to drive service quality
  - Improved Q2'23 damage claims ratio to 0.7% from 1.2% at launch of LTL 2.0
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## ▶ Invest in network for the long-term

- Expanding linehaul fleet with tractors and in-house trailer manufacturing
  - Adding new doors in capacity-constrained markets
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## ▶ Accelerate yield growth

- Leveraging service excellence to earn higher contractual pricing
  - Growing share of higher-yielding local channel
  - Expanding accessorial revenue from value-added services
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## ▶ Drive cost efficiencies

- Insourcing more linehaul miles: reduced Q2'23 outsourced miles by ~400 bps YoY
- Improving productivity of pickup-and-delivery and dock operations

# 11% to 13% adjusted EBITDA CAGR in North American LTL 2021-2027

## Expected components and contributions

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Combination of volume gains + pricing over inflation

▶ 6% to 7%

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Operating costs optimized through technology

▶ 3% to 4%

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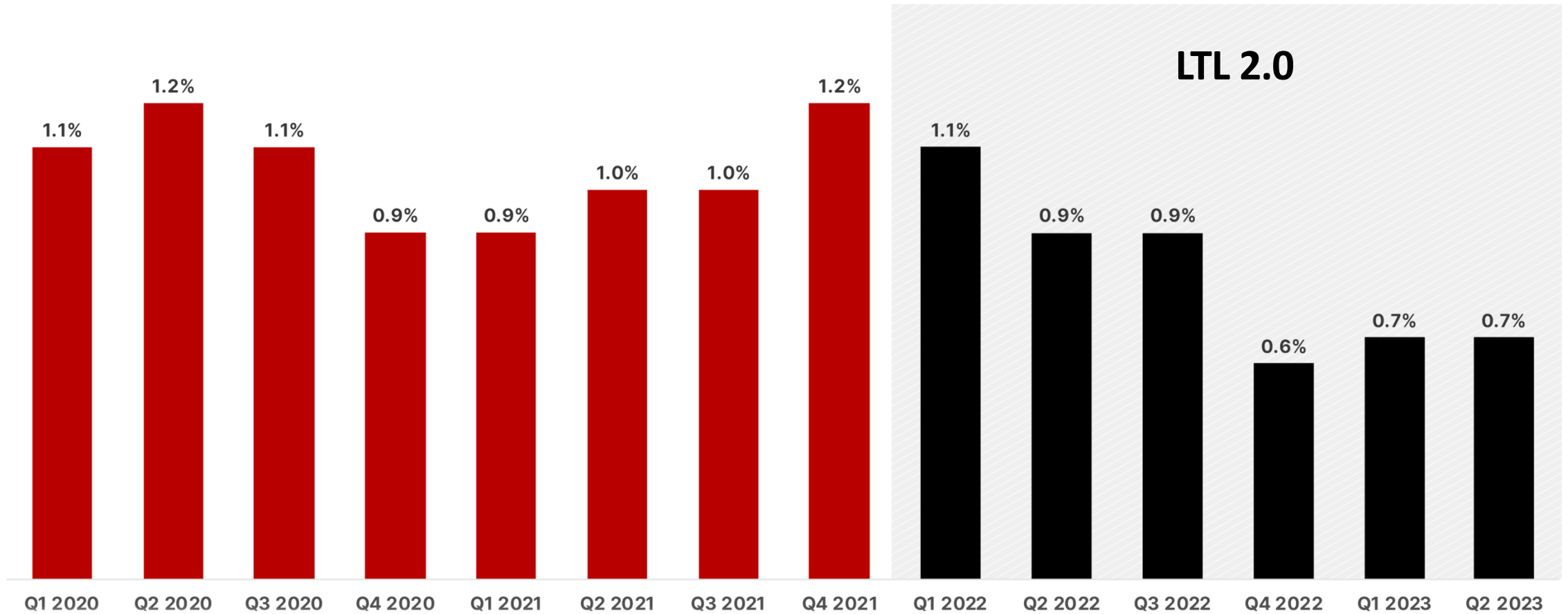
Linehaul insourced from third parties

▶ 2%

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**11% to 13%**

# Damage claims ratio (as a % of LTL revenue)



LTL 2.0 service initiatives driving significant improvement in damage claims ratio

Note: Based on claims payment data



# Employee engagement and satisfaction at record levels

**17% better employee retention**



Highest employee satisfaction in a decade

**47% of drivers have 10+ years tenure**



Experienced drivers are the #1 asset for service quality

**100+ graduates in field management program**



Strong leadership training programs drive career growth

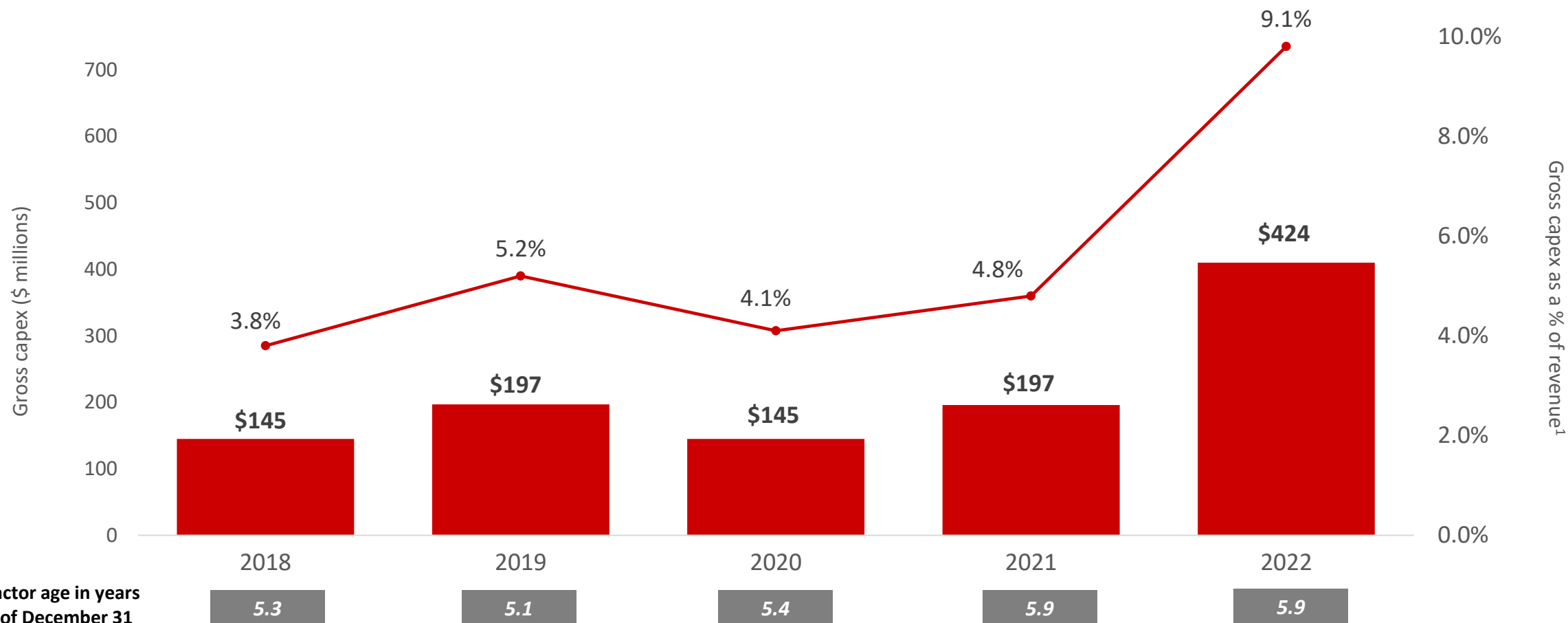
**54% of field management trainees are diverse**



DE&I initiatives identify and advance high-potential talent

Note: Data points are for full year 2022 unless otherwise specified

# Disciplined investing in high-return projects



Growth plan anticipates gross capex of 8% to 12% of revenue on average for the next several years, and ROIC above 30%<sup>2</sup>

<sup>1</sup> Excludes XPO's trailer manufacturing operation

<sup>2</sup> ROIC for six-year period 2021 through 2027

Refer to "Non-GAAP Financial Measures" section in Appendix for related information

# In-house capabilities provide distinct competitive advantages



## Trailer manufacturing facility in Arkansas

- Expanded linehaul trailer fleet by 4,700 units or 10% in 2022
- Self-sufficient for critical component of fleet capacity, instead of relying on OEMs
- Added second production line in January 2022 and third line in December 2022
- Maintains OEM parts inventories for maintenance shops in the XPO network
- Plan to produce >6,000 trailers in 2023



## National footprint of 130 commercial driver training schools

- Trained over 1,700 drivers in 2022, nearly double the 2021 count
- Unique advantage in combatting industrywide driver shortage
- XPO-trained drivers historically have better safety records and less turnover
- Dockworker-to-driver career paths and upskilling options enhance retention

Ability to control capacity and timing to best meet demand



# Appendix





# European Transportation segment

## Unique pan-European transportation platform holds leading positions in key geographies

- In France: the #1 full truckload (FTL) broker and the #1 pallet network (LTL) provider
- In Iberia (Spain and Portugal): the #1 FTL broker and the #1 LTL provider
- In the UK: a top-tier dedicated truckload provider, and the largest single-owner LTL network
- Serves a diverse base of customers with consumer, trade and industrial markets, including many sector leaders that have long-tenured relationships with XPO
- Range of services includes dedicated truckload, LTL, FTL brokerage, managed transportation, last mile and freight forwarding, as well as multimodal solutions that are customized to reduce CO<sub>2</sub>e emissions

# Full year 2023 planning assumptions

## The company provided the following expectations:

- Gross capex of \$500 million to \$600 million
- Interest expense of \$185 million to \$195 million
- Pension income of approximately \$20 million
- Effective tax rate of 24% to 26%
- Diluted share count of 118 million



# Financial reconciliations

The following table reconciles XPO's net income from continuing operations attributable to common shareholders for the periods ended June 30, 2023 and 2022 to adjusted EBITDA for the same periods.

## Reconciliation of net income from continuing operations to adjusted EBITDA

| \$ in millions<br>(unaudited)   | Three Months Ended June 30, |               |               | Six Months Ended June 30, |               |              |
|---|-----------------------------|---------------|---------------|---------------------------|---------------|--------------|
|   | 2023                        | 2022          | Change %      | 2023                      | 2022          | Change %     |
| Net income from continuing operations attributable to common shareholders | \$ 31                       | \$ 96         | -67.7%        | \$ 48                     | \$ 128        | -62.5%       |
| Debt extinguishment loss  | 23                          | 26            |               | 23                        | 26            |              |
| Interest expense  | 43                          | 31            |               | 85                        | 68            |              |
| Income tax provision  | 13                          | 31            |               | 17                        | 39            |              |
| Depreciation and amortization expense                                     | 107                         | 96            |               | 208                       | 190           |              |
| Transaction and integration costs   | 17                          | 7             |               | 39                        | 14            |              |
| Restructuring costs   | 10                          | 2             |               | 34                        | 8             |              |
| <b>Adjusted EBITDA</b>  | <b>\$ 244</b>               | <b>\$ 289</b> | <b>-15.6%</b> | <b>\$ 454</b>             | <b>\$ 473</b> | <b>-4.0%</b> |

Refer to "Non-GAAP Financial Measures" section on page 26 of this document



# Financial reconciliations (cont.)

The following table reconciles XPO's net income from continuing operations attributable to common shareholders for the periods ended June 30, 2023 and 2022 to adjusted net income from continuing operations attributable to common shareholders for the same periods.

## Reconciliation of adjusted net income and adjusted diluted earnings per share

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

|   | Three Months Ended<br>June 30, |                | Six Months Ended<br>June 30, |                |
|---|--------------------------------|----------------|------------------------------|----------------|
|   | 2023                           | 2022           | 2023                         | 2022           |
| Net income from continuing operations attributable to common shareholders                 | \$ 31                          | \$ 96          | \$ 48                        | \$ 128         |
| Debt extinguishment loss  | 23                             | 26             | 23                           | 26             |
| Amortization of acquisition-related intangible assets                                     | 14                             | 13             | 27                           | 27             |
| Transaction and integration costs   | 17                             | 7              | 39                           | 14             |
| Restructuring costs   | 10                             | 2              | 34                           | 8              |
| Income tax associated with the adjustments above <sup>(1)</sup>                           | (12)                           | (12)           | (23)                         | (18)           |
| <b>Adjusted net income from continuing operations attributable to common shareholders</b> | <b>\$ 83</b>                   | <b>\$ 132</b>  | <b>\$ 148</b>                | <b>\$ 185</b>  |
| <b>Adjusted diluted earnings from continuing operations per share</b>                     | <b>\$ 0.71</b>                 | <b>\$ 1.14</b> | <b>\$ 1.27</b>               | <b>\$ 1.60</b> |
| <b>Weighted-average common shares outstanding</b>   |                                |                |                              |                |
| Diluted weighted-average common shares outstanding  | 118                            | 116            | 117                          | 116            |

<sup>1</sup> The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items, non-deductible compensation, and contribution- and margin-based taxes  
Refer to "Non-GAAP Financial Measures" section on page 26 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's net cash provided by operating activities from continuing operations for the periods ended June 30, 2023 and 2022 to free cash flow for the same periods.

## Reconciliation of cash flows from operating activities of continuing operations to free cash flow

| \$ in millions<br>(unaudited)  | Three Months Ended<br>June 30, |              | Six Months Ended<br>June 30, |               |
|--|--------------------------------|--------------|------------------------------|---------------|
|  | 2023                           | 2022         | 2023                         | 2022          |
| Net cash provided by operating activities from continuing operations | \$ 131                         | \$ 169       | \$ 207                       | \$ 357        |
| Payment for purchases of property and equipment                      | (131)                          | (119)        | (355)                        | (242)         |
| Proceeds from sales of property and equipment                        | 5                              | 4            | 13                           | 7             |
| <b>Free cash flow</b>  | <b>\$ 5</b>                    | <b>\$ 54</b> | <b>\$ (135)</b>              | <b>\$ 122</b> |

Refer to "Non-GAAP Financial Measures" section on page 26 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to its North American less-than-truckload segment to adjusted operating income, adjusted operating ratio and adjusted EBITDA for the respective periods shown in the table below.

## Reconciliation of North American less-than-truckload adjusted operating ratio and adjusted EBITDA

| \$ in millions<br>(unaudited)                        | Three Months Ended |               |
|--|--------------------|---------------|
|  | June 30,           | March 31,     |
|  | 2023               | 2023          |
| Revenue (excluding fuel surcharge revenue)           | \$ 940             | \$ 903        |
| Fuel surcharge revenue                               | 196                | 217           |
| <b>Revenue</b>                                       | <b>1,136</b>       | <b>1,120</b>  |
| Salaries, wages and employee benefits                | 573                | 555           |
| Purchased transportation                             | 87                 | 99            |
| Fuel, operating expenses and supplies <sup>(1)</sup> | 226                | 248           |
| Operating taxes and licenses                         | 12                 | 12            |
| Insurance and claims                                 | 33                 | 28            |
| (Gains) losses on sales of property and equipment    | 1                  | 1             |
| Depreciation and amortization                        | 71                 | 68            |
| Transaction and integration costs                    | -                  | -             |
| Restructuring costs                                  | 4                  | 6             |
| <b>Operating income</b>                              | <b>129</b>         | <b>103</b>    |
| <b>Operating ratio</b> <sup>(2)</sup>                | <b>88.7%</b>       | <b>90.8%</b>  |
| Amortization expense                                 | 9                  | 8             |
| Transaction and integration costs                    | -                  | -             |
| Restructuring costs                                  | 4                  | 6             |
| Gains on real estate transactions                    | -                  | -             |
| <b>Adjusted operating income</b>                     | <b>\$ 142</b>      | <b>\$ 117</b> |
| <b>Adjusted operating ratio</b> <sup>(3)</sup>       | <b>87.6%</b>       | <b>89.6%</b>  |
| Depreciation expense                                 | 62                 | 60            |
| Pension income                                       | 4                  | 4             |
| Gains on real estate transactions                    | -                  | -             |
| Other  | -                  | 1             |
| <b>Adjusted EBITDA</b> <sup>(4)</sup>                | <b>\$ 208</b>      | <b>\$ 182</b> |

<sup>1</sup> Fuel, operating expenses and supplies includes fuel-related taxes

<sup>2</sup> Operating ratio is calculated as  $(1 - (\text{operating income} / \text{revenue}))$

<sup>3</sup> Adjusted operating ratio is calculated as  $(1 - (\text{adjusted operating income} / \text{revenue}))$ ; adjusted operating margin is the inverse of adjusted operating ratio

<sup>4</sup> Adjusted EBITDA is used by the company's chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280

Refer to "Non-GAAP Financial Measures" section on page 26 of this document

# Financial reconciliations (cont.)

The following table calculates XPO's return on invested capital (ROIC) attributable to its North American less-than-truckload segment for the periods presented. We believe that ROIC is an important metric, as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT), divided by invested capital. NOPAT is calculated as adjusted EBITDA less depreciation expense, pension income, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as operating assets less non-debt liabilities.

## North American less-than-truckload return on invested capital

|   |           | <b>Year Ended</b>        |  | <b>As of December 31,</b>  |                 |
|---|-----------|--------------------------|--|--|-----------------|
|   |           | <b>December 31, 2022</b> |  | <b>2022</b>  |                 |
| \$ in millions<br>(unaudited)                 |           |                          |  | <b>Select balance sheet items</b>                                  |                 |
| <b>Select income statement items</b>          |           |                          |  | Total assets (excluding intercompany and investment in affiliates) | \$ 3,288        |
| Adjusted EBITDA                               | \$        | 932                      |  | (-) Cash   | (5)             |
| (-) Depreciation                              |           | 205                      |  | (-) Goodwill and intangibles                                       | 1,024           |
| (-) Pension income                            |           | 59                       |  | Operating assets   | 2,269           |
| (-) Real estate gains                         |           | 55                       |  | Total liabilities (excluding intercompany)                         | 1,119           |
| (+) Operating lease interest <sup>(1)</sup>   |           | 12                       |  | (-) Short-term debt  | 18              |
| (-) Cash taxes <sup>(2)</sup>                 |           | 83                       |  | (-) Operating lease liabilities                                    | 417             |
| <b>Net operating profit after tax (NOPAT)</b> | <b>\$</b> | <b>542</b>               |  | (-) Long-term debt   | 27              |
|   |           |                          |  | Non-debt liabilities   | 657             |
|   |           |                          |  | <b>Invested capital</b>  | <b>\$ 1,612</b> |
|   |           |                          |  |  |                 |
|   |           |                          |  | <b>Return on invested capital</b>                                  | <b>34%</b>      |

<sup>1</sup> Operating lease interest is calculated as period end operating lease assets multiplied by XPO's incremental borrowing rate, net of tax

<sup>2</sup> Cash taxes is calculated as the ratio of the North American less-than-truckload segment's adjusted EBITDA, excluding real estate gains, to XPO adjusted EBITDA, multiplied by XPO's cash paid for taxes

Refer to "Non-GAAP Financial Measures" section on page 26 of this document



# Non-GAAP financial measures

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

This document contains the following non-GAAP financial measures: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") on a consolidated basis; adjusted diluted earnings from continuing operations per share ("adjusted EPS"); adjusted operating ratio for our North American less-than-truckload segment; adjusted net income from continuing operations attributable to common shareholders; free cash flow; adjusted operating income for our North American less-than-truckload segment; and return on invested capital ("ROIC") for our North American less-than-truckload segment.

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

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

We believe that free cash flow is an important measure of our ability to repay maturing debt or fund other uses of capital that we believe will enhance stockholder value. We calculate free cash flow as net cash provided by operating activities from continuing operations, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA improves comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income from continuing operations attributable to common shareholders and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities, including amortization of acquisition-related intangible assets, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables. We believe that adjusted operating income and adjusted operating ratio improve the comparability of our operating results from period to period by removing the impact of certain transaction and integration costs and restructuring costs, as well as amortization expenses. We believe that ROIC is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax ("NOPAT"), divided by invested capital. NOPAT is calculated as adjusted EBITDA less depreciation expense, pension income, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as operating assets less non-debt liabilities.

With respect to our financial targets for the six-year period 2021 through 2027 of North American less-than-truckload adjusted EBITDA CAGR, adjusted operating ratio and ROIC, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows in accordance with GAAP that would be required to produce such a reconciliation.