XPO Logistics

AUGUST 2022

Investor Presentation

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 EBITDA margin on a consolidated basis; adjusted net income from continuing operations attributable to common shareholders and adjusted diluted earnings from continuing operations per share ("adjusted EPS") on a consolidated basis; free cash flows; adjusted operating income (including and excluding gains on real estate transactions) and adjusted operating ratio (including and excluding gains on real estate transactions) for North American less-than-truckload; adjusted EBITDA excluding gains on real estate transactions for North American less-than-truckload; adjusted EBITDA attributable to North American truck brokerage; return on invested capital (ROIC) on a consolidated basis; net leverage; net debt; and adjusted EBITDA attributable to RXO (planned spin-off).

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 EBITDA margin, 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, litigation settlements 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, 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, plus cash collected on deferred purchase price receivable, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA and adjusted EBITDA margin improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), litigation settlements, 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, litigation settlements, 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 (i) removing the impact of certain transaction, integration and rebranding costs and restructuring costs, as well as amortization expenses and (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables. We believe that return on invested capital (ROIC) is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for a trailing twelve month period divided by invested capital as of the end of such period. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles. We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our reported adjusted EBITDA. We believe that adjusted EBITDA attributable to RXO (planned spin-off) improves comparability from period to period by removing adjustments 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 business. We calculate adjusted EBITDA attributable to RXO (planned spin-off) as operating income of spin-off operations plus transaction and integrations costs and depreciation and amortization less other expense.

With respect to our financial targets for full year 2022 adjusted EBITDA, adjusted diluted EPS and free cash flow, and our financial target for 2022 third quarter adjusted EBITDA, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

Forward-looking statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to the planned spin-off of our tech-enabled brokered services platform and the sale or listing of our European business, the expected timing of these transactions and the anticipated benefits of these transactions; our full year 2022 financial targets of consolidated adjusted EBITDA and North American LTL adjusted EBITDA, depreciation and amortization (excluding amortization of acquisition-related intangible assets), interest expense, tax rate, adjusted diluted EPS (excluding amortization of acquisition-related intangible assets), gross capital expenditures, net capital expenditures and free cash flow; our 2022 third quarter financial target of adjusted EBITDA; our expectation of year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio; our 2022 financial target of at least $1 billion of adjusted EBITDA in the North American LTL segment, including gains on sales of real estate of up to $50 million in the 2022 fourth quarter; and our ESG goals. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include our ability to effect the spin-off of our tech-enabled brokered services platform and meet the related conditions of the spin-off, our ability to complete the sale or listing of our European business, the expected timing of the completion of the transactions and the terms of the transactions, our ability to achieve the expected benefits of the transactions, our ability to retain and attract key personnel for the separate businesses, the risks discussed in our filings with the SEC, and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic, including supply chain disruptions due to plant and port shutdowns and transportation delays, the global shortage of certain components such as semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages, which may lower levels of service, including the timeliness, productivity and quality of service, and government responses to these factors; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers’ demands; our ability to implement our cost and revenue initiatives; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to benefit from a sale, spin-off or other divestiture of one or more business units, and the impact of anticipated material compensation and other expenses, including expenses related to the acceleration of equity awards, to be incurred in connection with a substantial disposition; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; goodwill impairment, including in connection with a business unit sale, spin-off or other divestiture; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks, wars or similar incidents, including the conflict between Russia and Ukraine and increased tensions between Taiwan and China; risks and uncertainties regarding the expected benefits of the spin-off of our logistics segment or a future spin-off of a business unit, the impact of the spin-off of our logistics segment or a future spin-off of a business unit on the size and business diversity of our company; the ability of the spin-off of our logistics segment or a future spin-off of a business unit to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees and independent contractors; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; the impact of potential sales of common stock by our chairman; governmental regulation, including trade compliance laws, as well as changes in international trade policies, sanctions and tax regimes; governmental or political actions, including the United Kingdom’s exit from the European Union; and competition and pricing pressures.

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

Where required by law, no binding decision will be made with respect to the divestiture of the European business other than in compliance with applicable employee information and consultation requirements.

Why invest in XPO today?

Multiple catalysts for value creation, largely independent of macro conditions: XPO-specific levers for LTL transformation; spin-off of RXO brokered transportation platform; divestiture of European business; continued deleveraging

1. A top provider in highly attractive less-than-truckload and truck brokerage sectors
2. High-ROIC businesses benefitting from secular tailwinds and strong industry positioning
3. Company-specific initiatives in LTL to continue to improve operating ratio, increase volume and grow profit
4. Best-in-class truck brokerage business with soaring adoption of leading technology platform
5. Deleveraging while continuing to invest in growth, supported by strong adjusted EBITDA and free cash flow and strategic divestiture

XPO Logistics

XPO is a leading provider of freight transportation services

XPO helps customers move their goods most efficiently through their supply chains. We deliver value in the form of technological innovations, process improvements, cost efficiencies and reliable outcomes.

XPO KEY METRICS[1]

2021 revenue	$12.8 billion
Locations	749
Employees	~43,000
Customers	~50,000
LTL industry size[2]	~$51 billion
Truck brokerage industry size[3]	~$88 billion

STRONG POSITIONING OF CORE BUSINESSES

- One of the largest providers of less-than-truckload (LTL) transportation in North America
- Fourth largest US truckload transportation broker
- More than 90% of 2021 operating income derived from North American LTL and truck brokerage businesses
- European business has leading positions in key transport markets: France, the UK, Iberia (Spain and Portugal)

[1] Global data for locations, customers and employees as of June 30, 2022; revenue excludes logistics segment spun off on August 2, 2021
[2] Third-party research: US LTL industry revenue, 2021
[3] Third-party research: US brokered truckload industry revenue, 2021; reflects brokered component of ~$400 billion total addressable truckload opportunity

Strategic partner to blue-chip customers in diverse sectors

Note: Partial list

Planned spin-off will create two standalone industry leaders, each with a long runway for earnings growth

- **XPO will be asset-based: Third largest pure-play less-than-truckload provider**
  - One of the few LTL networks in the US with national scale
  - Proprietary technology and other company-specific levers enhance efficiency and growth
- **RXO will be asset-light: High-performing, tech-enabled brokered transportation platform**
  - Best-in-class truck brokerage business with cutting-edge technology and access to massive capacity; generated over 80% of 2021 operating income from planned RXO operations
  - Complementary brokered services for managed transportation, last mile and global forwarding

Aggregate trading price of the two stocks post-spin-off – XPO and RXO – is expected to be significantly higher than the price that XPO's stock would trade at if the two businesses remained combined, creating opportunities for more efficient use of equity

XPO sold its intermodal operation in March 2022 and intends to divest its European business

Spin-off moving toward completion in Q4 2022

Note: Completion of the planned spin-off is subject to various conditions, including final approval by the XPO board of directors; there can be no assurance the spin-off will close, or if it does, of its terms or timing

XPO will be the third largest LTL pure-play in North America

Post-separation, XPO expects its standalone LTL company stock to reflect its demonstrated momentum, with long-term, idiosyncratic initiatives to drive value creation

KEY METRICS[1]

2021 revenue	$4.1 billion
2021 operating income	$618 million
2021 adjusted EBITDA	$904 million
2022E adjusted EBITDA	At least $1 billion
Q4 2015 – Q2 2022 improvement in adjusted operating ratio[2]	1,290 bps
2016 – Q2 2022 net cash generated	Over $3.8 billion
Terminals	294
Drivers	~13,000
Tractors	~8,200
Trailers	~27,000

[1] XPO's North American LTL segment; terminals, drivers, tractors and trailers as of June 30, 2022
[2] Excludes gains on sales of real estate
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

LEADING POSITIONING ENHANCED BY XPO-SPECIFIC COMPETITIVE ADVANTAGES

- Asset-based business model with high ROIC, differentiated by proprietary technology, in-house trailer manufacturing and driver training schools
- Generated over $3.8 billion net cash in LTL to date
- Investing capex at 8% to 9% of revenue in 2022 to grow network, expand fleet and talent base, enhance technology and leverage fixed costs
- Large opportunity to continue to increase yield in structurally sound industry pricing environment
- 82.5% operating ratio in Q2 2022, and 80.4% adjusted operating ratio[2], improved by 70 bps YoY
  - Ability to realize hundreds of additional basis points of improvement over time, achieving an adjusted operating ratio well into 70s
- Many longstanding customer relationships among ~25,000 accounts served
- Second-best adjusted operating ratio[2] of publicly traded LTL carriers in 2021

XPO Logistics

RXO will be a tech-enabled brokerage leader

Post-separation, XPO expects RXO's stock to trade at multiples at least as high as its most comparable peer due to its demonstrated ability to outperform the truck brokerage transportation industry

KEY PLATFORM METRICS[1]

2021 revenue	$4.8 billion
2021 operating income	$226 million
2021 adjusted EBITDA	$305 million
Employees	~5,600
Customers	~10,000

TRUCK BROKERAGE GROWTH METRICS

2021 YoY revenue growth	63%
2013-2021 revenue CAGR	27%
2021 YoY total volume growth / **volume growth from top 20 customers**	29% 35%

BEST-IN-CLASS TRUCK BROKER WITH TRACK RECORD OF OUTPERFORMING THE INDUSTRY

- Flexible, asset-light model with high ROIC, designed to grow profits in any cycle
- First-mover technology advantage; proprietary XPO Connect® digital brokerage offering with rapid industry adoption
- Massive capacity of ~98,000 independent truckload carriers in North America
- Strong relationships with blue-chip customers in favorable verticals for outsourcing
- Highly experienced leadership team has worked together for many years; expertise adds agility
- Revenue outperformed industry growth by ~3x 2013-2021; continuing to take share

[1] Includes the company's North American truck brokerage, managed transportation, last mile and global forwarding operations; employee and customer data as of June 30, 2022

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

Long track record of significant shareholder value creation

DRIVING SUPERIOR RESULTS THROUGH SKILLED CAPITAL ALLOCATION AND COMPANY-SPECIFIC LEVERS

- XPO was the 7th best-performing stock of the last decade on the Fortune 500, based on Bloomberg market data
- 38% return on invested capital (ROIC) for the trailing twelve months ended June 30, 2022
- Spent more than $3 billion on technology on all operations over the past 11 years, including truck brokerage digitization and LTL optimization
- Drove 1,290 bps of improvement in North American LTL adjusted operating ratio, excluding gains from sales of real estate, since acquiring the business in Q4 2015
- Delivered 27% revenue CAGR in North American truck brokerage 2013 – 2021, at 3x the industry growth rate
- Sold intermodal operation in March 2022
- Robust adjusted EBITDA growth and free cash flow support continued deleveraging

GXO Logistics spin-off was the best-performing stock of all fully divested spin-offs in 2021

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

Strong ESG culture

Recent climate actions: Piloting all-electric trucks, deploying cleaner fuels, testing duo-trailers for fuel efficiency; and providing brokerage carriers with resources to help them in the adoption of sustainable technologies

ESG SCORECARD CATEGORIES

Workforce and Talent	Information Security
Employee and Community Safety	Environmental and Sustainability
Diversity, Equity and Inclusion	Governance

- Chief diversity officer leading DE&I; steering committees furthering diversity, inclusion and sustainability
- Executive compensation tied to ESG targets
- Core DE&I objectives relate to recruitment and retention
- Working to significantly increase the diversity by collaborating with historically Black colleges and universities (HBCUs) and others
- Promoting women and minority employees to middle and senior management roles
- Communicating culture of belonging to a range of underrepresented groups, replicating success with hiring LGBTQ+ community members and veterans
- Taking steps to align climate-related disclosures to TCFD, building on SASB and GRI reporting
- Post-spin-off, each standalone company will have a robust environmental, social and governance framework from day one of the separation

Key financial results and guidance

Second quarter 2022 results

REVENUE	$3.23 billion
NET INCOME[1]	$141 million
OPERATING INCOME	$230 million
DILUTED EPS[2]	$1.22
CASH FLOW FROM OPERATING ACTIVITIES[3]	$199 million
ADJUSTED NET INCOME[1]	$209 million
ADJUSTED DILUTED EPS[2]	$1.81
ADJUSTED EBITDA	$405 million
FREE CASH FLOW	$73 million

- Revenue, net income[1] and operating income are Q2 records; adjusted EBITDA and adjusted diluted EPS are records for any quarter
- 14.6% YoY revenue growth in North American LTL
- $405 million adjusted EBITDA; ninth straight quarterly beat on adjusted EBITDA
- $1.81 adjusted diluted EPS was up YoY by 48%
- $73 million free cash flow, while more than doubling capex to invest in LTL

[1] From continuing operations attributable to common shareholders
[2] Diluted earnings from continuing operations per share
[3] Net cash provided by operating activities from continuing operations
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

Raises 2022 full year guidance on stronger outlook

The company raised its full year targets for adjusted EBITDA, adjusted diluted EPS and free cash flow, and updated the underlying metrics:

- Adjusted EBITDA of $1.40 billion to $1.43 billion:
  - Includes third quarter adjusted EBITDA of $330 million to $345 million, excluding gains on sales of real estate;
  - North American LTL expected to generate at least $1 billion of full year adjusted EBITDA, including gains on sales of real estate of up to $50 million in the fourth quarter;
- YoY improvement of more than 100 basis points in North American LTL adjusted operating ratio[1]
- Depreciation and amortization of approximately $385 million, excluding amortization of acquisition-related intangible assets
- Interest expense of $145 million to $150 million
- Effective tax rate of 24% to 25%
- Adjusted diluted EPS of $5.55 to $5.90, excludes amortization of acquisition-related intangible assets, and assumes 117 million diluted shares outstanding at year-end 2022

With respect to 2022 cash flows, the targets are:

- Gross capital expenditures of $500 million to $550 million
- Net capital expenditures of $425 million to $475 million
- Free cash flow of $425 million to $475 million, excluding all transaction-related impacts

Reflects YoY increases of 14% in adjusted EBITDA and 33% in adjusted diluted EPS at the mid-point of each range

[1] Adjusted operating ratio excludes gains on sales of real estate

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

Note: 2022 guidance excludes impacts associated with the intended spin-off of the brokered transportation platform or the divestiture of the European business

Balance sheet and liquidity

As of June 30, 2022

NET DEBT[1]	$2.5 billion
NET LEVERAGE[2]	1.8x
TOTAL LIQUIDITY[3]	$1.4 billion

Continuing to reduce net debt through disciplined deleveraging:

- 2.7x (YE 2021)
- 2.0x (Q1 2022)
- 1.8x (Q2 2022)
  - In March 2022, sold North American intermodal operation
  - Two consecutive quarters of net leverage ratio within target of 1.0x – 2.0x, supported by strong adjusted EBITDA generation and free cash flow conversion

[1] Calculated as total debt of $2.91 billion less $436 million of cash and cash equivalents
[2] Calculated as net debt of $2.48 billion divided by adjusted EBITDA of $1.36 billion for the trailing twelve months ended June 30, 2022
[3] Includes approximately $1 billion of available borrowing capacity and $436 million of cash and cash equivalents
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

XPO: Less-than-truckload

XPO is one of the largest providers of less-than-truckload transportation in North America

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

REVENUE AND MARGIN GROWTH LEVERS IN LTL

- Significant competitive advantages in the US as one of only a few national LTL networks: ~25,000 accounts served and numerous long-standing customer relationships
- Favorable industry dynamics, including a firm pricing environment
- Large opportunity to enhance profitability through numerous XPO-specific initiatives, many independent of the macro, including:
  - Growing driver base and fleet, with plan to reduce use of third-party linehaul providers, saving 30% to 40% cost per mile
  - Optimizing dock and pickup-and-delivery operations through proprietary technology for routing, load-building and labor productivity; and advanced pricing algorithms
  - Expanding network capacity (doors, tractors and trailers) and in-house trailer manufacturing
  - Strong sales pipeline management: Q2 2022 was a company record for new business won
- ~13,000 professional truck drivers, with the advantage of training commercial drivers at 130 company locations
- High ROIC from capital allocated to grow network density, expand fleet and talent base, and enhance technology

North American LTL business profile

Long runway for earnings growth: 70 basis point improvement YoY in Q2 adjusted operating ratio[1] to 80.4%

KEY METRICS

Industry size[2]	~$51 billion
XPO's industry share	~8%
Largest customer as % of 2021 revenue	2%
2021 freight delivered	~18 billion lbs.
Terminals[3]	294
Employees[3]	~22,000
Tractors / trailers[3]	~8,200 / 27,000

[1] Excluding gains from sales of real estate
[2] Third-party research, US LTL industry revenue, 2021
[3] As of June 30, 2022
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

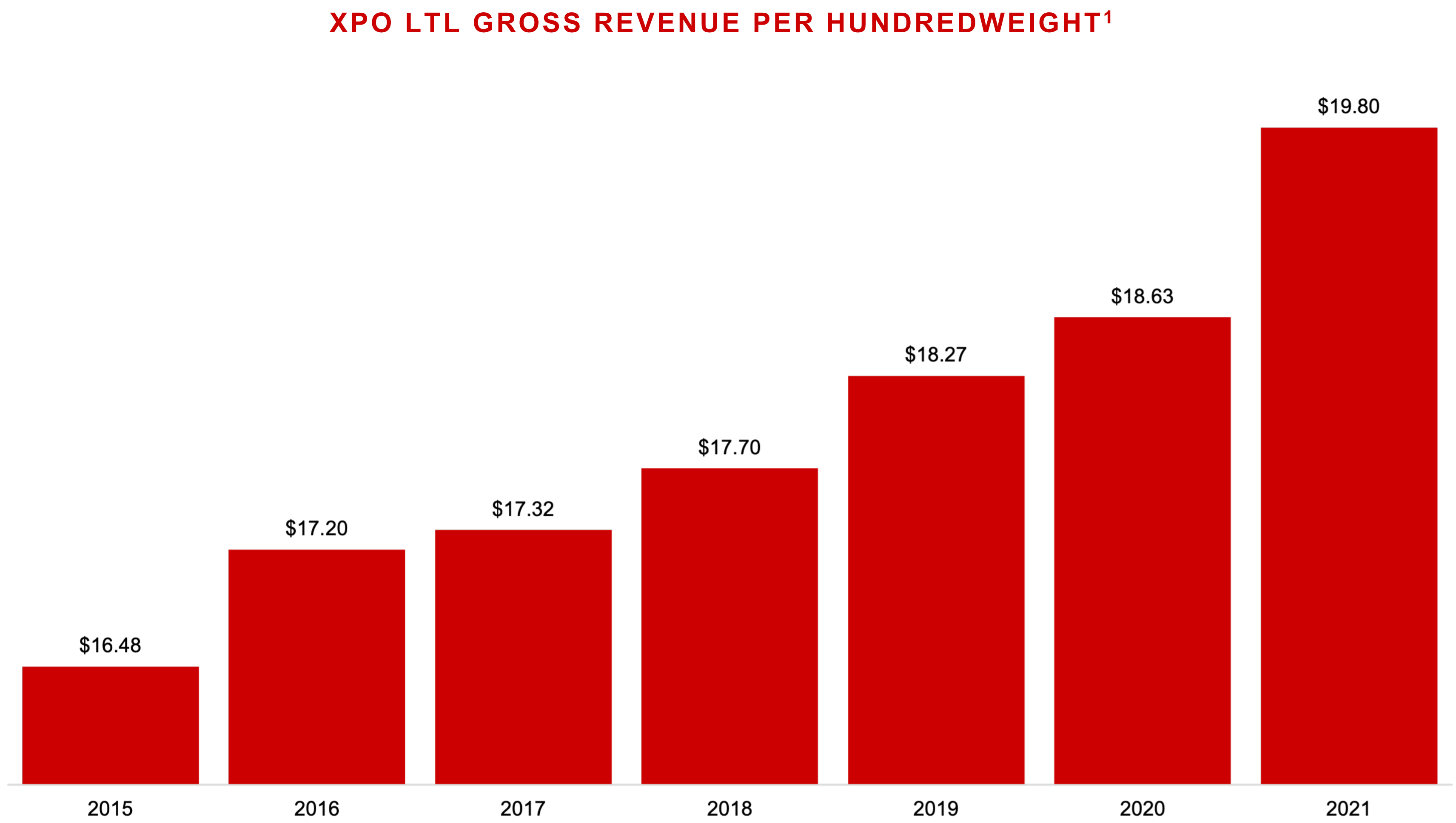
SECOND QUARTER 2022

Revenue	$1.2 billion
Operating income	$216 million
Adjusted EBITDA	$294 million
Adjusted operating ratio[1]	80.4%

FULL YEAR 2021

Revenue	$4.1 billion
Operating income	$618 million
Adjusted EBITDA	$904 million
Adjusted operating ratio[1]	84.3%

North American LTL pricing fundamentals benefit XPO's long-term expansion



In Q2 2022, grew yield ex-fuel YoY by 11%

[1] Excludes the impact of fuel surcharges

Significant opportunity to drive further productivity gains with XPO's technology

Roadmap includes piece-level tracking, further optimization of linehaul and pick-up and delivery service, and dock productivity

PRICING

- Data-driven pricing tools optimize LTL rates for local and regional accounts, while improving efficiency
- Elasticity tools help to determine best pricing for large, contractual customer relationships
- New pricing platform enables lead generation by mining historical pricing histories

LINEHAUL AND NETWORK

- Opportunity to optimize annual linehaul spend of ~$1.1 billion ex-fuel by enhancing network tools
- Automated load-building increases trailer utilization while improving network fluidity

PICKUP-AND-DELIVERY ROUTING

- Ongoing roll-out of new dispatch tools in 2022
- Deployed new planning tools in 2021

CUSTOMER SERVICE

- Launched new online digital dashboard with self-service tools in Q1 2022 to enhance the customer experience

Company-specific levers for LTL network efficiency and growth

Launched in Q2 2022: National initiative to further improve quality of trailer loading and on-time delivery, and engaging with customers on best practices to package freight

IMPROVING NETWORK FLOW

- Network fluidity substantially improved over last nine months
- Generated significantly stronger service metrics in key areas, such as on-time transit and freight handling

DRIVING PRICING:

- Launched new pricing technology to improve pricing on contract renewals
    - In Q2, increased yield on contract renewals by 12%
    - Instituted accessorial charges for detained trailers, oversized freight and special handling
- Actions contributed to Q2 record YoY increase in yield ex-fuel of 11%

EXPANDING DRIVER BASE:

- 130 in-house commercial driver schools attract trainees in every US region
- Targeting to train twice as many drivers in 2022 as in 2021

Continued on next page

Additional company-specific levers for network efficiency and growth

INCREASING TRAILER PRODUCTION:

- Added second production line at Searcy, Arkansas trailer manufacturing facility
- Producing trailers at about double 2021 run rate through Q2

EXPANDING NETWORK FOOTPRINT:

- The company's goal is to add 900 net new doors to its North American LTL network from October 2021 to YE 2023, increasing door count by ~6%
- Added 345 net new doors through Q2, with five terminals opened:
  - Chicago Heights, Illinois
  - Sheboygan, Wisconsin
  - Texarkana, Arkansas
  - San Bernardino, California
  - Atlanta, Georgia
- Opened new fleet maintenance shops in Ohio, Florida, New York and Nevada

RXO: Truck brokerage

RXO will be the fourth largest US truck broker

Truck brokerage is an asset-light business that facilitates the movement of full truckloads of freight, typically from a single shipper; a broker purchases truck capacity from independent carriers.

REVENUE AND MARGIN GROWTH LEVERS IN TRUCK BROKERAGE

- Truck brokerage is a secular growth market, and RXO has a long history of generating best-in-class metrics that outpace industry growth
- Flexible, asset-light model with high ROIC, designed to grow volume and profits in any cycle
- Advantages of scale in a fragmented industry: massive capacity of ~98,000 independent carriers in North America
- First-mover technology advantage with cutting-edge brokerage automation developed ahead of the curve, starting in 2011, and enhanced for over a decade; difficult to replicate
    - Proprietary digital brokerage platform with soaring adoption rates and proven ability to drive margin growth by managing more volume at less cost
- Highly experienced leadership team has worked together for many years, bringing agility and expertise to the business
- Blue-chip customer base across diverse verticals

North American truck brokerage business profile

Long runway for earnings growth: Adept at taking share in a growing market under all macro conditions

KEY METRICS

Industry size[1]	$88 billion
RXO's industry share	~4%
Average tenure of top 10 customers, 2021	~15 years
Total addressable for-hire truckload opportunity	~$400 billion

REVENUE

Q2 2022	$755 million
FY 2021	$2.7 billion

VOLUME GROWTH

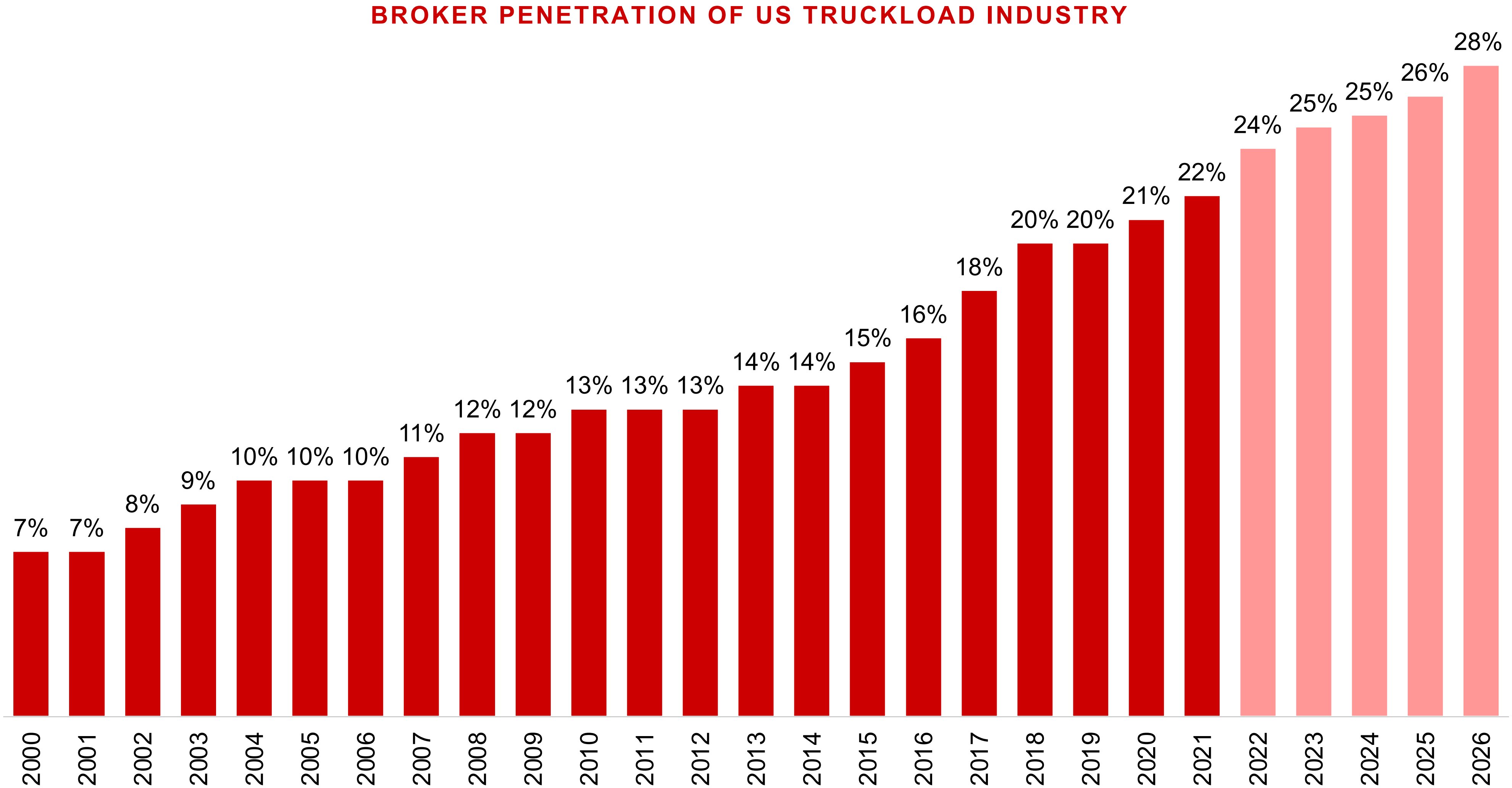
Q2 2022 YoY	16%
TTM June 30, 2022 YoY	25%

[1] Third-party research; US brokered truckload industry revenue 2021; reflects brokered component of total addressable opportunity
Note: Truck brokerage is the largest component of the company's North American brokered transportation platform planned for spin-off

XPOLogistics

Steady broker penetration of for-hire trucking is fueling growth, expected to be 28% by 2026

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

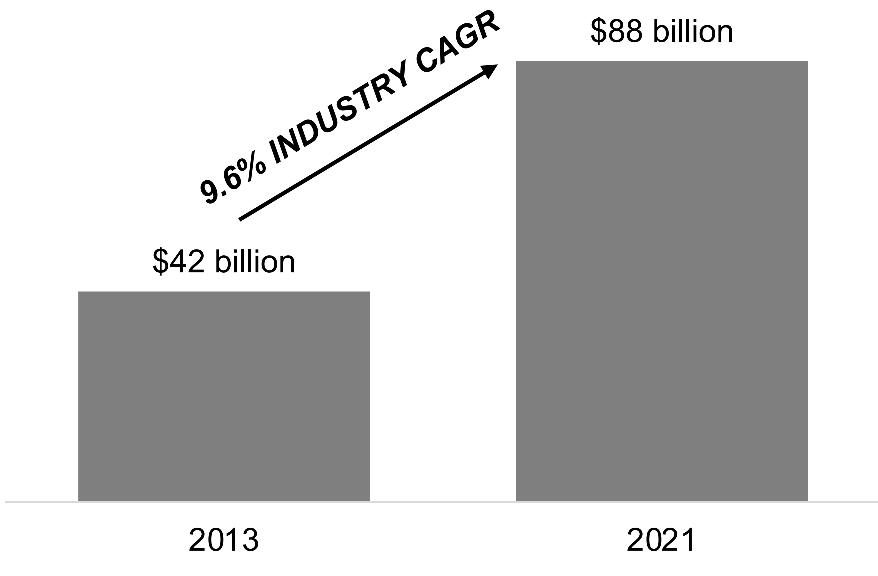


Source: Third-party research

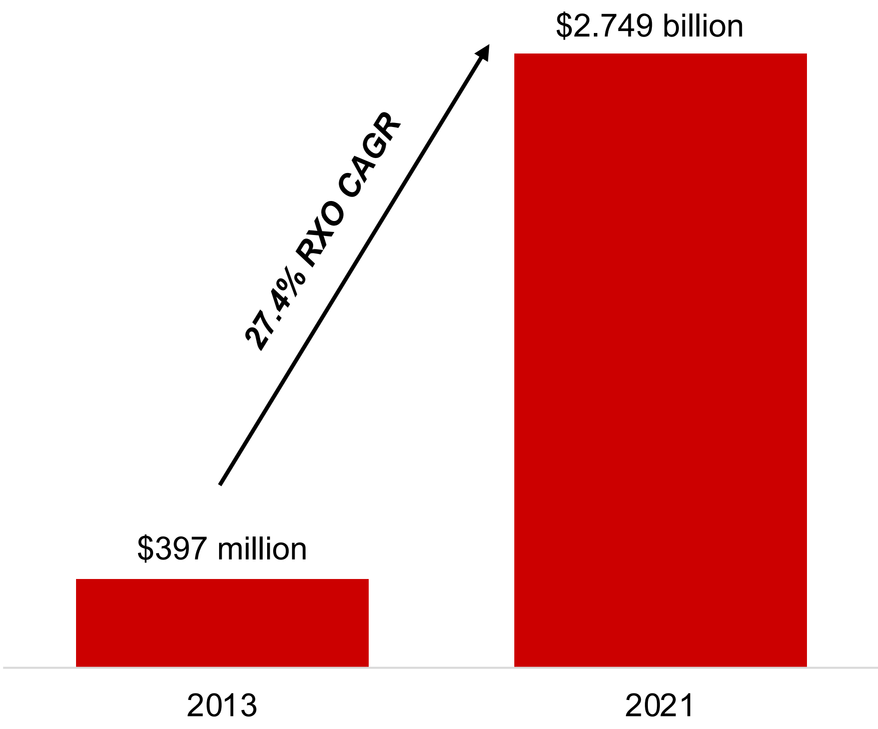
XPOLogistics

Growing truck brokerage revenue at ~3x industry rate

US BROKERAGE INDUSTRY GROWTH 2013 TO 2021[1]



RXO BROKERAGE REVENUE GROWTH 2013 TO 2021



[1] US brokered truckload industry revenue; reflects brokered component of ~$400 billion total addressable opportunity

Breakthrough, proprietary digital brokerage platform

RXO Connect has first-mover advantage in helping shippers and carriers make informed decisions by providing real-time information about supply and demand for truckload capacity.

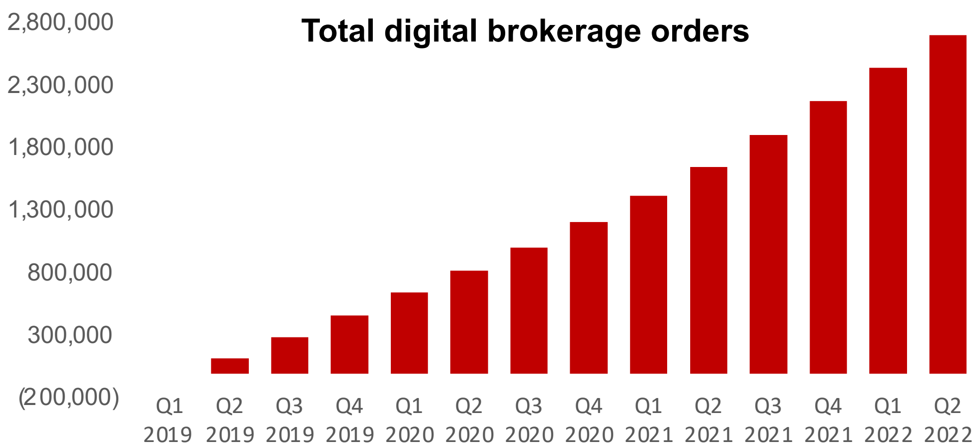
RXO WILL SPIN OFF WITH A WIDELY ADOPTED DIGITAL PLATFORM THAT'S GROWING HYPER-FAST

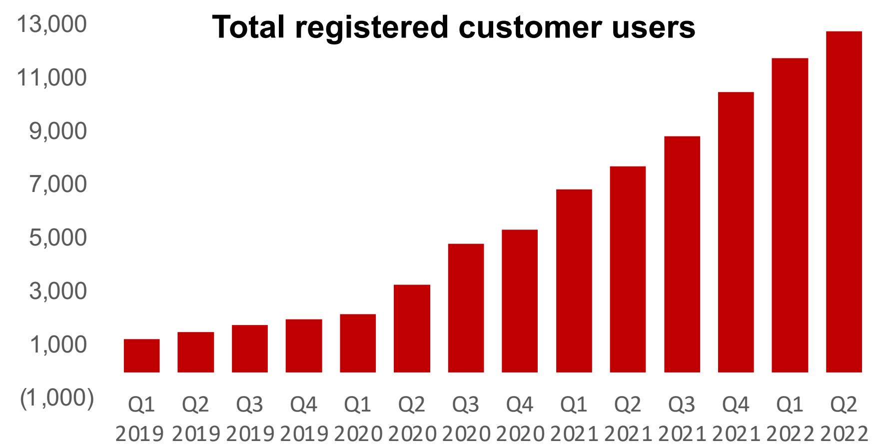
- Demand for RXO Connect is outpacing the industry's secular shift to digital truck brokerage, driving share gains
- Optimizes transportation procurement by providing deep visibility into available capacity and market conditions
- Proprietary pricing engine provides customers with dynamic analysis of carrier bids
- Improves productivity of company's customer and carrier reps, while giving shippers and carriers the ability to interact directly when tendering loads for maximum efficiency
- Creates shipper loyalty by sourcing the best carrier for each load profile and providing shipment tracking in real time
- Integrates with customer TMS systems and provides real-time pricing backed by service quality and capacity
- Equips truck drivers to locate, win and book loads, negotiate rates and locate backhauls to reduce empty miles using the platform's mobile app

80% of Q2 orders created or covered digitally

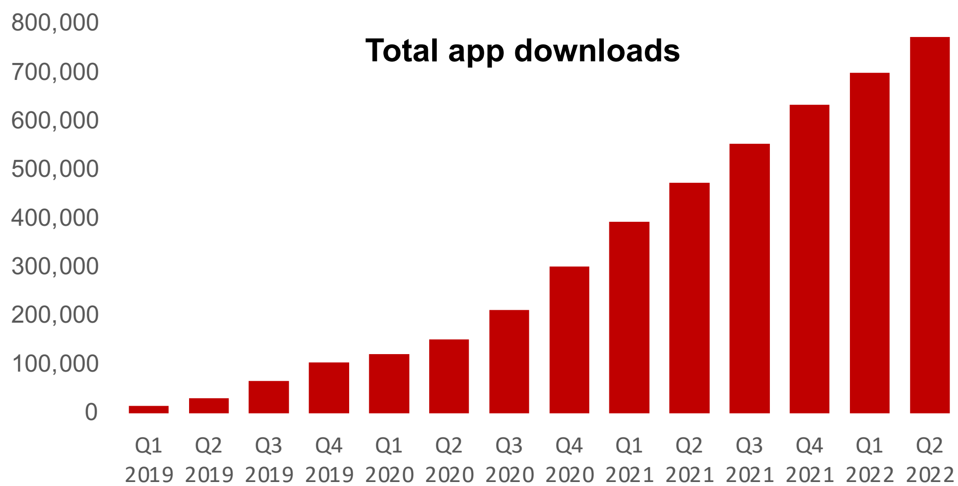
74% YoY increase in weekly average carrier users in Q2

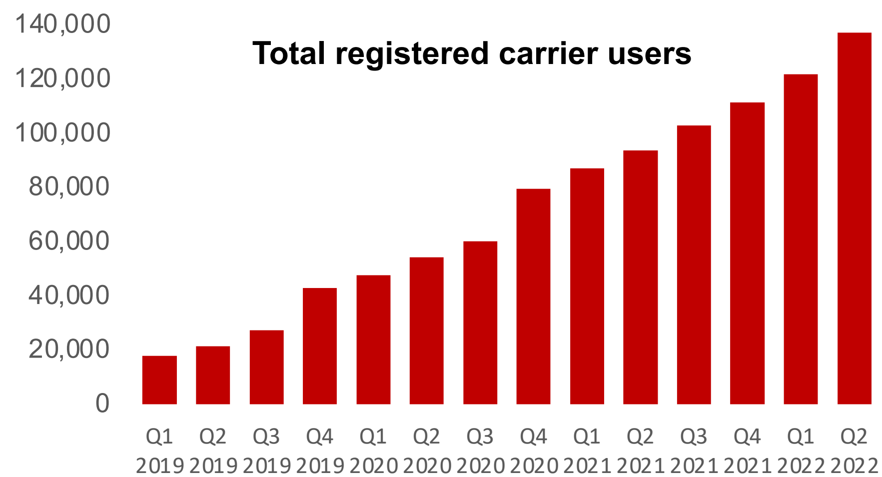
CUSTOMERS WANT DIGITAL ACCESS TO RXO'S DEEP POOL OF TRUCKS AND DRIVERS





CARRIERS WANT THE INCOME OPPORTUNITIES THAT RXO CONNECT PROVIDES



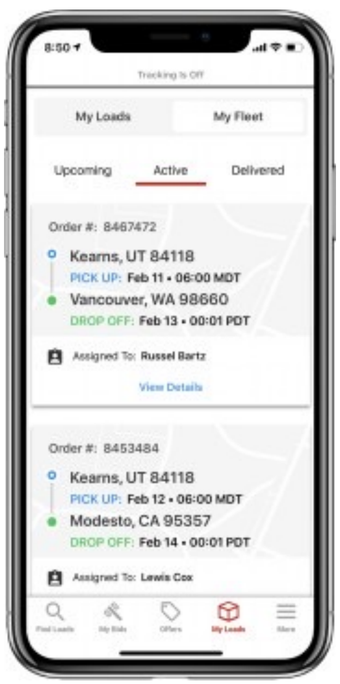


Note: All data cumulative as of June 30, 2022

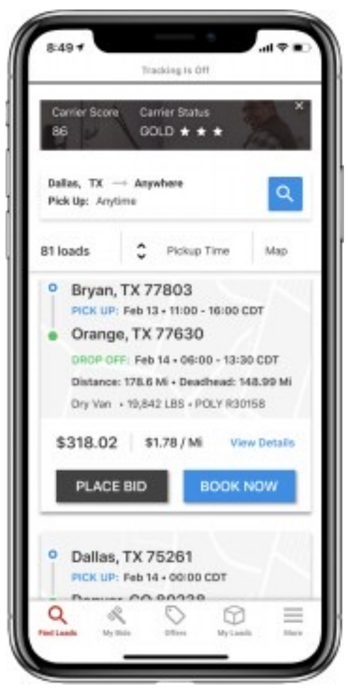
Drivers have downloaded the platform's mobile app more than 800,000 times

- In Q2 2022, over 70% of carrier users that logged into the platform for the first time returned within one week to do more business
- Proprietary app connects truck drivers to income opportunities from the road, giving them access to thousands of loads daily and reducing empty miles
- Enhances access to capacity for customers regardless of market conditions
- Fully automated transactional capabilities

CAPACITY POSTING

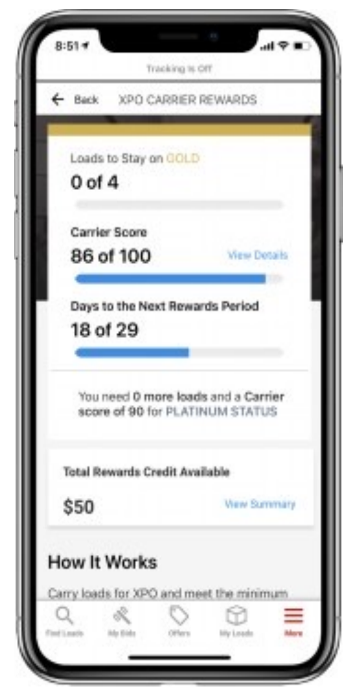


LOAD BOOKING



FREIGHT MANAGEMENT

CARRIER SCORE AND REWARDS



XPO Logistics

Spin-off to include complementary asset-light services

In 2021, over 80% of the operating income generated by the planned spin-off operations was generated by truck brokerage. The balance of the spin-off platform will be comprised of three additional brokered transportation services.

MANAGED TRANSPORTATION

Provides asset-light, scalable solutions for shippers who choose to outsource their freight transportation requirements to gain reliability, visibility and cost savings. RXO’s managed transportation service uses proprietary technology to enhance revenue synergies and carrier management, with cross-selling to truck brokerage and global forwarding.

LAST MILE

An asset-light service that facilitates deliveries to consumers performed by third-party contractors. The company is the largest provider of outsourced last mile for heavy goods in North America, positioned within 125 miles of the vast majority of the US population, and serving a base of omnichannel and e-commerce retailers and direct-to-consumer manufacturers.

GLOBAL FORWARDING

A scalable, asset-light service managed with advanced technology that facilitates ocean, road and air transportation and assists shippers with customs brokerage processes. The company is a global freight forwarder with a network of company-owned and partner-owned locations and coverage of key trade lanes that reach 190 countries.

Supplemental materials

Highly skilled management team

LEADERSHIP	PRIOR EXPERIENCE
Brad Jacobs *Chief Executive Officer*	United Rentals, United Waste
Lou Amo *President, Truck Brokerage – North America*	Electrolux, Union Pacific
Josephine Berisha *Chief Human Resources Officer*	Morgan Stanley
Matthew Fassler *Chief Strategy Officer*	Goldman Sachs
Luis-Angel Gómez Izaguirre *Managing Director, Transport – Europe*	Norbert Dentressangle
Mario Harik *Chief Information Officer; President, LTL – North America*	Oakleaf Waste Management
Tavio Headley *Chief Investor Relations Officer*	Jefferies, American Trucking Associations
LaQuenta Jacobs *Chief Diversity Officer*	Delta Air Lines, Home Depot
Heidi Ratti *Senior Vice President, Human Resources, LTL – North America*	Pacer
Lorraine Sperling *Treasurer*	Goldman Sachs, Carnival
Ravi Tulsyan *Chief Financial Officer*	ADT, Tyco, PepsiCo
Drew Wilkerson *President, Transportation – North America*	C.H. Robinson

Note: Partial list

XPO holds leading transportation positions in key European geographies

TRUCK BROKERAGE

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

#3 broker in the UK

LESS-THAN-TRUCKLOAD

#1 LTL provider in France and Iberia

#1 single-owner LTL network in the UK

- LTL network of ~130 locations serving countries across Europe
- Optimal LTL operating model utilized for each coverage area: contracted capacity, owned capacity or blended capacity

XPO Logistics

XPO is widely recognized for performance and culture

- Recognized as one of America's Best Large Employers by Forbes, 2022
- Named one of the World's Most Admired Companies by Fortune, 2018, 2019, 2020, 2021
- Ranked #1 in the Fortune 500 category of Transportation and Logistics, 2017, 2018, 2019, 2020, 2021
- Named a Top Company for Women to Work for in Transportation by Women in Trucking Association, 2021
- Named one of America's Most Responsible Companies by Newsweek, 2020, 2022
- Named one of Spain's Best Companies to Work For by Forbes, 2019, 2020, 2021, 2022
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2017, 2018, 2019, 2020, 2021
- Received first-place ranking in all categories of 2022 Institutional Investor All-America Executive Team; voted Brad Jacobs best CEO in transportation space
- Received Intel's Supplier Achievement Award for COVID response, 2021
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution 2019, managed transportation 2020, 2021
- Received Ulta Beauty's "Improve Always" Award, 2021
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022
- Named one of Best Leadership Teams and Best CEOs for Diversity by Comparably, 2021
- Winner of Dow Chemical's Sustainability Award for road transportation, 2021
- Named LTL Collaborator of the Year by GlobalTranz, 2020, 2021
- Named a Top 100 Trucker by Inbound Logistics, 2016, 2017, 2018, 2019, 2020, 2021
- Named a Freight.Tech Disruptive Technology Leader by FreightWaves, 2018, 2019, 2020, 2021, 2022
- Recognized by Ford Motor Company with World Excellence Awards, 2019, 2020, 2021
- Awarded BRC certification for food safety in transport operations for Arla Foods distribution, 2021
- Honored with Whirlpool Corporation Intermodal Carrier of the Year Award and Maytag Dependability Award, 2020
- Ranked #7 of the Top 20 UK Companies for Quality of Workplace Culture by the Chartered Management Institute, 2020
- Recognized by Owens Corning as Supplier of the Year Award, 2020
- Recognized by Raytheon Company with EPIC Supplier Excellence Award for on-time delivery, 2019
- Named a European Diversity Leader by the Financial Times, 2019
- Named a Winning "W" Company by 2020 Women on Boards for gender diversity of the board of directors, 2019
- Recognized by Nissan Manufacturing UK for excellence at Operational Logistics Awards, 2014, 2015, 2016, 2017, 2018, 2019
- CEO Jacobs ranked #10 on Barron's readers list of World's Best CEOs, 2018
- Named to Fortune Future 50 list of US companies best positioned for breakout growth, 2018

Selected highlights of XPO’s people-first culture

- Appointed a Chief Diversity Officer and launched a Diversity and Inclusion Council, 2020
- Launched a global Diversity and Inclusion Steering Committee, 2021, and a global Sustainability Steering Committee, 2022
- Named transportation partner of 3-Day Walks® for Susan G. Komen Foundation in fight against breast cancer through 2022
- Partnered with Hispanic Association of Colleges and Universities to provide financial support for HACU’s objectives
- Partnered with Truckers Against Trafficking to help combat human trafficking
- Recognized by Human Rights Campaign on the Corporate Equality Index (CEI) for LGBTQ+ inclusion, 2020, 2021, 2022
- Recognized by Disability:IN and American Association of People with Disabilities on the Disability Equality Index, 2021, 2022
- Donated services and shoe collections to Soles4Souls, a non-profit committed to disrupting the cycle of poverty
- Provides employees with tuition reimbursement of up to $5,250 annually for pursuing continuing education
- Robust recruitment initiatives emphasize diversity hiring; awarded Viqtory’s bronze-level Military-Friendly Employer®
- Awarded VETS Indexes Recognized Employer status, 2022
- Company celebrates Black History, Women’s History, Hispanic Heritage, Asian American and Pacific Islander Heritage, LGBTQ+ Pride and Military Appreciation months
- Honored by Women’s Forum of New York for having 35% or more female representation on the XPO board of directors, 2021
- Signed national Diversity Charters in Spain and France, committing to diversity and inclusion in the workplace

Progressive Pregnancy Care and Family Bonding benefits

- Any XPO employee, male or female, receives up to six weeks of 100% paid postnatal leave as primary caregiver, or up to two paid weeks as a secondary caregiver
- Women receive up to 20 days or 160 hours of 100% paid prenatal leave for health and wellness
- “Automatic yes" pregnancy accommodations granted on request; more extensive accommodations easily arranged
- XPO guarantees that a woman will continue to be paid her regular base wage rate, and remain eligible for wage increases, while her pregnancy accommodations are in effect

Strongly committed to sustainability

XPO's Sustainability Report is available online at sustainability.xpo.com

- CarbonNET, XPO's proprietary, cloud-based calculator, helps document emission sources, activity data and CO_2 calculations
- Awarded Silver Status for ESG Performance by EcoVadis in Europe, 2022
- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018, 2019, 2020, 2021
- Joined Lean & Green National Project in Spain as part of pan-European initiative to cut greenhouse gas emissions in supply chains
- Awarded Trophées EVE 2020 for implementing an "urban river" solution to reduce CO_2 emissions during inner-city deliveries in Paris, in cooperation with the Ports of Paris, City of Paris, Île-de-France region and Voies Navigables de France
- Renewed three-year commitment to the CO_2 Charter in France, extending 10-year commitment to sustainability
- Expanded fleet with 80 liquified natural gas (LNG) trucks in Europe in 2020; now over 250 natural gas trucks in Europe
- In partnership with Irish Rail, created a multimodal solution that can significantly decrease road congestion and emissions per freight unit
- Piloted the first fully electric trucks in XPO fleets in Spain and France
- Partnered with Daimler Trucks North America to conduct a nine-month pilot of Daimler's battery-electric commercial trucks
- Invested in fuel-efficient Freightliner Cascadia tractors in North America (EPA-compliant and GHG14-compliant technology), and Stralis Natural Power Euro VI tractors in Europe
- European fleet has reduced fuel consumption by 10% since 2015
- Official transport partner of Tour de France for 42 years; used biofuel at 2022 Tour and reduced CO2 emissions in 18 trucks by 85%
- Partnered with ENGIE Solutions, a leading provider of sustainable mobility, to transport natural gas in cryogenic tanks capable of maintaining extremely low temperatures
- XPO mega-trucks in Spain can reduce CO_2 emissions by up to 20% by transporting more freight per trip
- XPO drivers train in responsible eco-driving and fuel usage reduction techniques
- North American LTL locations implementing phased upgrades to LED lighting
- Experimenting in Europe with diesel-electric hybrids and zero-emission electric vans for last mile service
- Utilizing electronic waybills and documentation in global operations to reduce paper and other waste

Glossary

XPO SERVICES

- **Less-than-truckload (LTL):** LTL is the transportation of a quantity of freight that is larger than a parcel but doesn't require an entire truck, and is often shipped on a pallet. LTL shipments are priced according to the weight of the freight, its commodity class (generally determined by cube/weight ratio and type of product), and mileage within designated lanes. An LTL carrier typically operates a hub-and-spoke network that allows for the consolidation of multiple shipments for different customers in single trucks. XPO is the fourth largest LTL provider in North America, with a national network that provides customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services, including cross-border US service to and from Mexico and Canada, and intra-Canada service. After the planned RXO spin-off, XPO will be the third largest LTL pure-play in North America. The company also has one of the largest LTL networks in Western Europe.
- **Truck brokerage:** Truck brokerage is a variable-cost business that facilitates the trucking of freight by procuring carriers through the use of technology, typically referred to as a transportation management system (TMS). Brokerage margin is the spread between the price to the shipper and the cost of purchased transportation. The vast majority of truck brokerage shipments are full truckload; cargo is provided by a single shipper in an amount that requires the full capacity of the trailer, either by dimension or weight. Truck brokers have steadily increased share of the for-hire trucking market throughout cycles, and shippers and carriers increasingly value automation, making digital truck brokerage one of the strongest trends in the freight transportation industry. The RXO spin-off will be the fourth largest truck broker in the US, and is differentiated by its technology (see below). XPO's truck brokerage business will be the largest component of its planned 2022 spin-off of RXO, which also includes complementary, asset-light brokered services for managed transportation, last mile and global forwarding.

TECHNOLOGY

- **XPO Connect® (RXO Connect):** The company's proprietary, fully automated, self-learning digital freight marketplace connects shippers and carriers directly, as well as through company operations. The platform gives shippers comprehensive visibility into current market conditions, including fluctuations in capacity, spot rates by geography and digital negotiating through an automated counteroffer feature. Carriers can post available truck capacity and bid on loads, and shippers can tender loads and track their freight in real time. Truck drivers use the company's proprietary app for mobile access from the road. Approximately 80% of the company's truck brokerage loads are created or covered digitally, and the company expects that number to climb to 95% or more through ongoing industry adoption of its technology platform.
- **XPO Smart®:** XPO's proprietary labor optimization tools use machine learning to improve productivity in dock operations at the company's LTL network terminals.

Financial reconciliations

The following table reconciles XPO's net income from continuing operations attributable to common shareholders for the periods ended June 30, 2022 and 2021, to adjusted EBITDA for the same periods.

RECONCILIATION OF NET INCOME FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA

$ in millions (unaudited)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Change %	2022	2021	Change %
Net income from continuing operations attributable to common shareholders	$ 141	$ 113	24.8%	$ 630	$ 176	258.0%
Debt extinguishment loss	26	-		26	8	
Interest expense	31	58		68	123	
Income tax provision	47	30		160	49	
Depreciation and amortization expense	115	120		231	239	
Unrealized loss on foreign currency option and forward contracts	-	2		-	1	
(Gain) loss on sale of business	16	-		(434)	-	
Transaction and integration costs	25	6		35	11	
Restructuring costs	4	1		10	2	
Adjusted EBITDA [1]	$ 405	$ 330	22.7%	$ 726	$ 609	19.2%
Revenue [1]	$ 3,232	$ 3,186	1.4%	$ 6,705	$ 6,175	8.6%
Adjusted EBITDA margin [2]	12.5%	10.4%		10.8%	9.9%	

1 Second quarter 2021 includes $266 million of revenue and $11 million of adjusted EBITDA attributable to the intermodal operation

2 Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue

Refer to the "Non-GAAP Financial Measures" section on page 2 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, 2022 and 2021, and the year ended December 31, 2021, to adjusted net income from continuing operations attributable to common shareholders for the same periods.

RECONCILIATIONS OF ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE

$ in millions, except per-share data (unaudited)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Year Ended December 31, 2021
Net income from continuing operations attributable to common shareholders	$ 141	$ 113	$ 630	$ 176	$ 323
Debt extinguishment loss	26	-	26	8	54
Unrealized loss on foreign currency option and forward contracts	-	2	-	1	1
Amortization of acquisition-related intangible assets	19	21	39	43	86
ABL amendment cost	-	-	-	-	1
(Gain) loss on sale of business	16	-	(434)	-	-
Litigation settlements	-	-	-	-	31
Transaction and integration costs	25	6	35	11	37
Restructuring costs	4	1	10	2	19
Income tax associated with the adjustments above (1)	(22)	(5)	48	(14)	(56)
Discrete and other tax-related adjustments (2)	-	-	-	-	(5)
Adjusted net income from continuing operations attributable to common shareholders	$ 209	$ 138	$ 354	$ 227	$ 491
Adjusted diluted earnings from continuing operations per share	$ 1.81	$ 1.22	$ 3.06	$ 2.01	$ 4.30
Weighted-average common shares outstanding					
Diluted weighted-average common shares outstanding	116	113	116	113	114

[1] Income tax rate applied to reconciling items excluding (gain) loss on sale of business is based on GAAP annual effective tax rate, excluding discrete items and contribution-based and margin-based taxes; income tax rate applied to (gain) loss on sale of business represents actual tax expense impact, which is considered a discrete item

[2] Discrete tax items reflect a tax benefit related to a tax planning initiative that resulted in the recognition of a long-term capital loss, offset by tax expense due to valuation allowances that were recognized as a result of the spin-off of the logistics segment

Refer to the "Non-GAAP Financial Measures" section on page 2 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, 2022 and 2021, and the years ended December 31, 2021, 2020 and 2019, to free cash flow for the same periods.

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITES OF CONTINUING OPERATIONS TO FREE CASH FLOW

$ in millions (unaudited)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Years Ended December 31, 2021	Years Ended December 31, 2020	Years Ended December 31, 2019
Net cash provided by operating activities from continuing operations	$ 199	$ 231	$ 399	$ 308	$ 656	$ 388	$ 629
Cash collected on deferred purchase price receivable	-	-	-	-	-	-	75
Adjusted net cash provided by operating activities from continuing operations	199	231	399	308	656	388	704
Payment for purchases of property and equipment	(130)	(61)	(267)	(135)	(313)	(303)	(379)
Proceeds from sales of property and equipment	4	24	7	60	132	183	237
Free cash flow [(1)]	$ 73	$ 194	$ 139	$ 233	$ 475	$ 268	$ 562

[1] Second quarter 2022 includes $28 million of cash outflows related to transaction costs
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPO Logistics

Financial reconciliations (cont.)

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

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

$ in millions (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,		Years Ended December 31,						Three Months Ended December 31,
	2022	2021	2022	2021	2021	2020	2019	2018	2017	2016	2015 (9)
Revenue (excluding fuel surcharge revenue)	$ 948	$ 917	$ 1,846	$ 1,744	$ 3,486	$ 3,106	$ 3,259	$ 3,230	$ 3,140	$ 3,035	$ 753
Fuel surcharge revenue	291	164	498	299	632	433	532	552	455	370	98
Revenue	1,239	1,081	2,344	2,043	4,118	3,539	3,791	3,782	3,595	3,405	851
Salaries, wages and employee benefits	524	486	1,019	939	1,907	1,740	1,783	1,751	1,697	1,676	434
Purchased transportation	134	116	270	210	452	334	397	400	438	438	119
Fuel and fuel-related taxes	121	71	215	134	282	186	264	293	234	191	48
Other operating expenses	159	145	327	279	553	494	471	590	555	514	139
Depreciation and amortization	60	57	115	112	226	224	227	243	233	203	53
Rents and leases	23	19	45	37	79	65	49	44	42	41	11
Transaction, integration and rebranding costs	2	-	2	-	1	5	-	-	19	24	21
Restructuring costs	-	-	3	-	-	4	3	3	-	-	-
Operating income (1)	216	187	348	332	618	487	597	458	377	318	26
Operating ratio (2)	82.5%	82.7%	85.1%	83.7%	85.0%	86.2%	84.3%	87.9%	89.5%	90.7%	96.9%
Other income (3)	15	14	30	28	58	43	22	29	12	-	-
Amortization expense	9	9	17	17	33	34	34	33	34	34	10
Transaction, integration and rebranding costs	2	-	2	-	1	5	-	-	19	24	21
Restructuring costs	-	-	3	-	-	4	3	3	-	-	-
Depreciation adjustment from updated purchase price allocation of acquired assets	-	-	-	-	-	-	-	-	-	(2)	-
Adjusted operating income (1)	$ 242	$ 210	$ 400	$ 377	$ 710	$ 573	$ 656	$ 523	$ 442	$ 374	$ 57
Adjusted operating ratio (4)	80.4%	80.6%	82.9%	81.5%	82.7%	83.8%	82.7%	86.2%	87.7%	89.0%	93.3%
Depreciation expense	51	48	98	95	193	190	193	210	199	169	
Other	1	-	1	-	1	1	2	-	6	4	
Adjusted EBITDA (1) (5)	$ 294	$ 258	$ 499	$ 472	$ 904	$ 764	$ 851	$ 733	$ 647	$ 547	
Adjusted EBITDA Margin (6)	23.7%	23.9%	21.3%	23.1%	21.9%	21.6%					
Gains on real estate transactions	-	(5)	-	(22)	(62)	(77)	(88)	(2)	(5)	-	-
Adjusted EBITDA, excluding gains on real estate transactions	$ 294	$ 253	$ 499	$ 450	$ 842	$ 687	$ 763	$ 731	$ 642	$ 547	
Adjusted operating income, excluding gains on real estate transactions	$ 242	$ 205	$ 400	$ 355	$ 648	$ 496					$ 57
Adjusted operating ratio, excluding gains on real estate transactions (4)	80.4%	81.1%	82.9%	82.6%	84.3%	86.0%					93.3%
Payment for purchases of property and equipment			(165)		$ (155)	$ (102)	$ (153)	$ (112)	$ (88)	$ (130)	
Net cash generated from operating income (7)			183		463	385	444	346	289	188	
Net cash generated from adjusted EBITDA (8)			334		687	585	610	619	554	417	

1 Operating income, adjusted operating income and adjusted EBITDA include real estate gains of $- million and $5 million for the three months ended June 30, 2022 and 2021, respectively, and $- million and $22 million for the six months ended June 30, 2022 and 2021, respectively
2 Operating ratio is calculated as (1 – (operating income divided by revenue))
3 Other income primarily consists of pension income
4 Adjusted operating ratio is calculated as (1 – (adjusted operating income divided by revenue)); adjusted operating margin is the inverse of adjusted operating ratio
5 Adjusted EBITDA is used by our chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280
6 Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue
7 Net cash generated from operating income is calculated as operating income less payments for purchases of property and equipment
8 Net cash generated from adjusted EBITDA is calculated as adjusted EBITDA, excluding gains on real estate transactions, less payments for purchases of property and equipment; we also refer to this measure as net cash from LTL
9 The company acquired North American LTL in Q4 2015
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPOLogistics

Financial reconciliations (cont.)

The following table reconciles XPO's net income from continuing operations attributable to common shareholders for the trailing twelve months ended June 30, 2022, the six-month periods ended June 30, 2022 and 2021, and twelve months ended December 31, 2021, to adjusted EBITDA for the same periods.

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA

$ in millions (unaudited)	Trailing Twelve Months Ended June 30, 2022	Six Months Ended June 30, 2022	Twelve Months Ended December 31, 2021	Six Months Ended June 30, 2021
Net income from continuing operations attributable to common shareholders	$ 777	$ 630	$ 323	$ 176
Debt extinguishment loss	72	26	54	8
Interest expense	156	68	211	123
Income tax provision	198	160	87	49
Depreciation and amortization expense	468	231	476	239
Unrealized loss on foreign currency option and forward contracts	-	-	1	1
(Gain) loss on sale of business	(434)	(434)	-	-
Litigation settlements	31	-	31	-
Transaction and integration costs	61	35	37	11
Restructuring costs	27	10	19	2
Adjusted EBITDA	$ 1,356	$ 726	$ 1,239	$ 609

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

Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to its North American Truck Brokerage business for the quarters ended June 30, 2022 and 2021 to adjusted EBITDA for the same periods.

RECONCILIATION OF ADJUSTED EBITDA ATTRIBUTABLE TO NORTH AMERICAN TRUCK BROKERAGE

$ in millions	Three Months Ended June 30,		
(unaudited)	2022	2021	Change %
Operating income	$ 74	$ 34	117.6%
Other income	1	1	
Depreciation and amortization	5	4	
Transaction and integration costs	-	-	
Restructuring costs	-	-	
Adjusted EBITDA	$ 80	$ 39	105.1%
Revenue	$ 755	$ 607	24.4%
Adjusted EBITDA margin (1)	10.6%	6.4%	

[1] Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to the planned spin-off operations[1] for the year ended December 31, 2021 to adjusted EBITDA for the same period.

RECONCILIATION OF ADJUSTED EBITDA ATTRIBUTABLE TO RXO (PLANNED SPIN-OFF)

$ in millions (unaudited)	Year Ended December 31, 2021
Spin-off operations	
Operating income	$ 226
Other expense	(2)
Depreciation and amortization	79
Transaction and integration costs	2
Adjusted EBITDA [2]	$ 305

[1] The planned spin-off is expected to include the company's truck brokerage, managed transportation, last mile and global forwarding operations
[2] Excludes unallocated corporate costs
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

We believe that return on invested capital (ROIC) is an important metric, as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for the trailing twelve months ended June 30, 2022, divided by invested capital as of June 30, 2022. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles.

RETURN ON INVESTED CAPITAL

$ in millions
(unaudited)

Select income statement items	Trailing Twelve Months Ended June 30, 2022	
Adjusted EBITDA	$	1,356
(-) Depreciation		386
(-) Real estate gains		40
(+) Operating lease interest		31
(-) Cash taxes		114
Net operating profit after tax (NOPAT) [1]	$	847

Select balance sheet items	As of June 30, 2022	
Equity	$	1,707
(+) Debt		2,912
(+) Operating lease liabilities		831
(-) Cash		436
(-) Goodwill and intangibles		2,806
Invested capital	**$**	**2,208**

38% return on invested capital [1]

[1] Excluding NOPAT related to the divested intermodal operation, return on invested capital would have decreased by approximately four percentage points
Note: For a reconciliation of adjusted EBITDA in the table above, refer to page 44 of this document
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our adjusted EBITDA. The following tables calculate XPO's net leverage for the trailing twelve months ended March 31, 2022 and the year ended December 31, 2021, and net debt as of March 31, 2022 and December 31, 2021.

RECONCILIATION OF NET LEVERAGE AND NET DEBT

$ in millions
(unaudited)

	As of	
	March 31, 2022	**December 31, 2021**
Reconciliation of Net Debt		
Total debt	3,559	$ 3,572
Cash and cash equivalents	1,004	260
Net debt	$ 2,555	$ 3,312

	Trailing Twelve Months Ended March 31, 2022	**Year Ended December 31, 2021**
Reconciliation of Net Leverage		
Net debt	$ 2,555	$ 3,312
Adjusted EBITDA	$ 1,281	$ 1,239
Net leverage	2.0x	2.7x

	Trailing Twelve Months Ended March 31, 2022	**Three Months Ended March 31, 2022**	**Twelve Months Ended December 31, 2021**	**Three Months Ended March 31, 2021**
Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA				
Net income from continuing operations attributable to common shareholde	$ 749	$ 489	$ 323	$ 63
Debt extinguishment loss	46	-	54	8
Interest expense	183	37	211	65
Income tax provision	181	113	87	19
Depreciation and amortization expense	473	116	476	119
Unrealized (gain) loss on foreign currency option and forward contracts	2	-	1	(1)
Gain on sale of business	(450)	(450)	-	-
Litigation settlements	31	-	31	-
Transaction and integration costs	42	10	37	5
Restructuring costs	24	6	19	1
Adjusted EBITDA	$ 1,281	$ 321	$ 1,239	$ 279

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

August 2022

Presentation Script and Slides

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

Thank you for joining us. We'll start with an overview of XPO Logistics today — our company operations and our value proposition for shareholders. We'll also bring you up to date on where we stand with the planned spin-off of our tech-enabled brokered transportation platform, which will separate XPO into two pure-play transportation companies at the top of their industries. And we'll give you an overview of our record financial performance in the second quarter, when all of our reported metrics were ahead of guidance and consensus. It was our ninth straight quarterly beat on adjusted EBITDA.

Over the last decade, we built XPO into one of the world's leading providers of supply chain services, always with an eye to creating value. In 2021, we saw an opportunity to create billions of dollars of value by separating our business segments through a spin-off — and we accomplished that with GXO Logistics.

In March of this year, we announced a strategic plan for a new spin-off of our tech-enabled brokered transportation platform, separating it from our less-than-truckload (LTL) business in North America. This will create two powerhouse transportation companies at the top of their industries. In July, we debuted the planned spin-off brand, RXO, with its tagline "Massive capacity. Cutting-edge technology." We expect to complete the spin-off in the fourth quarter of 2022.

The largest component of our planned spin-off will be our best-in-class, asset-light truck brokerage business, managed with our cutting-edge XPO Connect® technology. The remaining company will be the third largest pure-play LTL provider in North America, with critical scale, extensive transportation assets and company-specific levers for revenue and margin expansion.

Our strategic plan also includes the sale of our intermodal operation, now complete, our intent to divest our European business, and our target net leverage ratio of 1.0x to 2.0x — which we achieved ahead of plan with net leverage of 1.8x as of June 30, 2022. We will continue to manage our leverage with a long-term target of 1.0x to 2.0x.

Once the spin-off is completed, it will be easier for investors to appreciate each public company's long runway for earnings growth and see that each business has a track record of very high returns on invested capital. Each publicly traded company will have its own equity currency. Each will be more fit for purpose and intensely focused on its specific strategic priorities, customer requirements and stakeholder interests, and have more agility to act on market opportunities. There can be no assurance that any strategic transaction will occur, or if one or more do occur, of the terms or timing.

Investment Highlights

Our company has multiple catalysts for value creation, largely independent of macro conditions. These include company-specific levers for the transformation of our North American LTL business, the RXO spin-off, the divestiture of our European business and our continued deleveraging.

In addition, our business provides services that are critically important for the economy, and we believe we have strong competitive advantages that position us to capitalize on a combination of macro trends and secular tailwinds:

- *Expansive, fragmented markets with growing penetration:* Our US market share, where we're a top provider of LTL and truck brokerage services, is in the single digits in each industry. We have approximately 8% share of the $51 billion LTL market, and 4% share of the $88 billion truck brokerage market. Over $300 billion of additional truckload spend in North America could be going through brokers — that's a fertile environment for market share growth in our truck brokerage business.
- *Exposure to fast-growing verticals in highly compelling sectors:* We have deep exposure in verticals that are bedrocks of the economy and, in some cases, are growing much faster than the overall market. In addition, we have many long-standing relationships with blue-chip customers in verticals that are favorable to our business, because they have secular trends toward outsourcing.
- *Industry leader in technology:* Our first-mover advantage as an industry innovator is rooted in over a decade of investment in developing proprietary technology, positioning our company to thrive across market cycles. Most of our company-specific initiatives for revenue and margin expansion are managed within our digital ecosystem, which encompasses our brokered transportation and LTL technology platforms.
- *Benefits of scale:* Our scale in both LTL and truck brokerage is important to customers, and it gives us the ability to drive significant operating leverage, benefit from purchasing power and continue to differentiate our offerings through innovation. Companywide, our 43,000 employees serve more than 50,000 customers across 749 locations.
- *Disciplined capital allocation:* We have a long history of generating high returns on capital — for the trailing 12 months ended June 30, 2022, our companywide ROIC was 38%. Our adjusted EBITDA growth and strong free cash flow support our continued investments in the business and our ongoing deleveraging.
- *Enviable record of superior shareholder value creation:* In the last decade, XPO was the 7th best-performing stock on the Fortune 500, according to Bloomberg market data, and we have significant opportunities to continue to create superior shareholder value. Post-spin-off, XPO and RXO will retain their own idiosyncratic levers.
- *Strong culture:* Our secret sauce has always been the world-class people we attract to XPO — the thousands of professionals at every level who contribute to our performance while representing our values.

Specific drivers of growth and returns in our business appear in the sections below.

Less-Than-Truckload (LTL)

Our North American LTL segment is asset-based. We provide customers with geographic density and day-definite regional, national and cross-border freight services with one of the industry's largest networks of tractors, trailers and terminals. Our services include US freight movements to Mexico, Canada and the Caribbean..

The key factors driving growth and margin expansion in our North American LTL network are:

- *Critical capacity and national lane density, supported by 294 terminals in North America, with large economies of scale.* Our LTL business represents over three decades of investment, with network coverage of approximately 99% of all US zip codes and key routes in Canada. We employ approximately 13,000 professional truck drivers, with the advantage of XPO driver training schools based at 130 of our locations;
- *Significant opportunities to leverage our LTL technology* to improve profitability beyond the sizable margin gains we've already achieved. Our proprietary technology underpins the improvements in our yield, and it helped us improve our adjusted operating ratio by 1,290 basis points since we acquired the business in October 2015;
- *Favorable industry fundamentals*, including a firm pricing environment in North America;
- *Over 30 years' experience and deep relationships* with tens of thousands of customers and providers; and
- *Company-specific initiatives that are largely independent of macro conditions,* to drive network efficiency and growth, including: optimization of linehaul, dock and pickup-and-delivery operations through the application of our proprietary technology for LTL routing, load-building and labor productivity; advanced pricing algorithms; expansion of transportation capacity and in-house trailer manufacturing; and targeted sales pipeline management.

  A key growth target is to expand our North American LTL footprint by 900 net new doors by year-end 2023, which equates to approximately 6% expansion from October 2021. To date, we've added 345 net new doors with five new terminals opened: Chicago Heights, Illinois; Sheboygan, Wisconsin; Texarkana, Arkansas; San Bernardino, California; and Atlanta, Georgia.

The strong return on invested capital generated by our LTL business supports our investments in network density, fleet and technology. We anticipate that our 2022 gross capex for this business will be 8% to 9% of revenue.

Transformation in LTL

Our goal is simple: We want to be the best LTL carrier in North America. We're creating world-class LTL by maintaining an intense focus on every part of the business. There's a palpable excitement across our organization — we have a highly engaged team that's determined to delight our customers and drive improvements across the network.

In the second quarter, we saw tremendous momentum in all these areas, with measurable results. We achieved the highest level of network fluidity since early 2020, before the pandemic. We also reached a new high for customer satisfaction according to Mastio, a third-party industry consultant that tracks our net promoter score on a quarterly basis.

The second production line we added at our trailer manufacturing facility early this year had an immediate impact. In the second quarter, we produced a record number of trailers for our fleet. Our target is to manufacture more than 4,700 trailers this year, expanding our in-house linehaul trailer capacity by over 10% to more than 20,000 trailers.

In May, we launched a national initiative to further improve the quality of our trailer loading and on-time delivery. We're also engaging with customers on best practices in how they package their freight. And that's just the start; we've identified other levers we'll pull to run the network more efficiently and provide superb customer service. We have every confidence that we'll succeed at being world-class, just as we succeeded at dramatically increasing LTL returns with a comprehensive optimization plan.

We began optimizing our LTL network immediately after buying the business in 2015 and doubled adjusted EBITDA in four years. We also generated over $3.8 billion of net cash in LTL from 2016 through the second quarter of 2022. This year, we expect to deliver at least $1 billion of LTL adjusted EBITDA, as well as improve our adjusted operating ratio year-over-year by over 100 basis points, excluding gains on real estate sales. Going forward, we expect to improve our adjusted operating ratio well into the 70s over time.

Our LTL team is laser-focused on the importance of delivering on-time, damage-free service using our modern, safety-equipped fleet. We have approximately 25,000 LTL customers in North America, ranging from local accounts to large national brands and 3PLs. In 2021, we moved 18 billion pounds of LTL freight 758 million miles.

Our tech priority in LTL is to continuously improve our margin as we grow our revenue — primarily by optimizing pricing, linehaul, dock productivity and pickup-and-delivery routing. For example, we use intelligent route-building to move LTL freight across North America, increasing the utilization of our linehaul fleet and optimizing our load factor. We're also investing development resources in improving our ability to price in a dynamic market by adjusting for lane conditions. And, we deployed XPO Smart® workforce planning tools in our dock operations to enhance productivity.

In Europe, XPO is the largest LTL provider in France and Iberia (Spain and Portugal), and we have the largest single-owner LTL network in the UK. In total, we have approximately 130 LTL locations serving countries across Europe. They utilize a blend of fleet operations determined by geography and supported by a network of terminals, including asset-based tractors and trailers owned by XPO and asset-light operations that use contracted carriers.

Truck Brokerage

XPO is the fourth largest US truckload broker, with a long track record of best-in-class performance in North America. From 2013 through 2021, our truck brokerage revenue CAGR was 27% — nearly three times the industry growth rate. In Europe, we're the largest truck broker in France and Iberia, and the third largest truck broker in the UK.

We have an asset-light truck brokerage model that generates high ROIC and free cash flow. It has a variable labor structure that lets us reduce costs when demand is soft and deploy additional resources to find trucks as demand returns. Shippers create demand and we place their freight with qualified truckload carriers that supply the capacity. This service is priced on either a contract or a spot basis.

For the second quarter 2022, we again sharply outpaced the industry. Our second quarter adjusted EBITDA margin for North American truck brokerage was 10.6% in the quarter. That's 420 basis points higher than a year ago, and it's our first quarterly, double-digit adjusted EBITDA margin. We've grown adjusted EBITDA through seasonal and economic cycles in the past, and we're confident we'll continue to do that.

Our truck brokerage growth in North America is propelled by our massive capacity and cutting-edge technology, which capitalize on favorable industry tailwinds. Specifically:

- *Our network of 98,000 independent carriers* — Our carrier pool gives us access to more than one and a half million trucks to serve high demand for truckload capacity, notably in the e-commerce and omnichannel retail sectors*.* As more and more shippers outsource their road freight needs, they increasingly prefer brokers like XPO that offer digital capabilities;
- *Our proprietary XPO Connect® digital platform and pricing technology* — XPO Connect® gives us the ability to adjust to market conditions in real time, to unlock incremental revenue, profit and share gains. As of the second quarter, 80% of our brokerage loads were created or covered digitally, which is up 10 percentage points from the start of the year;
- *Our sticky blue-chip customer base with low concentration risk* — Our top 10 brokerage customers have an average tenure with us of 15 years, and our largest brokerage customers historically have the strongest load growth. For example, in 2021, our top 20 brokerage customers in total grew their volumes with us by 35%. These relationships represent considerable potential to grow wallet share and leverage our expertise in key verticals;
- *A significant opportunity to increase market penetration* — While we're one of the largest brokerage providers in North America, we currently have just 4% share of the $88 billion US brokerage industry; and
- *An exceptional management team that has been together for many years* — Our brokerage leaders have successfully piloted the business to a position of strength, where it's large enough to satisfy the needs of any customer and nimble enough to pivot rapidly in dynamic environments.

In addition to North American truck brokerage, our Brokerage and Other Services segment includes three asset-light, tech-enabled brokered transportation services that will be part of our planned RXO spin-off. All are complementary to truck brokerage:

Managed transportation provides asset-light, scalable solutions for shippers who choose to outsource their freight transportation requirements to gain reliability, visibility and cost savings. The service uses proprietary technology to enhance revenue synergies and carrier management, with cross-selling to our truck brokerage and global forwarding operations.

Last mile is an asset-light service that facilitates deliveries of goods to consumers, performed by third-party contractors. We're the largest last mile provider for heavy goods in North America, positioned within 125 miles of the vast majority of the US population. We serve a base of omnichannel and e-commerce retailers and direct-to-consumer manufacturers.

Global forwarding is a scalable service managed with advanced technology that facilitates ocean, road and air transportation and assists customers with customs brokerage. We're a global freight forwarder with a network of company-owned and partner-owned locations. Our coverage of key trade lanes reaches 190 countries.

Proprietary Technology

XPO is the industry's original disruptor. We've been investing in transportation automation and digitization for more than a decade, innovating how goods move through supply chains. Our industry is evolving, and customers want to de-risk their operations. We believe that we're well-positioned to satisfy their demands for greater visibility and faster, more efficient movement of goods.

We use technology to increase our ROIC, enhance our competitive advantages and make the most of the talent and assets within our organization. Even with these benefits in hand, we believe the greatest rewards of our technology lie ahead in the form of additional revenue and profit growth from the proprietary digital ecosystem we've built. The more than $3 billion we've invested in technology in all areas of the business over the last 11 years has resulted in notable transportation innovations, including:

XPO Connect® and Freight Optimizer

We envisioned industry demand for a fully automated, cloud-based digital platform for transportation procurement a decade ago. Our XPO Connect® digital brokerage platform encompasses our Freight Optimizer system, shipper interface, pricing engine, carrier interface and our Drive XPO® mobile app for carriers. When our customers have truckload freight to move, XPO Connect® locates the optimal transportation provider based on price, market conditions, equipment, carrier profile, load profile and other parameters.

Our advances in digitization are making our brokerage business much more efficient and reducing our costs. The rapid adoption of XPO Connect® by both shippers and carriers is outpacing the industry's secular shift to brokerage automation, driving our above-market revenue and margin performance. The automation enables us to capture share without large increases in headcount.

Drive XPO®

Truck drivers can access XPO Connect® from the road through our proprietary mobile app, Drive XPO®. The app connects carriers to shippers with the capability for fully automated transactions, tracks freight during transit and includes intuitive tools for finding, bidding and booking loads. Carriers can easily make their trucks available to shippers on the app and improve the utilization of their assets, regardless of market conditions.

Drive XPO® is a resounding success. Truck drivers have downloaded the app over 800,000 times to date, giving them access to thousands of loads daily and reducing empty miles. In the second quarter, our weekly average carrier users on the platform increased year-over-year by 74%.

LTL Optimization

Some of our ongoing margin improvement in LTL will come from XPO Smart®, our proprietary platform of workforce planning tools for LTL dock operations. Our analytics "learn" the operations site by site and can forecast how a decision made today could affect productivity in a future period. This technology had an immediate impact that should gain further traction when the labor market settles down.

We have other proprietary technology for LTL that's contributing to the positive trajectory of our yield — a metric we've improved every year that we've owned the business. We developed data-driven pricing tools that optimize LTL rates for our local and regional accounts, while improving efficiency. Our elasticity tools help determine the best pricing for large, contractual customer relationships, and we created a new pricing platform that mines historical pricing data for lead generation.

In 2021, we deployed new planning tools and began the roll-out of new dispatch tools; in the first quarter of 2022, we launched a new online dashboard with self-service tools to enhance the customer experience. More recently, we introduced proprietary cost models to enhance visibility into cost management levers. Next up is a proprietary piece-level tracking capability that has the potential to significantly improve customer service and visibility.

While each application of our LTL technology delivers its own benefits, there can be a strong synergistic effect on the business as a whole. For example, when we optimize truck routes, it benefits asset utilization, driver utilization and customer service, and reduces our carbon footprint.

Our People-First Culture and ESG Commitment

Our culture prioritizes the well-being of our people. We foster both physical and emotional safety at work, with robust ethical guidelines that clearly define prohibited behavior, such as harassment, discrimination, deceit, workplace violence, bullying, conflicts of interest and insider trading. Our employees know that XPO expects them to have compassion, be honest and respect different points of view, while operating as a cohesive team.

The diversity, equity and inclusion aspects of our culture are led by our chief diversity officer and supported by a Diversity and Inclusion Steering Committee formed in 2021. We're working to significantly increase the diversity of talent in our pipeline by collaborating with historically Black colleges and universities (HBCUs) and by replicating our success with the LGBTQ+ community and military veterans, to communicate our culture of belonging to other underrepresented groups.

We're proud to be recognized by the Human Rights Campaign on the Corporate Equality Index (CEI) for LGBTQ+ inclusion, and to receive a top score on the 2022 Disability Equality Index (DEI) for disability inclusion as a best place to work.

We reinforce the importance of diversity through open-door management, the XPO University training curriculum, our Workplace virtual community, and our equal opportunity hiring and promotion policies. In addition, we support diverse causes that are meaningful to our employees, such as Soles4Souls, Girls With Impact, and Workfit programs for differently-abled people. We're the official transportation partner for the Susan G. Komen 3-Day Walks® through 2022, and a partner of Truckers Against Trafficking to help combat human trafficking.

We're also proud of our company's Pregnancy Care Policy, which is a gold standard for any industry. Any employee of XPO, female or male, who becomes a new parent through birth or adoption can qualify for six weeks of 100% paid leave as the infant's primary caregiver, or two weeks paid leave as the secondary caregiver. In addition, women receive up to 20 days or 160 hours of 100% paid prenatal leave for health and wellness and preparation for the child's arrival. Any woman employee can request pregnancy accommodations without fear of discrimination. We guarantee she will continue to be paid her regular base wage rate while her pregnancy accommodations are in effect, even if her duties need to be adjusted, and she remains eligible for wage increases while receiving alternate work arrangements. In total, more than 30 quality benefits are available to XPO women and families in the US.

The development of XPO's culture will continue to be a steady march forward, as it has since our founding in 2011. Our Sustainability Report provides details of our global progress with key environmental, social and governance initiatives, including safety, employee engagement, diversity and inclusion, ethics and compliance, environmental protection and governance. The current report can be downloaded from https://sustainability.xpo.com.

Our ESG Scorecard

We developed our ESG Scorecard in 2020 to provide a means of evaluating management's performance on environmental, social and governmental matters over time. The scorecard is part of our executives' long-term incentive program to ensure that we incentivize successive ESG achievements. First, we commissioned an independent gap analysis relative to our core peer group to better understand optimal ESG tracking methods and disclosures. Using these insights, our management identified the most relevant initiatives as the basis for measurable ESG improvements over four years, taking into account lead time requirements, category weighting and target variances. The Compensation Committee of our Board of Directors agreed with these recommendations and incorporated them into the scorecard.

We recalibrated the scorecard after our spin-off of GXO in 2021, ensuring that it continues to represent rigorous goals that build toward long-term achievement. The majority of targets reflect progressively higher achievement through 2023. The initiatives are 87% quantitative, with the remainder subject to predetermined hurdles or binary milestones; these are further described in our 2021 Proxy filing with the SEC.

The ESG Scorecard is a valuable tool for multiple purposes. The Compensation Committee uses the scorecard to objectively assess performance. Our company uses it to monitor progress on a range of material issues at the corporate and business unit levels, as identified in our Sustainability Report materiality matrix. The related metrics are a combination of annual and multi-year goals that span the total performance cycle of the award, with many metrics building to full achievement at the end of the four-year period.

As we prepare for the planned RXO spin-off this year, we'll remain focused on our ESG Scorecard targets, while steadily growing our business and mitigating risk. We're evolving our current climate actions as we prepare to execute the separation of our business into two entities. As outlined in our Sustainability Report, we've taken steps to begin to align our climate-related disclosures to TCFD recommendations, building on our ongoing SASB and GRI reporting.

Post-spin-off, each standalone company will have a robust environmental, social and governance framework from day one of the separation. We expect each company will develop tailored action plans that establish net-zero goals by 2050 at the latest, and science-based GHG reduction targets for each business, applying the key emerging standards for disclosure and goal-setting.

Environmental Sustainability

Our entire business model is based on transporting freight as efficiently as possible, which helps our customers and our company meet ESG goals. For customers and carriers, our XPO Connect® platform can improve the carbon footprint of their operations by reducing empty miles. Our LTL business maintains a modern fleet, optimizes routes and trains our drivers in eco-friendly techniques. From 2018 through 2021, we reduced our direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3) by 10%, 25% and 3%, respectively.

Sustainability initiatives aren't new to us. In the US, XPO has been named a Top 75 Green Supply Chain Partner by *Inbound Logistics* for six consecutive years. We're investing in more sustainable operations by piloting electric trucks and other equipment technologies, implementing a phased network upgrade to LED lighting in our LTL terminals, training our drivers in eco-friendly techniques, utilizing electronic shipping documents to reduce paper waste and upgrading our fuel management system, with a planned launch later this year. In April, we introduced our "Ship Net-Zero" truck brokerage program, which gives shippers a way to negate the carbon footprint of their freight by purchasing carbon offsets for the sustainability project of their choice.

Our current ESG Scorecard reflects the large environmental opportunity we have as a transportation company with asset-light and asset-based operations. It identifies materiality objectives for environmental and sustainability as: reductions in fossil fuel dependency, carbon emissions and carbon footprint, nitrogen oxide emissions and waste. This creates a framework for actionable plans — for example, we're improving the fuel efficiency of our LTL fleet by retiring manual transmissions in favor of advanced automatic transmissions that shift our tractors to the optimal gear. As we track our transition to the new technology, we're already seeing promising gains in fuel economy.

In addition, in North America, we've invested in fuel-efficient LTL tractors with catalytic reduction (SCR) technology. In Europe, over 90% of our diesel road fleet is compliant with Euro VI standards, and we have a natural gas-powered fleet of more than 250 total trucks in France, the UK, Spain and Portugal. We use electric vehicles for certain last mile deliveries, and government-approved mega-trucks in Spain to transport more freight with fewer trips.

Last year, we created a Sustainability Steering Committee charged with supporting our Board of Directors in its oversight of our company's ESG-related priorities. We also piloted all-electric trucks, deployed cleaner fuels, tested duo-trailers for greater fuel efficiency and provided brokerage carriers with resources to help in the adoption of sustainable technologies. These and other actions are aimed at reducing our carbon footprint in the short-, mid- and long-term. We'll share our progress with you along that path.

Second Quarter 2022 Financial Highlights[1]

Highlights of our financial performance include second quarter records for revenue and net income from continuing operations, and the highest adjusted EBITDA and adjusted diluted EPS of any quarter in our history:

- $3.23 billion of revenue
- $141 million of net income[2]
- $230 million of operating income
- $1.22 diluted earnings per share[3]
- $199 million cash flow from operating activities[4]
- $209 million of adjusted net income[2]
- $1.81 adjusted diluted earnings per share[3], a 48% increase year-over-year
- $405 million of adjusted EBITDA
- $73 million of free cash flow

2022 Guidance

The company raised its full year targets for adjusted EBITDA, adjusted diluted EPS and free cash flow, and updated the underlying metrics:

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1 Reconciliations of non-GAAP financial measures used in this document are provided in the accompanying slide presentation
2 Net income from continuing operations attributable to common shareholders
3 Diluted earnings from continuing operations per share
4 Net cash provided by operating activities from continuing operations

- Adjusted EBITDA of $1.40 billion to $1.43 billion, an increase from the prior target of $1.35 billion to $1.39 billion:
    - Includes third quarter adjusted EBITDA of $330 million to $345 million, excluding gains on sales of real estate;
    - North American less-than-truckload (LTL) expected to generate at least $1 billion of full year adjusted EBITDA, including gains on sales of real estate of up to $50 million in the fourth quarter;
- Year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio, excluding gains on sales of real estate, unchanged;
- Depreciation and amortization of approximately $385 million, excluding amortization of acquisition-related intangible assets, unchanged;
- Interest expense of $145 million to $150 million, a decrease from the prior target of $150 million to $160 million;
- Effective tax rate of 24% to 25%, unchanged; and
- Adjusted diluted EPS of $5.55 to $5.90, an increase from the prior target of $5.20 to $5.60; excludes amortization of acquisition-related intangible assets, and assumes 117 million diluted shares outstanding at year-end 2022.

With respect to 2022 cash flows, the targets are:

- Gross capital expenditures of $500 million to $550 million, unchanged;
- Net capital expenditures of $425 million to $475 million, unchanged; and
- Free cash flow of $425 million to $475 million, excluding all transaction-related impacts, an increase from the prior target of $400 million to $450 million.

The outlook does not take into account the intended spin-off of the company's tech-enabled brokered services platform or the divestiture of the European business.

Liquidity and Deleveraging

As of June 30, 2022, we had $1.4 billion of total liquidity, including $436 million of cash and cash equivalents and approximately $1.0 billion of available borrowing capacity, with a net leverage ratio of 1.8x, down from 2.7x at year-end 2021. Net leverage ratio is calculated as net debt of $2.48 billion, divided by adjusted EBITDA of $1.36 billion for the trailing 12 months ended June 30, 2022.

In Conclusion

Our business plan can be summed up in six words — unlock value for all our stakeholders. We're resolute in driving revenue and margin higher, even in those parts of the business where our performance is already industry-best. Our planned spin-off of RXO will separate our tech-enabled brokered transportation platform from our North American LTL business, and further simplify our model by creating two pure-play, publicly traded companies at the top of their industries. Each company's leadership, technology resources and frontline execution will be intensely focused on its specific growth strategy. We expect to complete the spin-off in the fourth quarter of this year, marking the start of our second decade in business.

Numerous recognitions speak to the caliber of the company we've built. In 2022, XPO was again named one of the Best Large Employers in America by *Forbes* and one of America's Most Responsible Companies by *Newsweek*. *Fortune* recognized us as one of the World's Most Admired Companies in 2021. Gartner has ranked us as a Magic Quadrant 3PL leader for five consecutive years. In 2016, we made the Fortune 500 list for the first time, in just our fourth full year in business. One year later, XPO was named the fastest-growing transportation company on the list, and we've been ranked No. 1 in the Fortune 500 category of Transportation and Logistics every year since then.

The *Financial Times* has honored us as a European Diversity Leader. We've been recognized for our commitment to gender diversity at the board level by 2020 Women on Boards, and as a top company for women to work for by the Women in Trucking Association. Statista named us one of the most socially responsible companies in France.

In the UK, XPO was voted one of Glassdoor's top three best places to work and *Forbes* recently named us one of the best companies to work for in Spain for the fourth consecutive year. We thank our employees for creating the culture that has led to these honors.

While we appreciate these recognitions, we're most proud of the awards we receive from our customers. When world-class companies show confidence in us, we know we're delivering the quality they expect — iconic names like Dow, Ford, Intel, GM, Nissan, Owens Corning, Raytheon, The Home Depot, Ulta Beauty, Whirlpool and others. More than two-thirds of Fortune 100 companies rely on us as a strategic partner and trust us with their reputation.

Today, XPO has multiple catalysts for value creation that are largely independent of macro conditions: our company-specific levers for the transformation of North American LTL, the spin-off of our RXO brokered transportation platform, the divestiture of our European business and strong liquidity to support our continued deleveraging over time. We believe that our proprietary technology and deep bench of expertise are powerful advantages in capitalizing on secular tailwinds in our industry.

As we move toward the spin-off, we're confident that investors will recognize the full value of the company we've built and the companies we plan to create.

Thank you for your interest!

Non-GAAP Financial Measures

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide reconciliations of the non-GAAP financial measures contained in this document to the most directly comparable measure under GAAP, 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 EBITDA margin on a consolidated basis; adjusted net income from continuing operations attributable to common shareholders and adjusted diluted earnings from continuing operations per share ("adjusted EPS") on a consolidated basis; free cash flows; adjusted operating income (including and excluding gains on real estate transactions) and adjusted operating ratio (including and excluding gains on real estate transactions) for North American less-than-truckload; adjusted EBITDA excluding gains on real estate transactions for North American less-than-truckload; adjusted EBITDA attributable to North American truck brokerage; return on invested capital (ROIC) on a consolidated basis; net leverage; net debt; and adjusted EBITDA attributable to RXO (planned spin-off).

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 EBITDA margin, 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, litigation settlements 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, 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, plus cash collected on deferred purchase price receivable, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA and adjusted EBITDA margin improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), litigation settlements, 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, litigation settlements, 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 (i) removing the impact of certain transaction, integration and rebranding costs and restructuring costs, as well as amortization expenses and (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables. We believe that return on invested capital (ROIC) is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for a trailing twelve month period divided by invested capital as of the end of such period. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles. We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our reported adjusted EBITDA. We believe that adjusted EBITDA attributable to RXO (planned spin-off) improves comparability from period to period by removing adjustments 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 business. We calculate adjusted

EBITDA attributable to RXO (planned spin-off) as operating income of spin-off operations plus transaction and integrations costs and depreciation and amortization less other expense.

With respect to our financial targets for full year 2022 adjusted EBITDA, adjusted diluted EPS and free cash flow, and our financial target for 2022 third quarter adjusted EBITDA, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

Forward-looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to the planned spin-off of our tech-enabled brokered services platform and the sale or listing of our European business, the expected timing of these transactions and the anticipated benefits of these transactions; our full year 2022 financial targets of consolidated adjusted EBITDA and North American LTL adjusted EBITDA, depreciation and amortization (excluding amortization of acquisition-related intangible assets), interest expense, tax rate, adjusted diluted EPS (excluding amortization of acquisition-related intangible assets), gross capital expenditures, net capital expenditures and free cash flow; our 2022 third quarter financial target of adjusted EBITDA; our expectation of year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio; our 2022 financial target of at least $1 billion of adjusted EBITDA in the North American LTL segment, including gains on sales of real estate of up to $50 million in the 2022 fourth quarter; and our ESG goals. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include our ability to effect the spin-off of our tech-enabled brokered services platform and meet the related conditions of the spin-off, our ability to complete the sale or listing of our European business, the expected timing of the completion of the transactions and the terms of the transactions, our ability to achieve the expected benefits of the transactions, our ability to retain and attract key personnel for the separate businesses, the risks discussed in our filings with the SEC, and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic, including supply chain disruptions due to plant and port shutdowns and transportation delays, the global shortage of certain components such as semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages, which may lower levels of service, including the timeliness, productivity and quality of service, and government *responses to these factors; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to implement our cost and revenue initiatives; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to benefit from a sale, spin-off or other divestiture of one or more business units, and the impact of anticipated material compensation and other expenses, including expenses related to the acceleration of equity awards, to be incurred in connection with a substantial disposition; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; goodwill impairment, including in connection with a business unit sale, spin-off or other divestiture; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks, wars or similar incidents, including the conflict between Russia and Ukraine and increased tensions between Taiwan and China; risks and uncertainties regarding the expected benefits of the spin-off of our logistics segment or a future spin-off of a business unit, the impact of the spin-off of our logistics segment or a future spin-off of a business unit on the size and business diversity of our company; the ability of the spin-off of our logistics segment or a future spin-off of a business unit to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees and independent contractors; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; the impact of potential sales of common stock by our chairman; governmental regulation, including trade compliance laws, as well as changes in international trade policies, sanctions and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures.*

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

Where required by law, no binding decision will be made with respect to the divestiture of the European business other than in compliance with applicable employee information and consultation requirements.