

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 12, 2021

**XPO LOGISTICS, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation)

001-32172  
(Commission File Number)

03-0450326  
(I.R.S. Employer  
Identification No.)

Five American Lane, Greenwich, Connecticut 06831  
(Address of principal executive offices)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On July 13, 2021, XPO Logistics, Inc. (“XPO” or the “company”) issued a press release announcing, among other things, that Gena Ashe, Marlene Colucci and Oren Shaffer plan to resign as members of the board of directors of XPO in connection with, conditioned upon, and effective as of, the closing of the company’s previously announced proposed spin-off (the “Spin-Off”) of GXO Logistics, Inc. (“GXO”). As mutually agreed upon by the parties involved, Ms. Ashe, Ms. Colucci and Mr. Shaffer are expected to be appointed to the board of directors of GXO, conditioned upon, and effective as of, the closing of the Spin-Off.

**Item 7.01. Regulation FD Disclosure.**

GXO held its investor day on July 13, 2021. A copy of the presentation slide deck is furnished hereto as Exhibit 99.1.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the company under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 8.01. Other Events.**

On July 12, 2021, the board of directors of XPO established the close of business on July 23, 2021 (the “record date”) as the record date for the Spin-Off. If the Spin-Off occurs, the company will distribute one share of common stock of GXO for every one share of common stock of XPO held by the company’s stockholders of record as of the record date. The distribution of shares of GXO common stock is expected to occur at 12:01 a.m. Eastern Time on August 2, 2021, and is subject to the satisfaction or waiver of certain conditions (as more fully described in the preliminary information statement included in GXO’s Registration Statement on Form 10 filed with the U.S. Securities and Exchange Commission).

The press release announcing certain details of the Spin-Off is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">GXO Investor Presentation, dated July 13, 2021</a>
<a href="#">99.2</a>	<a href="#">Press Release, dated July 13, 2021</a>
104.1	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**Forward-looking Statements**

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including the statements above regarding plans, benefits and timing of the contemplated spin-off transaction. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the potential timing and expected benefits of the proposed spin-off of our logistics segment, including final approval for the proposed spin-off and the risk that the spin-off may not be completed on the terms or timeline currently contemplated, if at all; the impact of the proposed spin-off on the size and business diversity of our company; the ability of the proposed spin-off to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; and governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures.

All forward-looking statements set forth in this Current Report on Form 8-K 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 Current Report on Form 8-K speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 13, 2021

XPO LOGISTICS, INC.

By: /s/ Karlis P. Kirsis  
Karlis P. Kirsis  
Corporate Secretary

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**GXO**

**GAME-CHANGING OPPORTUNITIES**

Investor Day | July 13, 2021

# Disclaimer

## Additional Information

References herein to "GXO" refer to GXO Logistics, Inc., a wholly owned subsidiary of XPO Logistics, Inc. ("XPO"). For additional information with respect to GXO and the proposed spin-off, please refer to the Form 10 Registration Statement, as it may be further amended, as filed by GXO with the U.S. Securities and Exchange Commission (the "Form 10"). The spin-off is subject to various conditions, and there can be no assurance that the spin-off will occur or, if it does occur, of its terms or timing. The financial information included in this presentation may not necessarily reflect GXO's financial position, results of operations and cash flows in the future or what GXO's financial position, results of operations and cash flows would have been had GXO been an independent, publicly traded company during the periods presented. This presentation shall not constitute an offer of any securities for sale, nor shall there be any offer, sale or distribution of securities in any jurisdiction in which such offer, sale or distribution would be unlawful prior to appropriate registration or qualification under the securities law of such jurisdiction.

## Non-GAAP Financial Measures

Some of the information included in this presentation is derived in part from XPO's and GXO's consolidated financial information but is not presented in XPO's and GXO's financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Certain of these data are considered "non-GAAP financial measures" under Securities and Exchange Commission ("SEC") rules. As required by the SEC, reconciliations of the non-GAAP financial measures contained in this presentation to the most directly comparable measure under GAAP are provided and are set forth in the financial tables attached to the presentation.

This presentation contains the following non-GAAP financial measures: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), pro forma adjusted EBITDA less net capex, adjusted earnings before interest, taxes and amortization ("EBITA"), adjusted earnings before interest, taxes, depreciation, amortization and rent expense ("adjusted EBITDAR"), return on invested capital ("ROIC") and organic revenue.

The above adjusted financial measures facilitate analysis of GXO's business operations because they exclude items that may not be reflective of, or are unrelated to, GXO's core operating performance, and may assist investors with comparisons to prior periods and assessing trends in GXO's underlying businesses. Other companies may calculate these non-GAAP financial measures differently, and therefore GXO's 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 GXO's operating performance.

Adjusted EBITDA, pro forma adjusted EBITDA less net capex and adjusted EBITA include adjustments for transaction and integration, as well as restructuring costs and other adjustments as set forth in the tables included in the accompanying presentation. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition, divestiture or spin-off and may include transaction costs, consulting fees, retention awards, and internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and converging IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating GXO's ongoing performance.

Adjusted EBITDAR excludes rent expense from adjusted EBITDA and is useful to management and investors in evaluating GXO's performance because adjusted EBITDAR considers the performance of GXO's operations, excluding decisions made with respect to capital investment, financing and other non-recurring charges. Adjusted EBITDAR is also a measure commonly used by management, research analysts and investors to value companies in the logistics industry. Since adjusted EBITDAR excludes interest expense and rent expense, it allows management, research analysts and investors to compare the value of different companies without regard to differences in capital structures and leasing arrangements.

We calculate Return on Invested Capital (ROIC) as net operating profit after tax divided by average invested capital. We believe ROIC provides investors with an important perspective on how effectively GXO deploys capital and use this metric internally as a high-level target to assess overall performance throughout the business cycle. We believe that presenting organic revenue improves the comparability of our operating results from period to period by excluding the impact of foreign currency exchange rate fluctuations. We believe comparability is improved because these items are not reflective of our normalized operating activities.

With respect to GXO's full year 2021 and full year 2022 financial targets for adjusted EBITDA, pro forma adjusted EBITDA less net capex, adjusted EBITDAR, ROIC and organic revenue 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 GXO excludes from these non-GAAP target measures. The variability of these items may have a significant impact on GXO's future GAAP financial results and, as a result, GXO is 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 presentation 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. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors (including risks, uncertainties and assumptions) that might cause or contribute to a material difference include, but are not limited to: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; public health crises (including COVID-19); economic conditions generally; competition and pricing pressures; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our ability to raise debt and equity capital; litigation; labor matters, including our ability to manage our temporary workers, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; risks associated with defined benefit plans for our current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to our intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; natural disasters, terrorist attacks or similar incidents; political, economic, and regulatory risks relating to GXO's global operations, including compliance with U.S. and foreign trade and tax laws, sanctions, embargoes and other regulations; a material disruption of GXO's operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits and timing of the separation, and uncertainties regarding the planned separation, including the risk that conditions to the separation will not be satisfied and that it will not be completed pursuant to the targeted timing, asset perimeters, and other anticipated terms, if at all, and that the separation will not produce the desired benefits; a determination by the IRS that the distribution or certain related transactions should be treated as taxable transactions; the possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed our estimates; and the impact of the separation on our businesses, our operations, our relationships with customers, suppliers, employees and other business counterparties, and the risk that the businesses will not be separated successfully or that such separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on our resources, systems, procedures and controls, disruption of our ongoing business, and diversion of management's attention from other business concerns.

There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive or necessarily in order of importance. All forward-looking statements set forth in this presentation 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 presentation 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.

**INTRODUCTION**

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**INVESTMENT HIGHLIGHTS**

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**INDUSTRY OVERVIEW**

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**A WINNING CULTURE**

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**MARGIN-ENHANCING TECHNOLOGY**

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**FINANCIAL OVERVIEW**





## Introduction

## Today's presenters and contributors

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**Brad Jacobs**  
Chairman



**Malcolm Wilson**  
Chief Executive  
Officer



**Baris Oran**  
Chief Financial  
Officer



**Mark Manduca**  
Chief Investment  
Officer



**Eduardo  
Pelleissone**  
President – Americas  
and Asia Pacific



**Richard  
Cawston**  
President – Europe



**Bill Fraine**  
Chief Commercial  
Officer



**Neil Shelton**  
Chief Strategy Officer



**Karlis Kirsis**  
Chief Legal Officer



**Sandeep  
Sakharkar**  
Chief Information  
Officer



**Meagan  
Fitzsimmons**  
Chief Compliance  
and ESG Officer



**Maryclaire  
Hammond**  
Chief Human  
Resources Officer

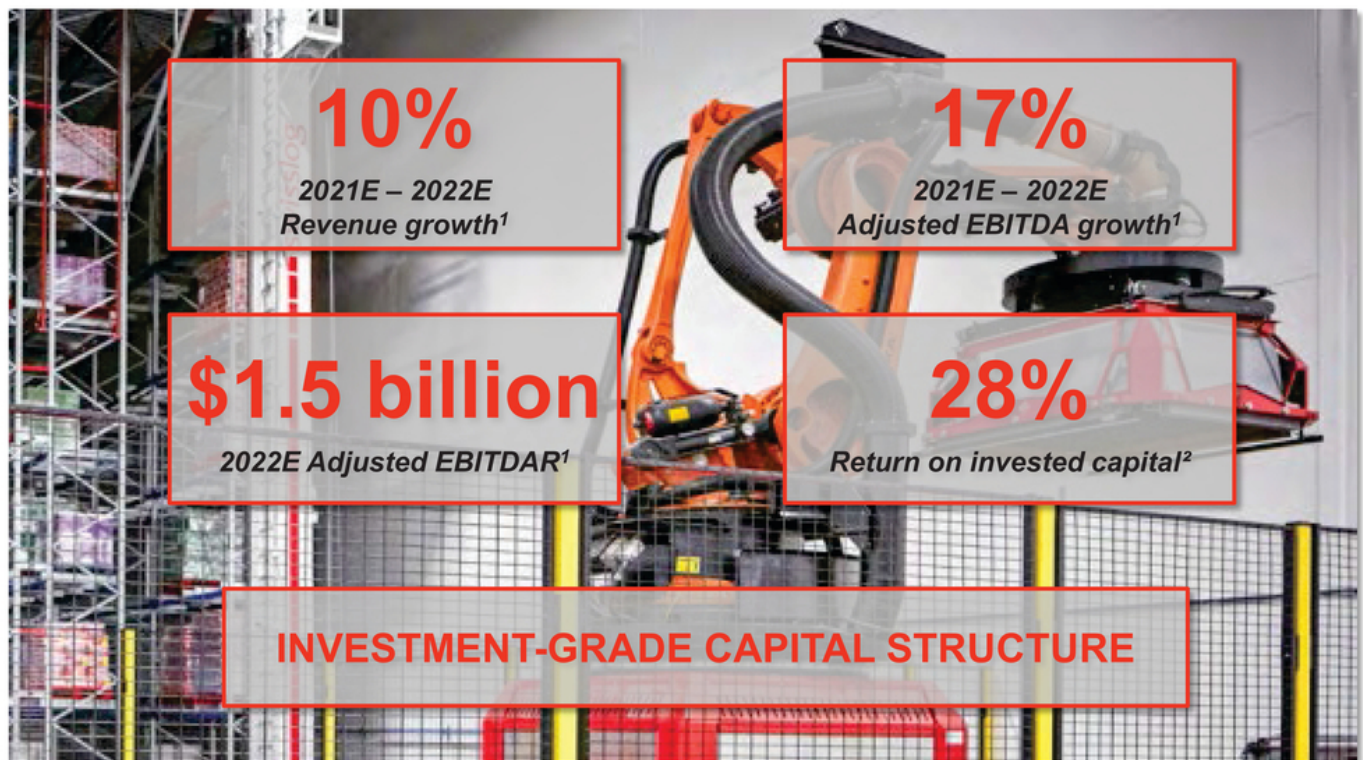


**Gavin Williams**  
President – UK  
and Ireland



**Angus Tweedie**  
Senior Vice  
President, Strategy

## Global leader in supply chain management and warehouse automation



<sup>1</sup> Represents midpoint of 2022E guidance

<sup>2</sup> See ROIC reconciliation in appendix for calculation



## Introducing GXO, logistics at full potential

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**Investment highlights**



## Key investment highlights

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- 1 Massive secular tailwinds
- 2 Long-term relationships with blue-chip customers
- 3 Critical scale in a growing market
- 4 Revenue- and margin-enhancing technology
- 5 Attractive, resilient financial profile
- 6 World-class team



**GXO**

*Largest global  
pure-play contract  
logistics provider*

# 1 GXO's three major structural tailwinds

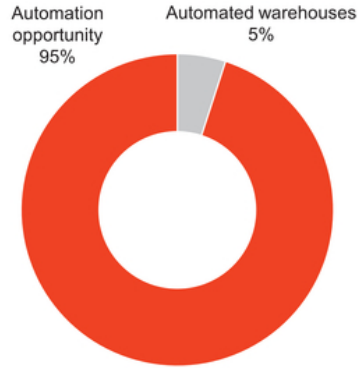
## E-COMMERCE

E-commerce penetration<sup>1</sup>



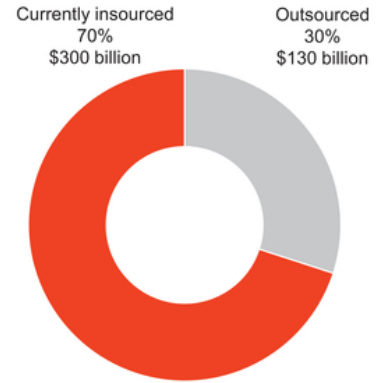
## WAREHOUSE AUTOMATION

Warehouse automation penetration<sup>2</sup>



## OUTSOURCING

% of logistics that is outsourced<sup>3</sup>



**Megatrends at early stage with significant runway ahead**

Sources: L.E.K. Consulting, other third-party research

<sup>1</sup> Represents global e-commerce market

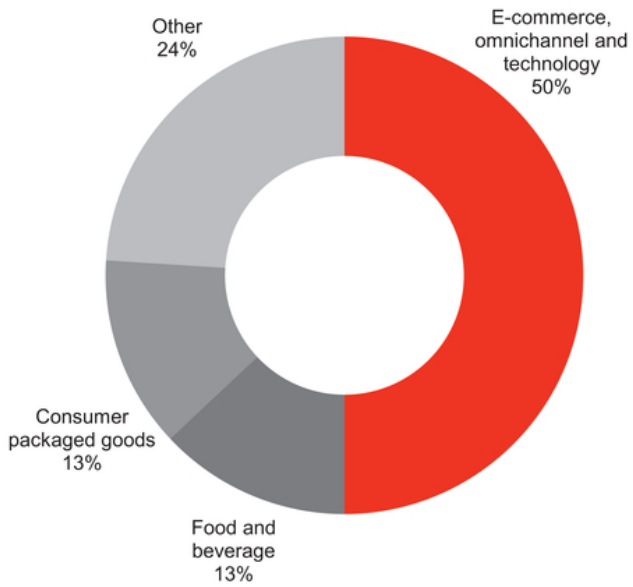
<sup>2</sup> Represents approximate penetration in U.S. and Europe

<sup>3</sup> Represents North America and Europe

# 1 Balanced mix of high-growth and durable verticals

## GXO'S VERTICAL MIX

% of 2020 revenue



## KEY HIGHLIGHTS

**11%**

**2021E – 2025E e-commerce industry CAGR<sup>1</sup>**

**76%**

**GXO revenue coming from non-cyclical consumer end markets**

Source: Third-party industry research  
<sup>1</sup> CAGR for North America and Europe combined

## 2 Diversified blue-chip customer base with long tenure

### END MARKETS

### KEY CUSTOMERS

E-commerce, omnichannel and technology



Food and beverage



Consumer packaged goods



MULTI-YEAR CONTRACTS WITH

93%

AVERAGE HISTORICAL REVENUE RETENTION RATE

AVERAGE TENURE OF TOP 20 CUSTOMERS IS

15

YEARS

NO ONE CUSTOMER ACCOUNTS FOR MORE THAN

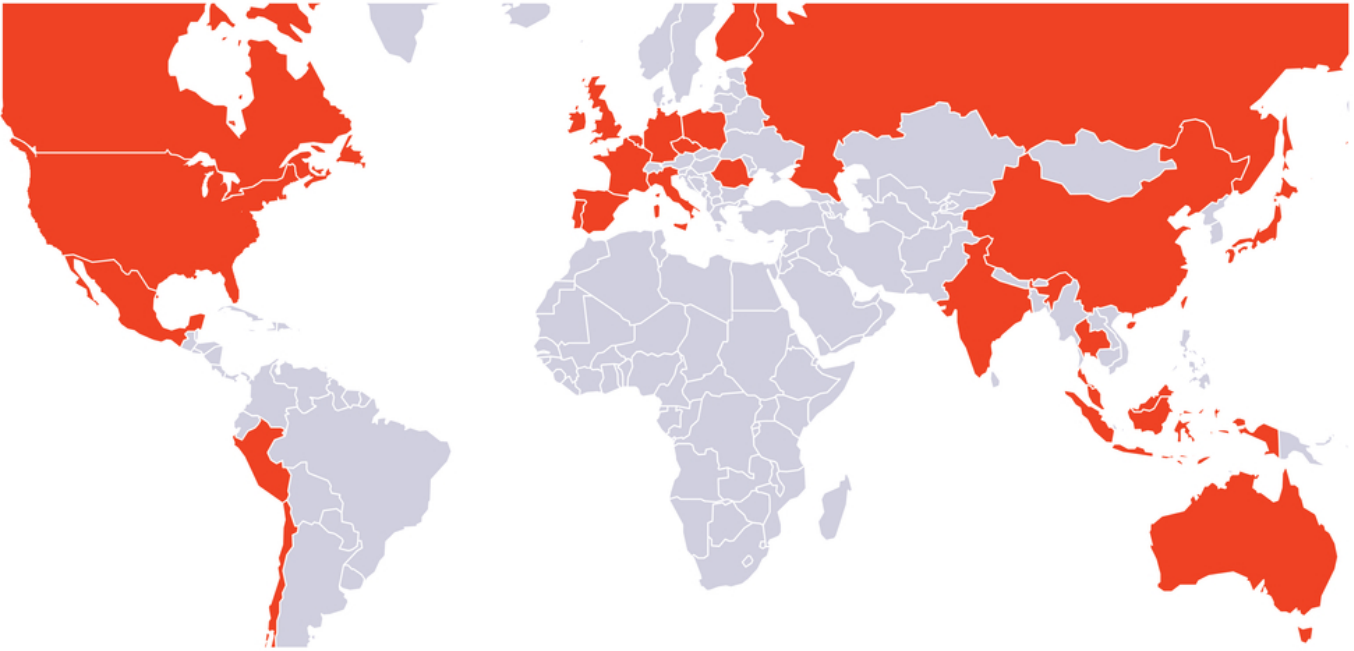
4%

OF TOTAL REVENUE<sup>1</sup>

<sup>1</sup> Based on 2020 revenue

**3 GXO's footprint and scale are major competitive advantages**

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**885 locations, primarily in North America and Europe**

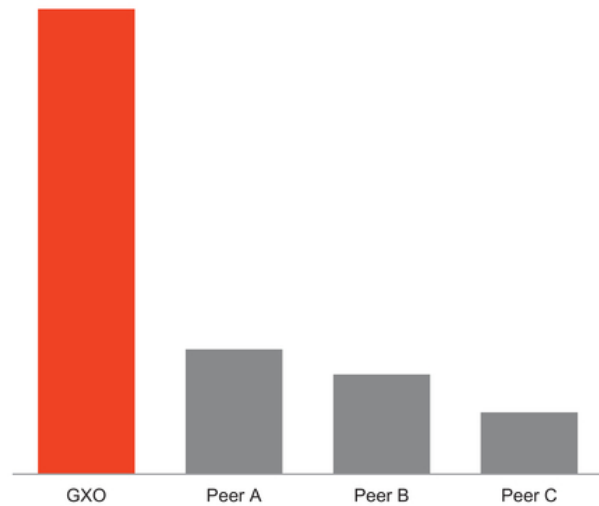
### 3 Largest global pure-play contract logistics provider

#### KEY METRICS<sup>1</sup>

Countries of operation	27
Locations	885
Team members <sup>2</sup>	~93,000
Total addressable opportunity <sup>3</sup>	~\$430 billion
Total warehouse space	~210 million sq. ft.
Total customers	>1,000

#### 2022E REVENUE VS. PURE-PLAY PEERS<sup>4</sup>

\$ in billions



**Approximately 4x – 8x the size of nearest pure-play competitors**

Note: Financials converted to USD using exchange rate as of July 2, 2021

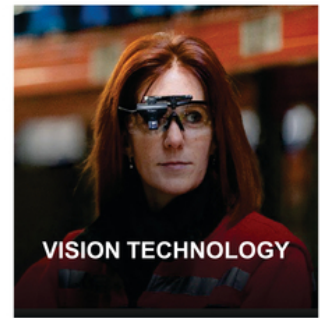
<sup>1</sup> As of March 31, 2021

<sup>2</sup> ~66,000 employees and ~27,000 temporary workers

<sup>3</sup> Third-party industry research; total estimated logistics industry size in North America and Europe; ~\$130 billion opportunity currently outsourced

<sup>4</sup> Peers include Clipper Logistics, ID Logistics, and Wincanton; figures reflect 2022E IBES consensus estimates as of July 2, 2021

## 4 Intelligent warehouse automation generates measurable improvements



*Driving improved productivity,  
revenue and margin growth*

Up to **6x** labor productivity improvement with automation

**Faster, more consistent outcomes for customers**

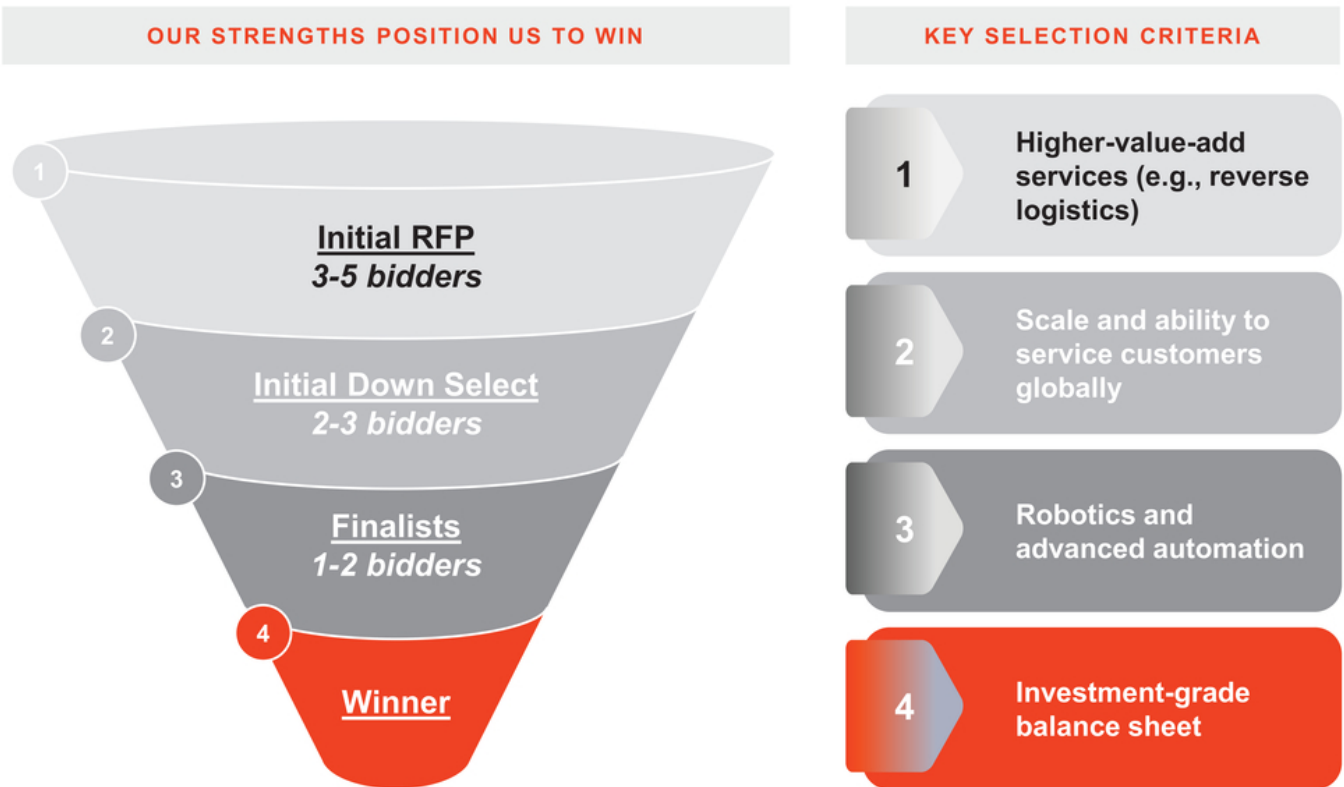


## 4 Sophisticated, technology-driven solutions





## 5 Typical contracting process



## **5 Anatomy of a target GXO contract**

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**Customer typically covers most upfront costs**

**Variable rate; based on output**

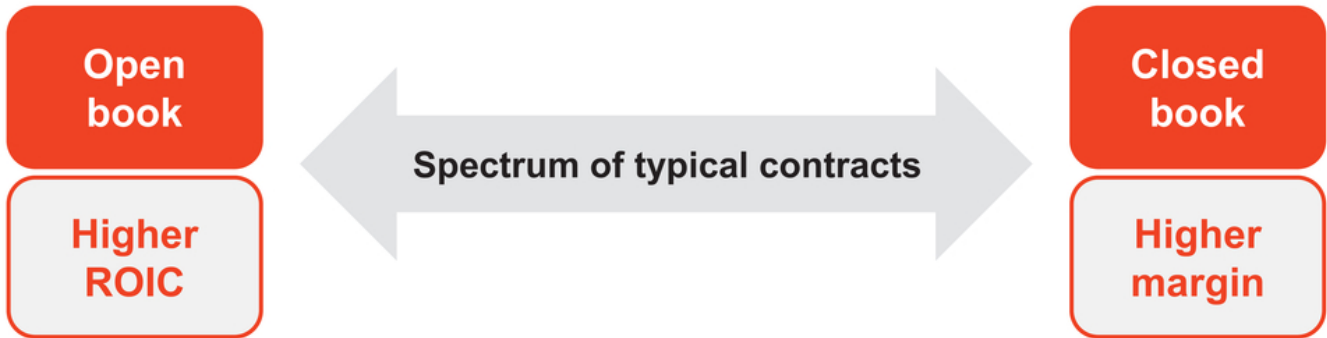
**Leases are generally co-terminus with contracts**

**Protections against labor cost inflation**

**Long durations create durable partnerships**

**5** GXO has a balanced contract mix that passes through costs

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**HYBRID CONTRACTS INCLUDE ELEMENTS OF BOTH OPEN AND CLOSED BOOK STRUCTURES BASED ON:**

**Region**

**Vertical**

**Services**

## 5 Customer contract profile

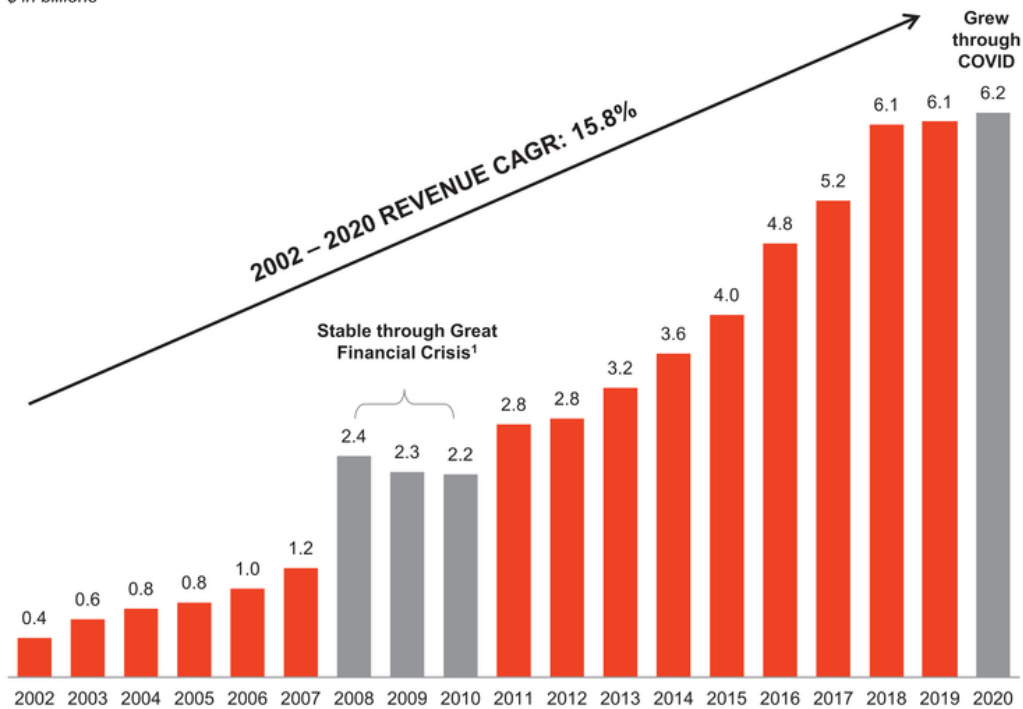


**Long-duration contracts create visibility into future revenue**

<sup>1</sup> See ROIC reconciliation in appendix for calculation

## 5 GXO has shown resilience through all cycles

\$ in billions



### M&A MILESTONES

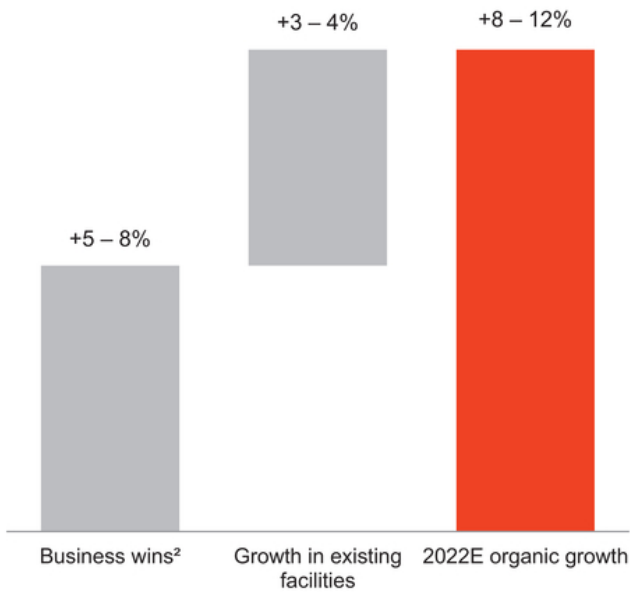
- **2008:** Acquisition of Salvesen Logistics
- **2011:** Acquisition of TDG (Laxey Logistics)
- **2015:** Full-year impact of New Breed Logistics, Jacobson, and Norbert Dentressangle acquisitions
- **2016:** Full-year impact of Menlo Logistics acquisition

**Nearly two decades of double-digit revenue CAGR**

Sources: Management's pro forma financials: 2016-2017 revenue as reported for XPO's logistics segment; 2018-2020 as presented in GXO's audited combined financial statements  
 ¹ EUR/USD annual depreciation of ~5%

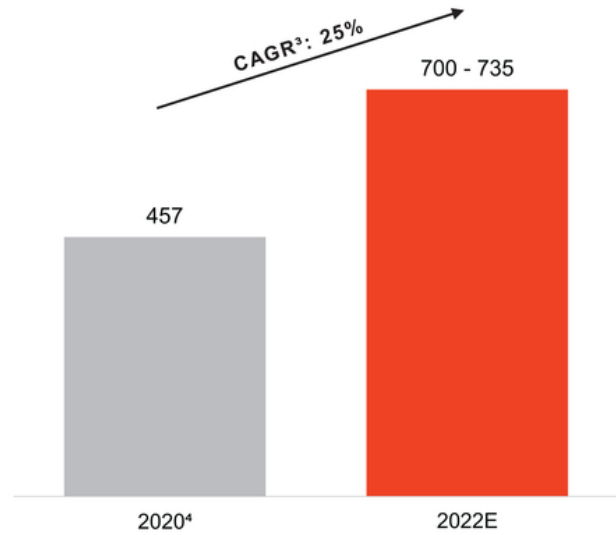
## 5 Best-in-class growth profile on track to deliver strong earnings in 2022E

### 2021E – 2022E ORGANIC REVENUE GROWTH<sup>1</sup>



### PRO FORMA ADJUSTED EBITDA<sup>1</sup>

\$ in millions



**Growth propelled by a combination of new business wins and margin expansion**

<sup>1</sup> Represents 2022E guidance <sup>2</sup> Net of attrition <sup>3</sup> Calculated using the midpoint of 2022E guidance <sup>4</sup> Calculated using the midpoint of pro forma adjusted EBITDA guidance comparable to 2021 outlook (see reconciliations of GXO pro forma adjusted EBITDA in appendix)





**Industry overview**

## Highly fragmented growth market

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Source: third-party industry research

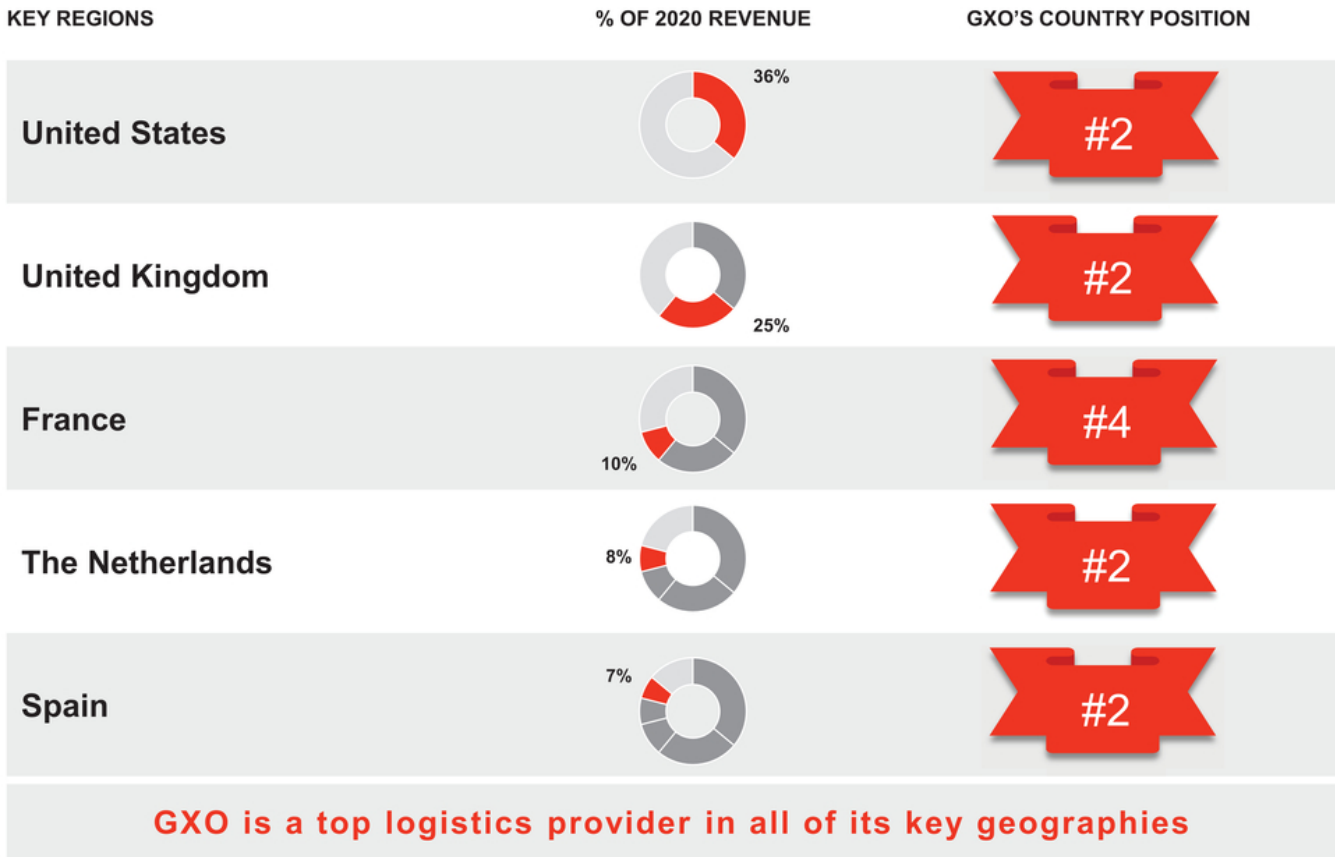
<sup>1</sup> Represents total addressable logistics market in North America and Europe, includes \$300 billion of currently insourced logistics in North America and Europe

<sup>2</sup> Represents currently outsourced addressable market

<sup>3</sup> Represents each of North American and European markets



## Regionally diverse revenue base



# Decades of expertise in high-growth verticals

## TOP VERTICALS

% OF 2020 REVENUE

## STRONG VALUE PROPOSITION

**E-commerce, omnichannel and technology**



- Comprehensive B2C services, including sophisticated supply chain management facilitated by advanced automation and data science
- High-value-add services include order personalization, reverse logistics, peak labor management, complex inventory management and forecasting
- Characterized by dual channels: retail and direct-to-consumer fulfillment
- Consumer tech logistics for manufacturers and telecom providers includes high-volume returns management, repair and refurbishment of consumer electronics

**Food and beverage**



- Frozen, refrigerated and dry storage, with stringent regulatory compliance and code tracking
- Fulfillment for retail, hospitality and direct-to-consumer supply chains
- Recalls management

**Consumer packaged goods**

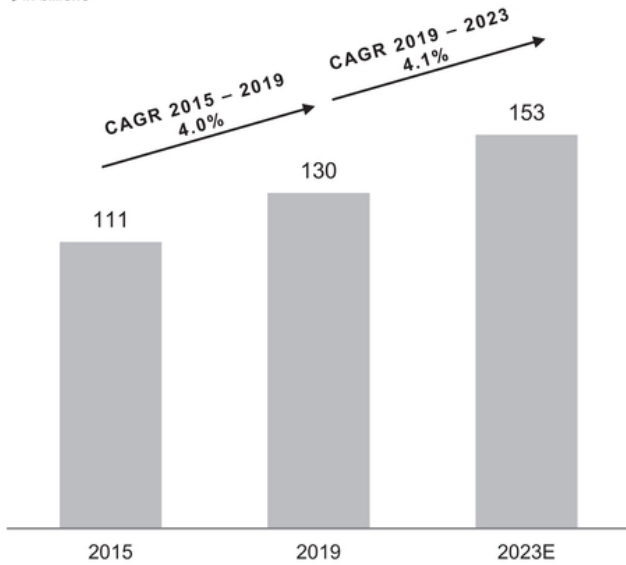


- Replicable solutions for consistent results across national and multinational consumer markets
- Consumer purchase behavior driving demand for e-commerce and omnichannel fulfillment

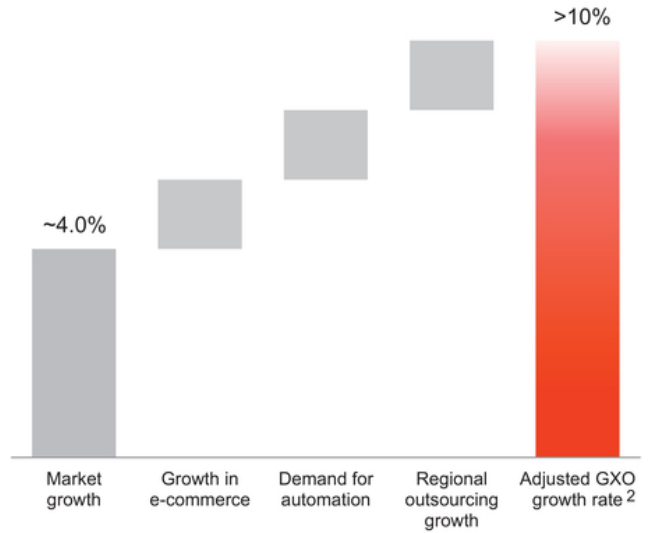
# Mix, automation and scale expected to drive GXO revenue outperformance

## CONTRACT LOGISTICS INDUSTRY GROWTH<sup>1</sup>

\$ in billions



## PRIMARY GROWTH DRIVERS FOR TOP PLAYERS



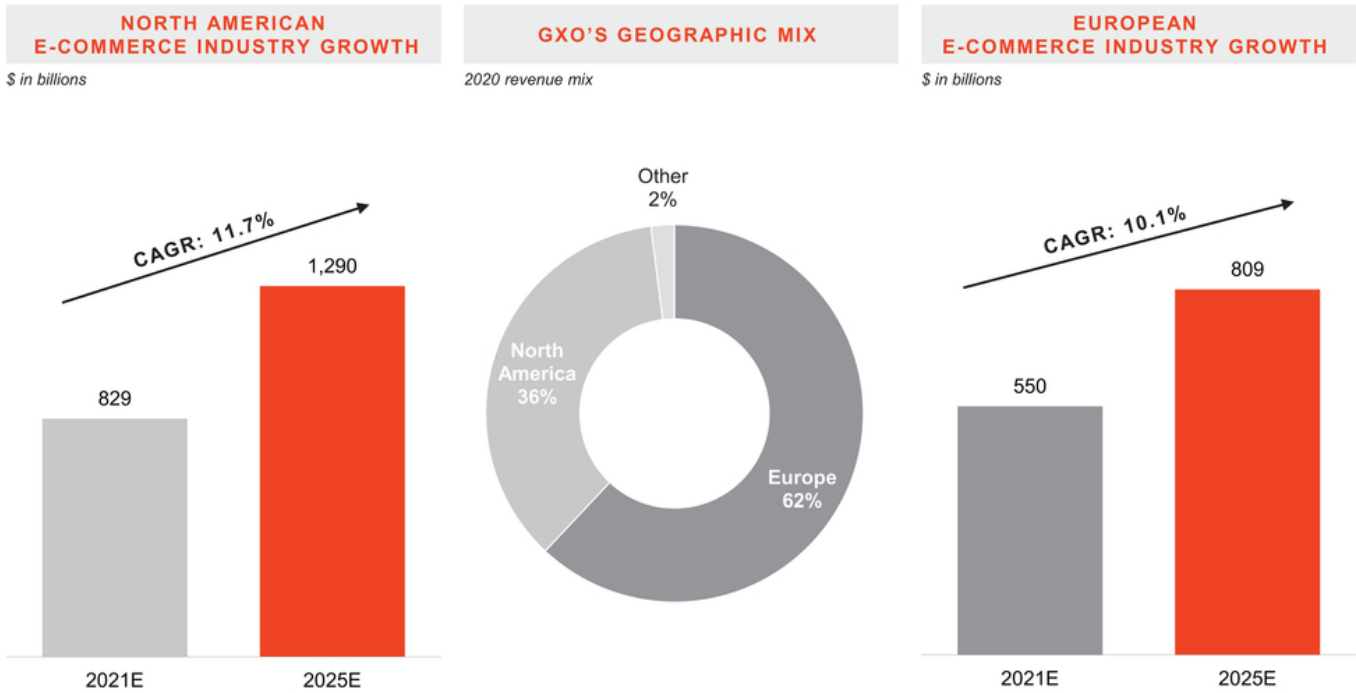
**GXO's favorable geographic and vertical mix coupled with technology leadership are driving even greater levels of growth**

Sources: Management estimates and third-party research

<sup>1</sup> Assumes EUR to USD exchange rate of 1.1

<sup>2</sup> Represents 2022E guidance

## E-commerce exposure and growth rates by region



**E-commerce industry growing at ~11% across GXO's key geographies**

Source: Third-party industry research

## Product returns increase demand for e-commerce logistics

### E-COMMERCE DRIVES HIGHER WAREHOUSE DEMAND

**3x – 10x**

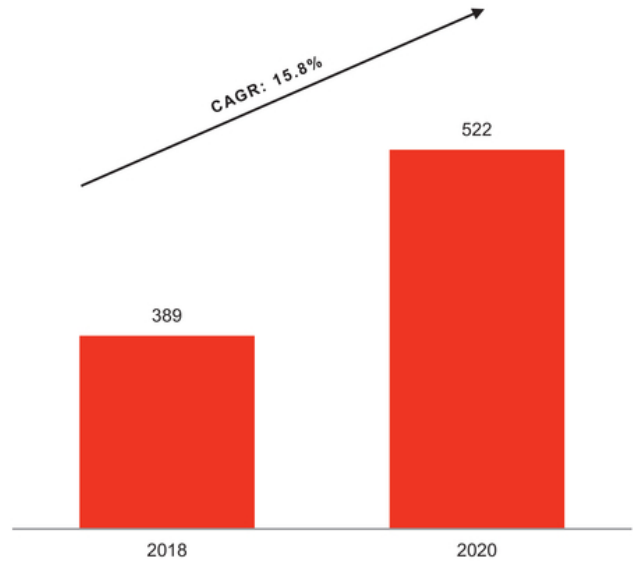
*Revenue uplift when a customer switches to e-commerce*

**2x – 5x**

*Revenue uplift from reverse logistics vs. outbound parcel*

### GXO REVERSE LOGISTICS REVENUE TREND

\$ in millions



**GXO plays a pivotal role in the circular economy**

## Increasing complexity drives outsourcing trend

### CUSTOMER NEEDS BECOMING MORE COMPLEX<sup>1</sup>

**43%**

*Expected annual growth in same-day deliveries*

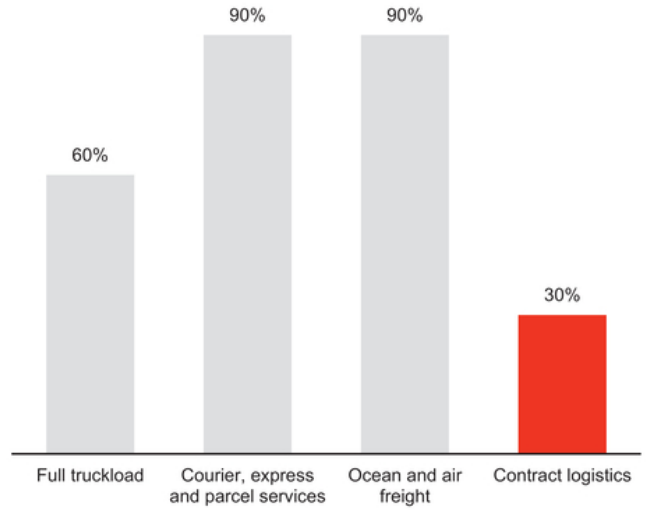
**1 in 3**

*E-commerce products are returned*

**60%**

*Retail apparel purchases are omnichannel or online*

### OUTSOURCED SHARE OF SUPPLY CHAIN ACTIVITY



**GXO is well-positioned to capitalize on shift to outsourcing**

Source: Third-party industry research

<sup>1</sup> North American market data



**A winning culture**





*We solve complex supply chain problems*





## GXO's winning culture

**GXO**

*Global scale*

As much as **8x larger** than other pure-play logistics providers<sup>1</sup>



*Deep expertise*

**Two decades** of experience implementing high-value-added services to **1,000+** customers



*Trusted partner*

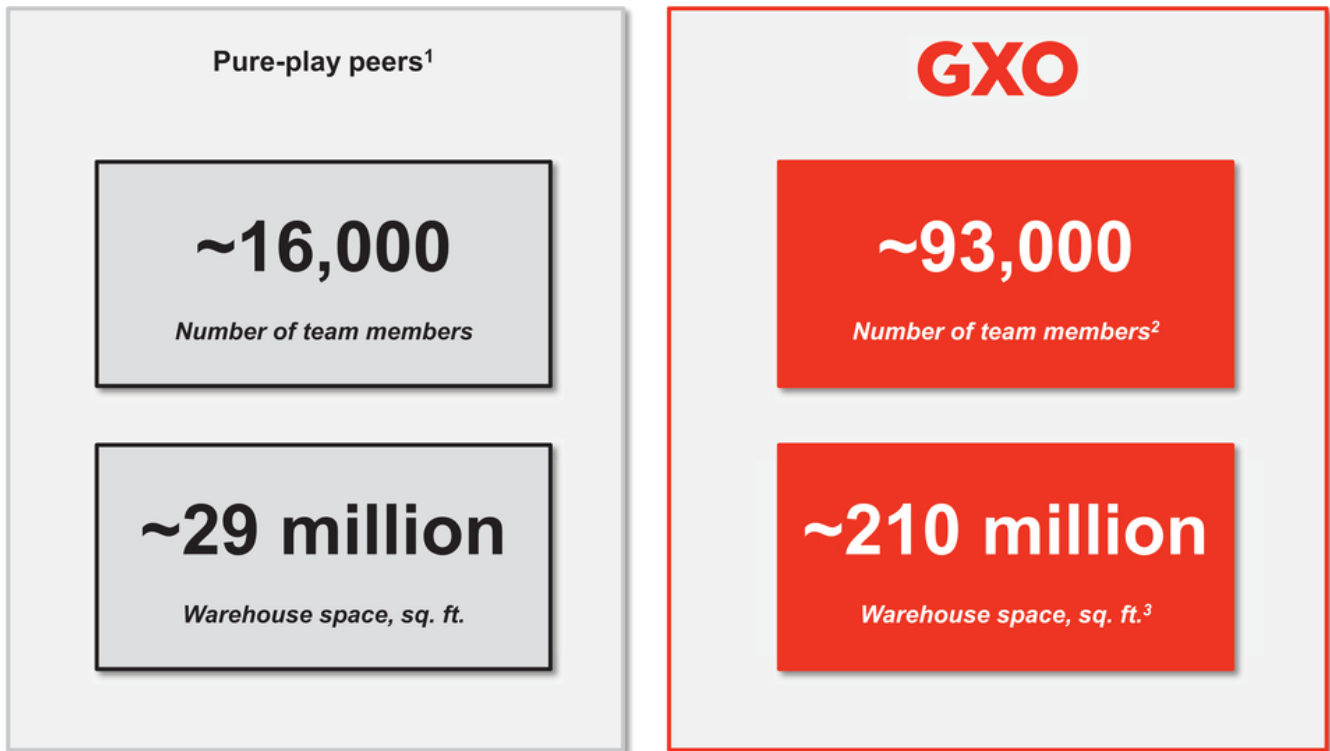
**Top 20 customers** have been with GXO for **15 years** on average



**Customers choose GXO for its unrivaled capabilities**

<sup>1</sup> Includes only publicly listed peers

## GXO possesses significant scale advantage over pure-play peers



Source: Public filings

<sup>1</sup> Figures represent median of selected peers (CLG, WIN, IDL) as of latest filings

<sup>2</sup> As of March 31, 2021; ~66,000 employees and ~27,000 temporary workers

<sup>3</sup> As of March 31, 2021

## GXO has the expertise to run the industry's most complex supply chains

---

### CUSTOMER PROBLEM

*"We need a comprehensive e-commerce supply chain solution"*

*"We need a single provider to manage our multinational supply chain"*

*"Our warehouse rents are too high"*

### GXO SOLUTION

**Full-service offerings for entire e-commerce supply chain**

**Unified offering across global footprint**

**Strong real estate negotiating power as a top five global industrial tenant**

**GXO's ability to replicate outcomes across markets is a key differentiator**

## Customer case study – Walt Disney Parks and Resorts



### Tenure

- ✓ Personalized fulfillment: 8 years



The Disney MagicBand is an all-in-one, personalized wristband technology that gives a guest access to the Park, unlocks the Disney hotel room and is used to buy food and merchandise

### CUSTOMER NEED

- In 2013, Disney sought a partner to collaborate in creating a supply chain for the new MagicBand product
- Disney required a customized logistics process for engraving and fulfillment that would ensure accuracy and delight their guests

### GXO SOLUTION

- GXO developed a custom software-hardware solution, working with Disney, the MagicBand manufacturer and laser manufacturer
- GXO had previously invested in RFID, the technology used to read the MagicBand
- GXO's packaging engineers helped create a solution that satisfies production and shipping objectives, while providing guests with an attractive keepsake at the lowest possible cost

### KEY RESULTS

- Rigorous controls built into GXO's solution ensure that the right name is engraved on each band prior to shipping
- Engineered packaging enhances the out-of-box experience for recipients in keeping with the Disney brand, without adding unnecessary cost

### SUPERIOR VALUE

- GXO has helped transform how guests enjoy Disney Parks and resorts through a personalized experience

## GXO's capabilities cover the full spectrum of warehousing needs

---

### CUSTOMER PROBLEM

*"1 in 3 pairs of shoes we sell are being returned and it's causing significant disruption"*

*"We're sending customers the wrong products at a high rate"*

*"Labor availability has become less predictable during Covid"*

### GXO SOLUTION

**Reverse logistics**

**Advanced automation  
and robotics**

**GXO Smart™  
labor management tools**

**Digital capabilities create value for the company and its customers**



## Customer case study – Nike



### Tenure

- ✓ Reverse logistics: 4 years



Nike is one of the world's most recognizable brands for athletic footwear, apparel, equipment and accessories

### CUSTOMER NEED

- In 2017, Nike sought a logistics partner to manage product returns
- An increase in returns was adversely impacting Nike's bottom line

### GXO SOLUTION

- GXO facilitated the set-up of over 1 million sq. ft. of reverse logistics space and accelerated the processing of inbound returns
- Deployed advanced planning to predict and prioritize high-value products in the reverse logistics process, reducing unnecessary inspections and the remerchandising of low-value products

### KEY RESULTS

- Increased margin through improved velocity, advanced planning and analytics at a state-of-the-art facility, with engaged employees
- Eliminated backlog of more than 1,000 trailers, with remaining trailers processing packages within 48 hours
- Continue to provide support for 4,000,000 SKUs

### SUPERIOR VALUE

- GXO dramatically reduced overall cycle time for Nike returns by integrating cutting-edge technology and reverse practices to achieve hyper-fast velocity

## Customer case study – Nike Rebound: Hyper-fast returns

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## GXO builds long-term partnerships with customers

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### CUSTOMER PROBLEM

*"We need a trusted 3PL partner without channel conflict"*

*"We're selling a high-profile new product and need to ensure a smooth rollout"*

*"We need to reduce the carbon footprint in our supply chain"*

### GXO SOLUTION

**Largest global pure-play contract logistics provider**

**Long-tenured track record of superior execution**

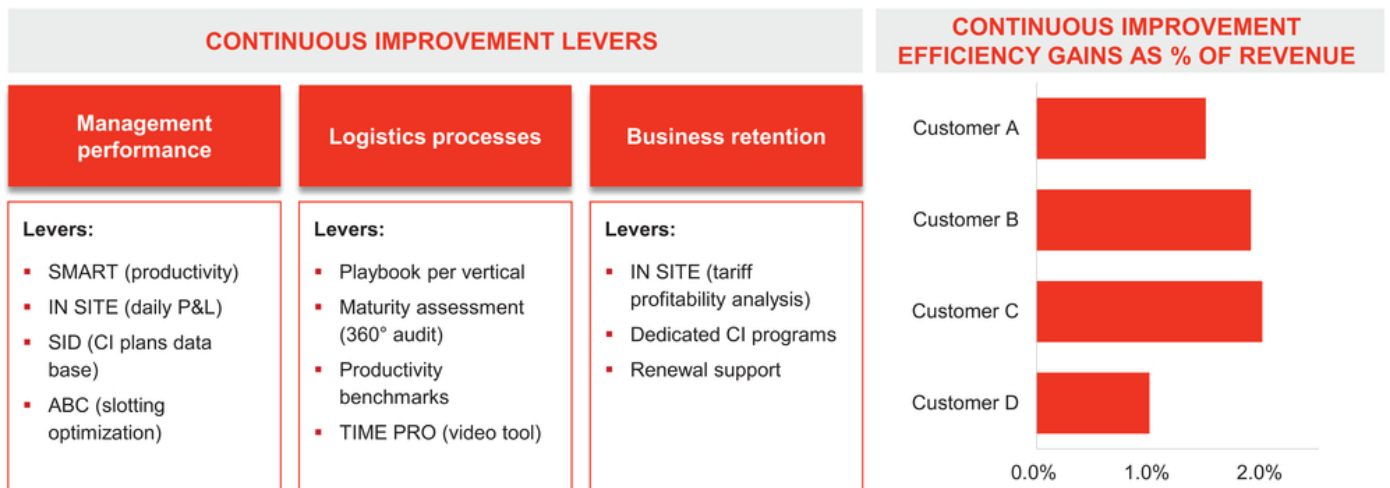
**Expertise building environmentally friendly warehouses**

**Customers trust GXO with their most important asset – their reputation**

## Continuous improvement positions GXO as a trusted partner

Focus on continuous improvement (“CI”) drives best-in-class solutions and outcomes

- Identifies best CI tools available and shares universal best practices across footprint
- Identifies best vertical-specific practices, clearly differentiating GXO to customers and market
- Annual efficiency gains of 1% to 2% of sales, realized through CI initiatives



## GXO Direct: an innovative, shared-space distribution solution for customers

National distribution solution that gives customers fluid fulfillment with more flexibility than traditional distribution models, and at lower cost

### ADVANTAGES FOR CUSTOMERS

- Maintain independent brand identity and value chain
- Access to logistics scale, expertise and technology without adding high-fixed-cost distribution centers
- Predictive analytics help plan inventory flows
- Reposition inventory within one and two-day ground delivery range of ~99% of the US population – increasing customer revenue growth by ~20% on average
- Service agility enhances brands
- Unrivaled speed to market

### ADVANTAGES FOR GXO

- Differentiates GXO from other logistics providers
- Shared warehouse model increases utilization of existing warehouses and other resources
  - Over 1.7 million square feet of warehouse space converted into GXO Direct across 20 locations
- Enables commercial relationships with emerging super-growth firms that are too small to support a dedicated logistics facility

### GXO DIRECT INTEGRATES THIRD PARTY E-COMMERCE PLATFORMS AND OMNICHANNEL RETAILERS



**>\$100 million of 2021E GXO Direct revenue,  
with 30% YoY growth in 2021E**



## Committed to achieving bold environmental targets

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**30%**

*Greenhouse gas  
emission reduction by  
2030 vs. 2019*

**100%**

*Carbon neutral  
by 2040*

**50%**

*Renewable global  
electricity by 2030*

**80%**

*Global operations using  
LED lighting by 2025*

**80%**

*Global landfill  
conversion rate by 2025*

**GXO is focused on attaining its own ESG targets and helping customers attain their targets**

Note: All ESG targets are subject to approval by the board of directors to be appointed at time of spin-off

# Customer case study – Kering Group, the carbon negative warehouse



## Tenure

✓ 20 years

## K E R I N G



Kering is a global luxury group with an ensemble of renowned labels in fashion, leather goods, jewelry and watches

### CUSTOMER NEED

- Kering sought an experienced contract logistics provider to help ship its luxury goods under various brands on a global scale
- The solution must include value-added services, including drop shipments and reverse logistics

### GXO SOLUTION

- GXO's comprehensive solution includes multi-shuttle technology, line-hanging solutions, conveyors, mobile racking and shelving, and packing stations supported by automation
- GXO began operating the first warehouse in 2020 and the second in 2021; the operations are designed to reduce environmental impact and are certified to ensure sustainability

### KEY RESULTS

- GXO's sophisticated logistics solution has led to extremely short lead times for B2B fulfillment, comparable to the speed of e-commerce operations
- Shipments are customized based on final destination, close to the time of distribution

### SUPERIOR VALUE

- A new, GXO-managed logistics complex of 150,000 sq. m. (~1,615,000 sq. ft.) is in the start-up phase in Trecate, Italy
- The Trecate plant will have one of Europe's largest rooftop solar systems, saving an estimated 7,500 tons CO2 a year
- The site will also be the first industrial complex in Italy to produce more energy than it consumes

## Dedicated to fostering a culture of safety, diversity, inclusion and development

Favorable mix of employees and agency labor

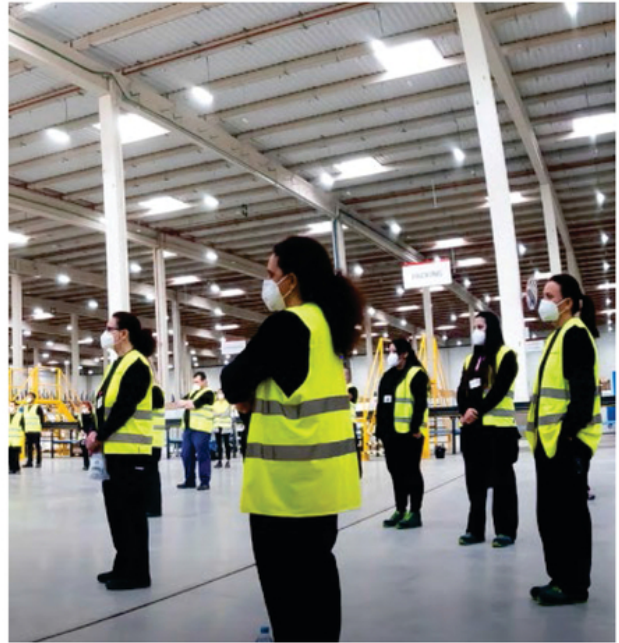
Best-in-class safety record

Diversity, inclusion and belonging steering committee

High level of employee engagement

Ongoing employee education to raise awareness about inclusion

Numerous community outreach programs



**78% of 2020 US hires were diverse<sup>1</sup>**

<sup>1</sup> Defined as a person of color, military veteran, LGBTQ+, or a person with a disability

## GXO's culture of safety and diversity

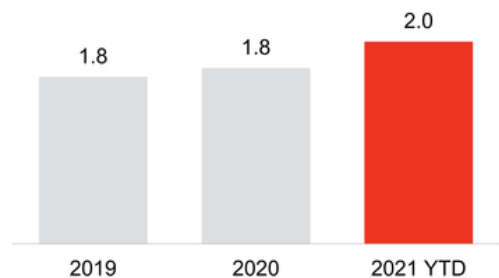
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## \$2 billion pipeline focused on e-commerce

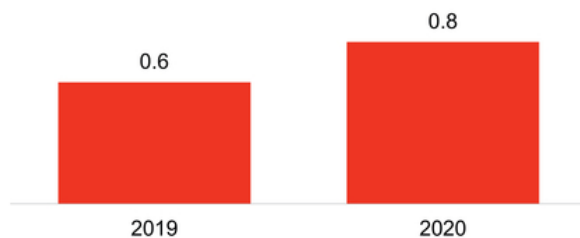
### PIPELINE NEAR ALL-TIME HIGHS<sup>1</sup>

\$ in billions



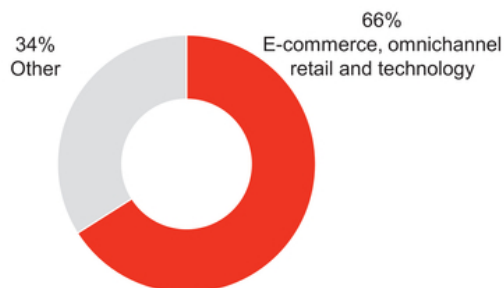
### DRIVING SUBSTANTIAL NEW BUSINESS

Annualized revenue from new business won  
\$ in billions



### OUTSIZED EXPOSURE TO FAST GROWING E-COMMERCE VERTICAL<sup>1</sup>

% of current pipeline



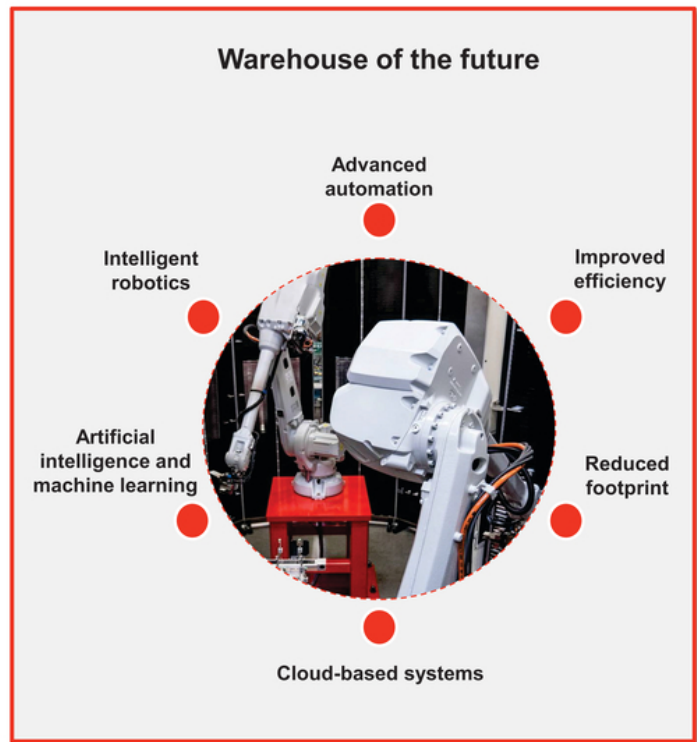
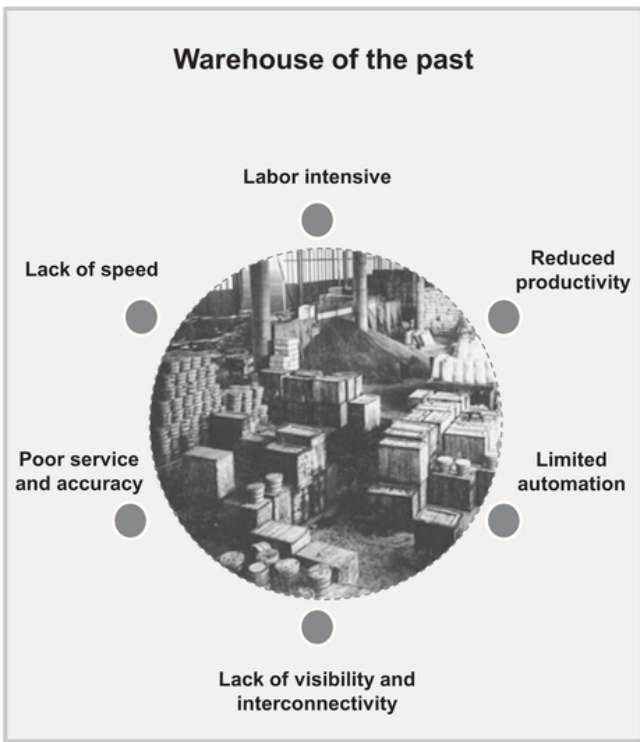
<sup>1</sup> Represents total pipeline as of June 2021





**Margin-enhancing  
technology**

## GXO is already building the warehouses of the future



**Logistics is 3% of customer's overall cost base and has a massive impact on consumer experience**

## Technology enables better outcomes for GXO and its customers

---

### **Revenue Growth**

*Automated customer solutions have higher revenue growth than GXO's average*

### **Margin Expansion**

*Automation drives improved productivity and higher margins*

### **Scale and Retention**

*Automated customers are bigger and stay with GXO longer*

### **Pipeline and Implementation**

*Higher win percentage of automated vs. non-automated opportunities*

### **Efficiency and Sustainability**

*Enhanced safety, visibility, management of resources, and ESG credentials*

### **Customer Service**

*Greater speed, accuracy and predictability; lower cost*

## Hardware: GXO's automation implementations deliver operational benefits ...

Provides superior visibility and control

Increases fulfillment speed and accuracy

Eliminates data silos

Overcomes space and labor constraints

Mitigates safety risks



ROBOTICS



AUTOMATED GUIDED VEHICLES



ADVANCED SORTATION SYSTEMS

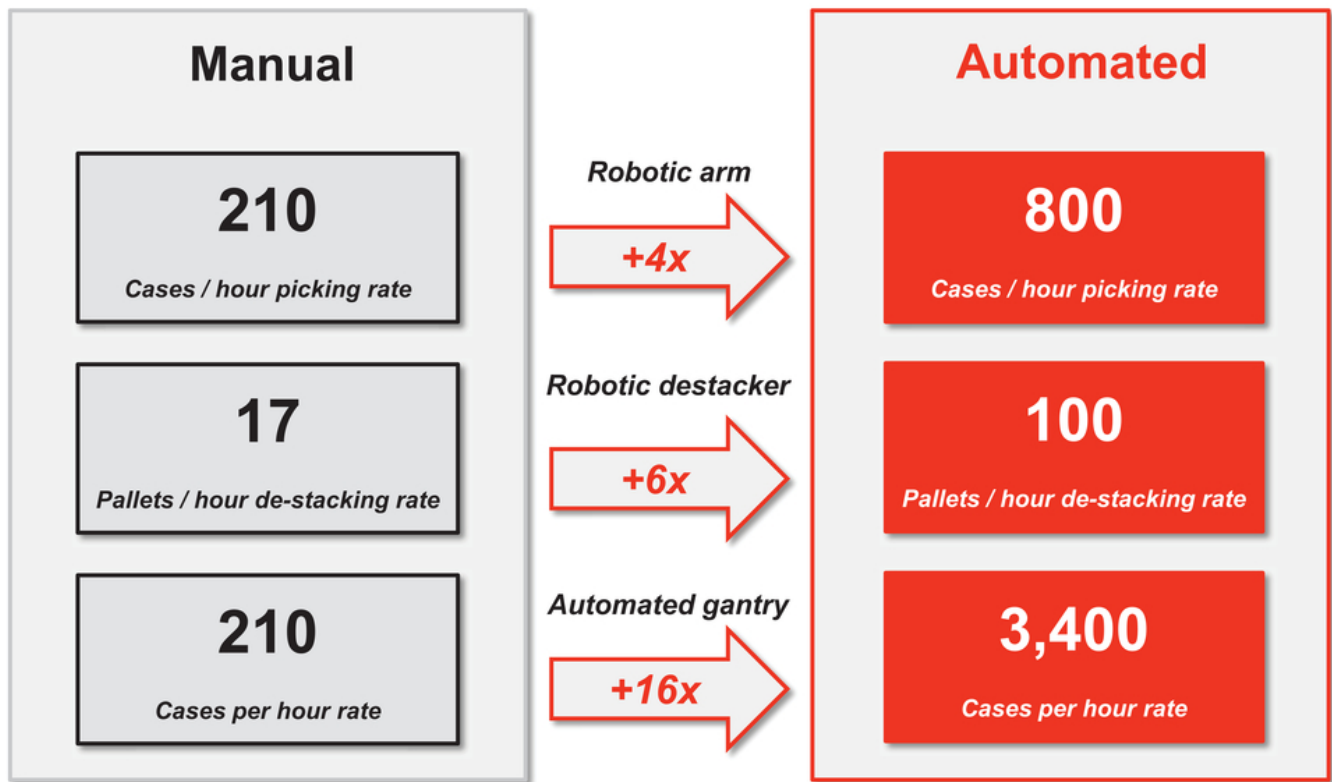


VISION TECHNOLOGY

**3,100+ robots and automation systems in place by YE 2021**



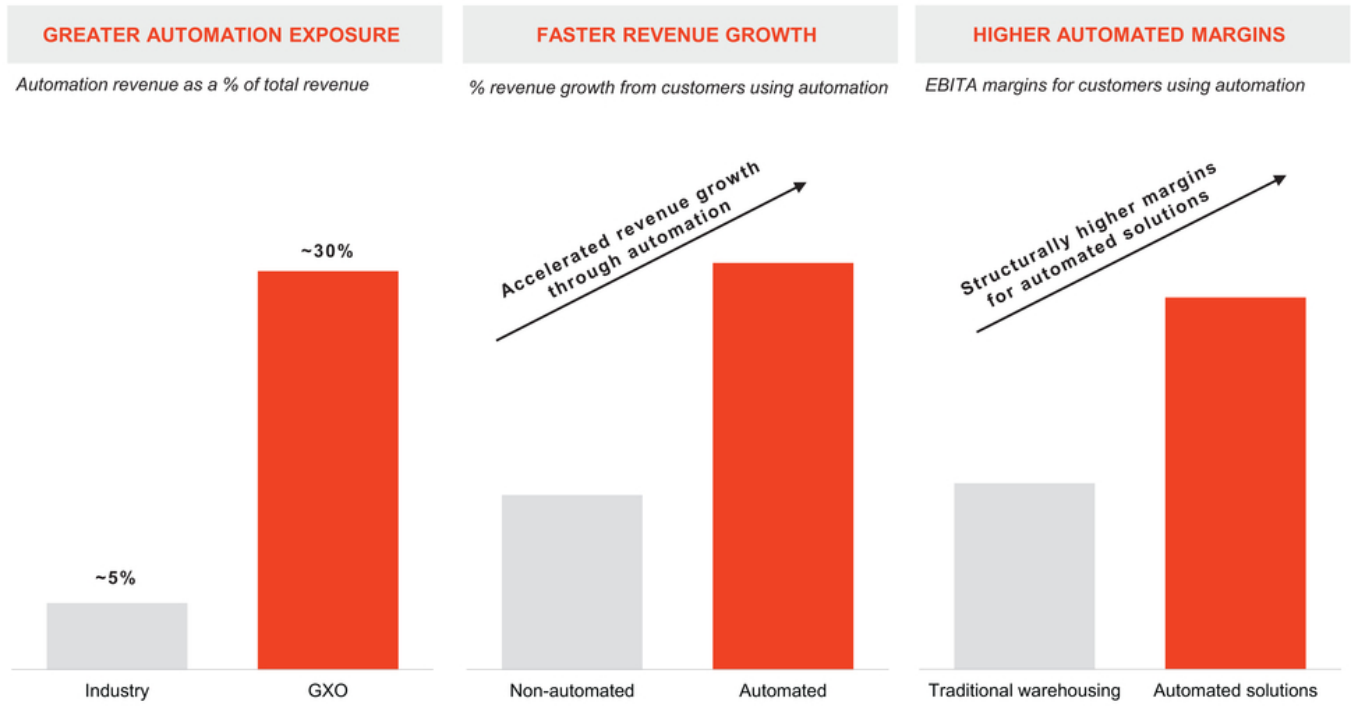
And generate dramatic productivity gains ...



Note: Data represents recent GXO deployments



# Leading to higher growth and expanding margins



Source: Third-party data, management data  
Note: Data represents GXO European operations

## Software: GXO's proprietary digital ecosystem enhances visibility and control

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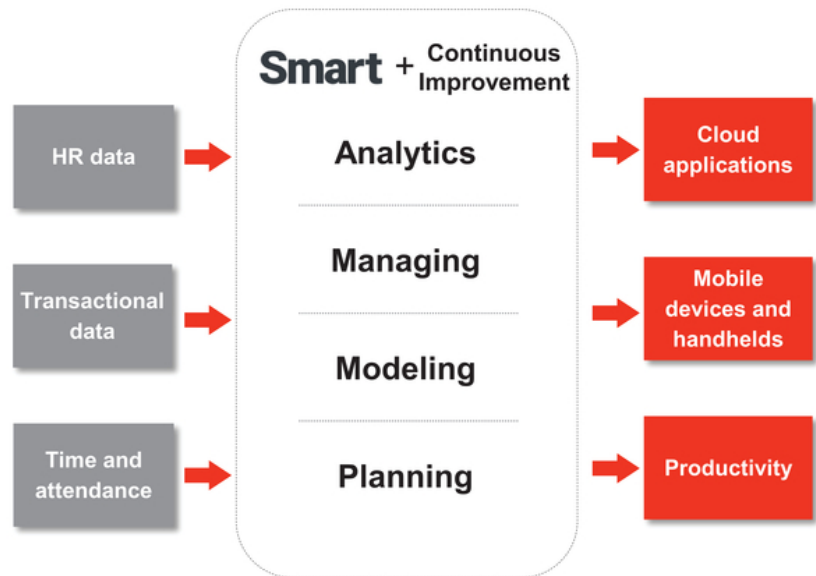
- Enables sophisticated integration of advanced automation
- Facilitates collaboration with world-class manufacturers to engineer customized solutions
- Provides in-house control of intelligent solutions, including robotics and goods-to-person systems
- Speeds startup of customer projects
- Supports management decision-making with data-driven insights



## Software: GXO Smart™ technology delivers productivity improvements of 5% to 7%

### Proprietary suite of intelligent productivity tools that optimize labor cost

- Machine learning drives productivity and operational effectiveness
- Optimizes labor force through peaks and troughs
- Site-specific modeling helps managers optimize decision-making
- Delivering tangible EBITDA improvement in 2021
- Smart™ currently deployed in ~60% of GXO sites



**“You have done an outstanding job...our productivity is through the roof.”**  
– Large European omnichannel retailer

## GXO Smart™ productivity management



## Customer case study – Nestlé



### Tenure

- ✓ CPG logistics: 21 years
- ✓ Warehouse of the future: 1 year



Nestlé is the world's largest food and beverage company

### CUSTOMER NEED

- Nestlé sought to build a state-of-the-art digital warehouse and innovation center in the UK for global product distribution

### GXO SOLUTION

- GXO helped design and develop a ~638,000 sq. ft. facility that launched in 2020 with the ability to dispatch 1 million pallets per year – the highest throughput of any site in Nestlé's global logistics network

### KEY RESULTS

- The state-of-the-art digital warehouse of the future gives consumers faster, more efficient access to the iconic brands of the global food and beverage leader
- GXO and Nestlé are continuously improving responsiveness to channel customers by innovating fulfillment

### SUPERIOR VALUE

- GXO strengthened its relationship with this world-class company through an innovative collaboration, and Nestlé continues to trust GXO with critical logistics needs



## Customer case study – Nestlé digital warehouse of the future

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**Financial overview**

## Expected timeline of the spin-off

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### Key events

### Timing

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Public announcement of separation

December 2, 2020

Public Form 10 filing

June 9, 2021

Completed debt financing

July 2, 2021

Investor day presentation

July 13, 2021

**Start of regular way trading**

**August 2, 2021**

Note: There can be no assurance that the spin-off will occur or, if it does occur, of its terms or timing

## Financial performance highlights

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### **Best-in-class top-line growth**

8% to 12% 2022E YoY revenue growth, underpinned by \$2 billion pipeline

### **Attractive returns profile**

28% 2021E ROIC<sup>1</sup>

### **Robust free cash flow generation**

Maintenance capex of ~1% of revenue

### **Strong balance sheet**

Investment-grade capital structure

Note: Figures represent 2022E guidance unless stated otherwise  
<sup>1</sup> See ROIC reconciliation in appendix for calculation



## Capital allocation priorities

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### *Organic growth*

- Prioritizing above-market growth

### *Productivity and technology*

- Ongoing investment in productivity and automation

### *Balancing acquisitions and capital return*

- Disciplined approach to acquisitions
- Return of capital to shareholders

### *Near-term investment-grade profile*

- Committed to remaining investment-grade



## Key investment criteria

**GXO**



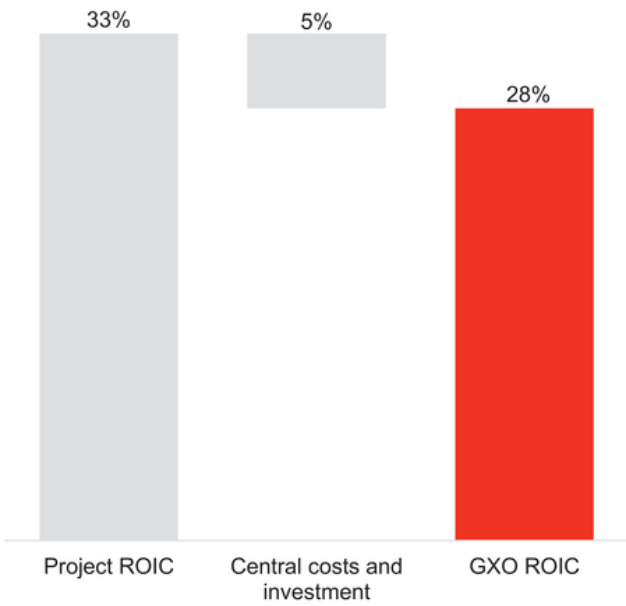
**ROIC target:  
28%+**

**Maintain  
investment-grade  
rating**

**Target project  
payback period:  
~3 years**

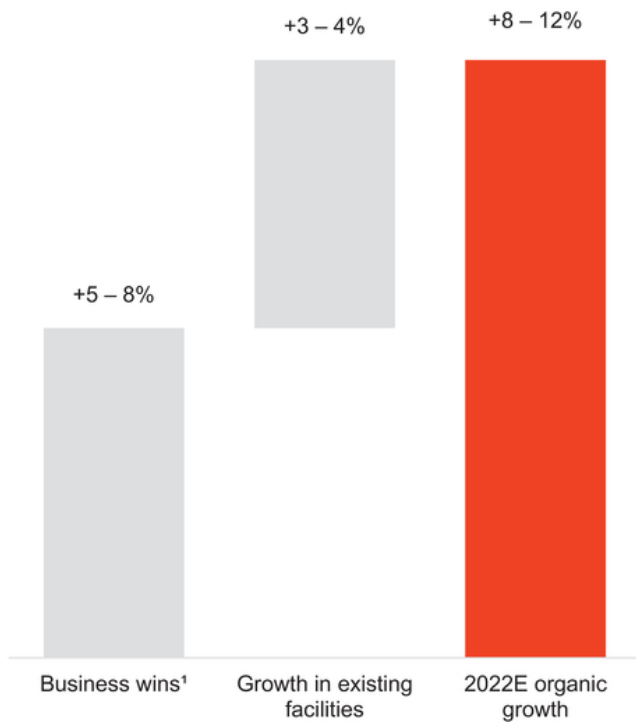
**Aligned to ESG  
goals**

### 2021E ROIC BRIDGE



**~68% of GXO's 2021E capex relates to growth projects**

## 2021E – 2022E organic revenue growth bridge



<sup>1</sup> Net of attrition

### COMMENTARY

- **Organic revenue growth of 8% – 12%** for FY 2022E, above pro forma 2021E
- **Growth of 5% – 8%** from business wins
  - Record sales pipeline of ~\$2 billion and growing
  - High-quality opportunities converted to GXO wins
- **Growth of 3% – 4%** in revenue from existing customers
  - Long-cycle contracts
  - Increase in volume and prices

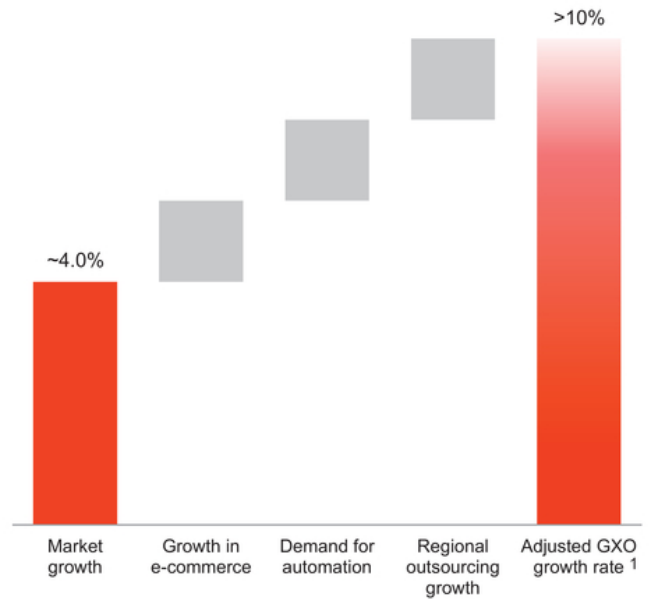
## More than a decade of above-market growth remains

### MEGATRENDS DRIVING TOPLINE GROWTH

- **E-commerce adoption** is accelerating coming out of COVID
  - ~11% e-commerce CAGR over next 5 years
- Customers are demanding increased **automation capabilities**
  - GXO is a leader in automation, where there is only currently ~5% penetration
- Increased complexity of supply chains will drive further trend towards **outsourcing**
  - Only 30% of contract logistics is currently outsourced

### GXO'S TAILWINDS DRIVE ABOVE-MARKET GROWTH

2019–2023 industry CAGR

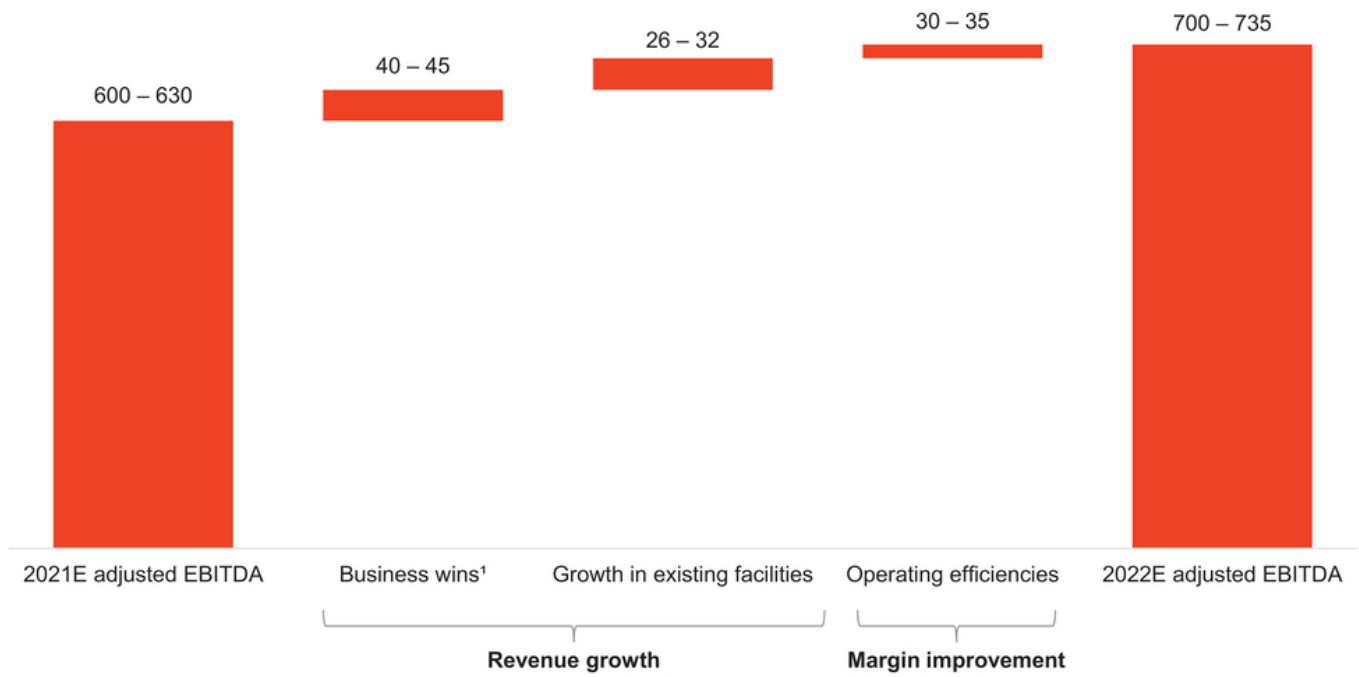


**Secular megatrends will contribute to expected double-digit revenue growth**

Sources: Management estimates and third-party research  
<sup>1</sup> Represents 2022E guidance

## 2021E – 2022E adjusted EBITDA bridge

\$ in millions



Note: 2021E adjusted EBITDA is shown on a pro forma basis

<sup>1</sup> Net of attrition

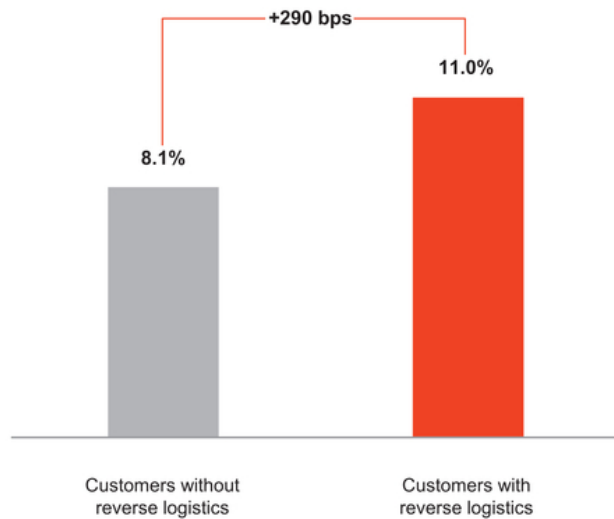
## Drivers of long-term margin expansion

### MARGIN EXPANSION LEVERS

- Drive further implementation of **GXO Smart™** and other proprietary software tools
  - GXO Smart™ implemented in ~60% of sites
- Grow base of **multinational**, high-margin contracts
- Expand **high-value-added services** (e.g. reverse logistics)
  - Reverse logistics only being used by ~30% of customers
- Mobilize **strategic account management** teams solely focused on landing the largest, most profitable accounts

### E-COMMERCE DRIVES MARGIN EXPANSION

2020 adjusted EBITDA margin % before overhead allocation



**Clearly defined initiatives underway for long-term margin expansion**



## Attractive capital structure to fuel future growth

EXPECTED CAPITAL STRUCTURE AT SPIN-OFF		COMMENTARY
Cash	\$100 million	<ul style="list-style-type: none"><li>▪ Balance sheet right-sized for optimal cost of capital</li><li>▪ No maturities due before 2026</li><li>▪ Expect minimum total liquidity of \$900 million<ul style="list-style-type: none"><li>– Minimum cash balance of \$100 million</li><li>– Five-year revolving credit facility with \$800 million capacity</li></ul></li><li>▪ Capabilities to invest in growth; investment-grade balance sheet</li></ul>
Debt	\$800 million	
Average cost of debt	2.15%	
Net debt <sup>1</sup> / 2021E pro forma adjusted EBITDA <sup>2</sup>	1.1x	
		<ul style="list-style-type: none"><li>▪ Maintain leverage in target range of 1.0x – 1.5x</li><li>▪ Fully funded pension position; no cash contribution required</li><li>▪ Dividend policy to be determined by Board</li></ul>

<sup>1</sup> Calculated as total debt of \$800 million less cash and cash equivalents of \$100 million

<sup>2</sup> Reflects 2021 guidance; leverage is not inclusive of finance leases  
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

## Significant runway for free cash flow generation

- Track record of significant cash generation whilst delivering best-in-class revenue growth
- Two-thirds of capex relates to growth
  - Maintenance capex on a favorable trend due to operational efficiencies
  - Maintenance capex currently ~1% of revenue

### SIGNIFICANT LEVERS TO EXPAND EARNINGS ACROSS CYCLES

Pro forma adjusted EBITDA less net capex<sup>1</sup>  
\$ in millions



### MODEST CAPEX REQUIREMENTS

Maintenance capex as % of revenue



**Low maintenance capital requirements drive future free cash flow expansion**

<sup>1</sup> See adjusted EBITDA less net capex reconciliation in appendix



**Summary**

## Reasons to invest in GXO

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**MASSIVE SECULAR TAILWINDS**

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**CRITICAL SCALE IN A GROWING MARKET**

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**LONG-TERM, CONTRACTED AND DIVERSE BLUE-CHIP CUSTOMERS**

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**PROPRIETARY TECHNOLOGY IMPROVING CUSTOMER OUTCOMES**

---

**FAST-GROWING AND HIGH-RETURN FINANCIAL PROFILE**

**Largest global pure-play contract logistics provider,  
led by a world-class team**





**Appendix**



## GXO Investor Day presenters

**Brad Jacobs**  
Chairman

- Over 40-year career, has started five companies from scratch and led each to become a billion dollar or multi-billion dollar enterprise
- Includes XPO Logistics (NYSE: XPO) and United Rentals (NYSE: URI), both among the 20 best-performing stocks of the last decade
- Serves as Chairman and CEO of XPO



**Malcolm Wilson**  
Chief Executive Officer

- Three decades of executive experience managing multinational supply chain operations
- CEO of XPO's European business since 2017
- Head of logistics division for Norbert Dentressangle; grew the division to global scale in 15 countries as ND's largest revenue-producing unit



**Baris Oran**  
Chief Financial Officer

- Over 20-year track record in capital markets and omnichannel retail, with a strong background in international finance
- Former CFO of the Sabanci Group, one of Turkey's largest publicly traded companies



**Mark Manduca**  
Chief Investment Officer

- Over 15-year track record in equity research covering transportation and logistics, with distinction as the #1 European transport research analyst for eight consecutive years
- Former Managing Director at Citigroup leading transportation research activities
- Spent eight years at Bank of America leading business services, leisure, and transport research teams



**Bill Fraine**  
Chief Commercial Officer

- Over 30 years in logistics, including 10 with XPO
- Former Division President, Sales and Operations, of XPO's logistics business in the Americas and Asia Pacific
- Previously, spent more than 20 years at FedEx in various positions



**Richard Cawston**  
President – Europe

- 20-year career in logistics, including deep expertise in the e-commerce sector
- Former President of XPO's logistics business in Europe
- Joined XPO from Norbert Dentressangle with a strong track record of customer expansion



**Eduardo Pelleissone**  
President – Americas and Asia Pacific

- Over 15-year track record in logistics and operations
- Former Chief Transformation Officer for XPO, responsible for the company's business transformation initiatives
- Former COO and executive vice president of global operations for Kraft Heinz



**Gavin Williams**  
President – UK and Ireland

- Over 25-year track record in logistics and operations, including 7 with XPO
- Former Managing Director for the United Kingdom and Ireland for XPO
- Previously, spent 18 years with Wincanton in a breadth of senior roles



## Reconciliations of GXO pro forma adjusted EBITDA

---

### GXO ADJUSTED EBITDA RECONCILED TO OUTLOOK

*\$ in millions*

2020 GXO pro forma adjusted EBITDA (as presented in Form 10)	442
Adjusted for expected corporate cost run rate	10 – 20
2020 GXO pro forma adjusted EBITDA (comparable to 2021 outlook)	452 – 462
2021 underlying EBITDA growth	148 – 168
2021 GXO pro forma adjusted EBITDA outlook	600 – 630

## Reconciliations of GXO pro forma adjusted EBITDA (cont.)

---

### NET LOSS ATTRIBUTABLE TO GXO RECONCILED TO ADJUSTED EBITDA FOR 2020

*\$ in millions*

<b>Net loss attributable to GXO</b>	<b>(14)</b>
Net income attributable to noncontrolling interest	(9)
Net loss	(5)
Interest expense	31
Income tax provision	15
Depreciation and amortization expense	325
Transaction and integration costs	47
Restructuring costs	29
<b>GXO pro forma adjusted EBITDA (as presented in Form 10)</b>	<b>442</b>

## Estimated impact of a January 1 spin-off on full-year financial targets

### SPIN-OFF IMPACT ON SELECT 2021 FINANCIAL TARGETS

*\$ in millions*

	<b>GXO Post-Spin-Off</b>
Depreciation and amortization <sup>1</sup>	240 – 250
Interest expense <sup>2</sup>	20 – 25
Income tax rate	26% – 28%
Net capital expenditures	240 – 250
Cash interest	20 – 25
Cash taxes	80 – 90

<sup>1</sup> Excludes acquisition-related amortization expense of \$55 million

<sup>2</sup> Assumes GXO issues \$800 million of notes at an average interest rate of ~2%

## ROIC reconciliation

### SELECT FINANCIALS AND GUIDANCE

\$ in millions

Select income statement items	2021E Guidance	Select balance sheet items <sup>2</sup>	GXO pro forma
Adjusted EBITDA	600 – 630	Equity	2,451
(-) Depreciation and amortization <sup>1</sup>	240 – 250	(+) Debt	800
Adjusted EBITA	360 – 380	(+) Finance leases	161
(-) Income tax rate @ 26% – 28%	94 – 106	(-) Cash	100
<b>NOPAT</b>	<b>266 – 274</b>	(-) Goodwill	2,048
		(-) Intangibles	307
		<b>Invested capital</b>	<b>957</b>

<sup>1</sup> Excludes acquisition-related amortization expense of \$55 million

<sup>2</sup> Per the GXO Form 10



## Adjusted EBITDA less net capex reconciliation

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*\$ in millions*

	2020	2021E <sup>3</sup>
Adjusted EBITDA	457 <sup>1</sup>	615
(-) Net capital expenditures	210 <sup>2</sup>	245
<b>Adjusted EBITDA less net capex</b>	<b>247</b>	<b>370</b>

<sup>1</sup> Midpoint of 2020 GXO pro forma adjusted EBITDA comparable to 2021 outlook (see reconciliations of GXO pro forma adjusted EBITDA in appendix)

<sup>2</sup> Calculated as \$222 million gross capital expenditures and \$12 million gross proceeds per GXO Form 10

<sup>3</sup> Reflects midpoint of 2021E guidance



**XPO Logistics Board of Directors Approves Separation of GXO Logistics and Declares the Distribution of GXO Shares**

*Record date for the distribution of GXO shares will be July 23, 2021*

*“When-Issued” trading expected to begin on or about July 22, 2021*

*Distribution expected to be completed on August 2, 2021*

**GREENWICH, Conn. – July 13, 2021** – XPO Logistics, Inc. (NYSE: XPO) today announced that its board of directors approved the previously announced separation of its logistics segment through the distribution of all of the outstanding shares of common stock of its wholly owned subsidiary, GXO Logistics, Inc. (“GXO”), to holders of XPO common stock.

Following the separation, GXO and XPO will be independent public companies with distinct investment identities and service offerings in vast addressable markets. GXO will be the largest pure-play contract logistics provider in the world, and XPO will be a leading provider of transportation services, primarily less-than-truckload transportation and truck brokerage services.

**Additional Details of the Distribution**

The separation will be effected through a pro rata distribution of all outstanding shares of GXO common stock to XPO’s stockholders of record at the close of business on July 23, 2021, the record date for the distribution. If the distribution is completed, each XPO stockholder will receive one (1) share of GXO common stock for every one (1) share of XPO common stock held on the record date.

The distribution does not require shareholder approval, nor is any shareholder action necessary to receive shares in the distribution of GXO common stock. XPO will distribute an information statement to all XPO shareholders entitled to receive the distribution of GXO shares. The preliminary information statement has been included as an exhibit to GXO’s Registration Statement on Form 10 filed with the U.S. Securities and Exchange Commission and describes GXO’s business, certain risks of owning GXO common stock and other details regarding the separation and distribution.

Upon completion of the distribution, XPO will continue to trade on the New York Stock Exchange under the ticker symbol “XPO” and GXO will trade regular way on the New York Stock Exchange under the symbol “GXO”. Beginning on or about July 22, 2021 and expected to continue up to August 2, 2021, there will be two markets in XPO common stock on the NYSE: a “regular-way” market and an “ex-distribution” market. XPO common stock that trades in the “regular-way” market will trade with an entitlement to shares of GXO common stock distributed pursuant to the distribution, such that holders of XPO common stock who sell XPO shares regular way before August 2, 2021 will also be selling their right to receive shares of GXO common stock in the distribution. Shares that trade in the “ex-distribution” market will trade without an entitlement to GXO common stock distributed pursuant to the distribution. XPO investors are encouraged to consult with their financial and tax advisers regarding the specific implications of buying or selling XPO common stock on or before the distribution date and the U.S. federal, state and local or foreign tax consequences of the GXO distribution.

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The distribution of GXO common stock is expected to be completed at 12:01 am, Eastern Time, on August 2, 2021, subject to the satisfaction or waiver of certain conditions, including, but not limited to, the Registration Statement on Form 10 for GXO common stock being declared effective by the U.S. Securities and Exchange Commission and other conditions described in the preliminary information statement included in GXO's Registration Statement on Form 10 filed with the U.S. Securities and Exchange Commission. There can be no assurance regarding the ultimate timing of the distribution or that the distribution will be completed.

#### **GXO Board of Directors**

As previously announced, Brad Jacobs will serve as chairman of GXO's board of directors. Additionally, as of the date of separation, current XPO directors Oren Shaffer, Marlene Colucci and Gena Ashe will resign from the XPO board to serve as directors of GXO. Mr. Shaffer will serve as lead independent director and Ms. Colucci will serve as vice chair.

Additionally, Clare Chatfield, senior partner with L.E.K. Consulting; Joli Gross, general counsel of United Rentals, Inc.; and Malcolm Wilson, CEO of GXO, will serve as directors of GXO, with a further appointment to follow. Biographies of GXO's directors and executive officers are or will be included in the preliminary or final information statement that has been or will be filed with the U.S. Securities and Exchange Commission.

#### **GXO Investor Day Presentation Online**

On July 13, 2021, XPO hosted a GXO Investor Day webcast that included management's presentation of GXO's investment highlights, operations, technology, financial performance and growth prospects, as well as a Q&A session. Interested parties can access an archive of the webcast on [gxo.com/investors](http://gxo.com/investors) from July 14 forward.

#### **Advisors**

Goldman Sachs & Co. LLC is acting as financial advisor for the separation transaction and Wachtell, Lipton, Rosen & Katz is acting as legal advisor.

#### **About XPO Logistics**

XPO Logistics, Inc. provides cutting-edge supply chain solutions to the most successful companies in the world, with two business segments: transportation and logistics. The company helps more than 50,000 customers manage their supply chains most efficiently, using a network of 1,621 locations in 30 countries and approximately 140,000 team members, including 108,000 employees and 32,000 temporary workers. The company's corporate headquarters are in Greenwich, Conn., USA. Visit [xpo.com](http://xpo.com) for more information, and connect with XPO on Facebook, Twitter, LinkedIn, Instagram and YouTube.

#### **Forward-looking Statements**

*This press release 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. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including the statements above regarding plans, benefits and timing of the contemplated spin-off transaction. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.*

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*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, but are not limited to, the risks discussed in our filings with the SEC and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the potential timing and expected benefits of the proposed spin-off of our logistics segment, including final approval for the proposed spin-off and the risk that the spin-off may not be completed on the terms or timeline currently contemplated, if at all; the impact of the proposed spin-off on the size and business diversity of our company; the ability of the proposed spin-off to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; and governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures.*

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