

**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): May 3, 2024

XPO, 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:

Title of each class
Common stock, par value \$0.001 per share

Trading symbol(s)
XPO

Name of each exchange on which registered
New York Stock Exchange

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

Emerging growth company

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

Item 7.01. Regulation FD Disclosure.

On May 3, 2024, XPO, Inc. (the "Company") released a slide presentation expected to be used by the Company in connection with certain future investor presentations. A copy of the presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The slide presentation should be read together and with the Company's filings with the Securities and Exchange Commission, including the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024.

The information furnished in 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, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates any such information by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Investor Presentation, dated May 3, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 3, 2024

XPO, INC.

By: /s/ Kyle Wismans
Kyle Wismans
Chief Financial Officer

Investor Overview

Q1 2024

May 2024



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, relating to our full year 2024 expectations of gross capex, interest expense, pension income, adjusted effective tax rate, and diluted share count, and future financial targets of North America EBITDA CAGR, adjusted operating ratio improvement, and capex as a percentage of revenue. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements and can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. These forward-looking statements are based on 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 may affect our business.

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 different from those 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 following: the effects of business, economic, political, legal, and regulatory impacts or conflicts upon our operations; supply chain disruptions and shortages, strain on raw materials, cost inflation and labor and equipment shortages; our ability to align our investments in capital assets, including equipment, service centers, and warehouses to 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 of one or more business units or to successfully integrate and realize anticipated synergies, cost savings and profit opportunities from acquired companies; goodwill impairment; issues relating to protection laws, competition laws, and intellectual property laws; fluctuations in currency exchange rates, fuel prices and fuel surcharges; the expected benefits of the spin-offs of GXO Logistics to develop and implement suitable information technology systems; the impact of potential cyber-attacks and information technology or data security breaches or failures; our indebtedness; equity capital; fluctuations in interest rates; seasonal fluctuations; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters; litigation; 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 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 of this document and we do not undertake any obligation to update forward-looking statements except to the extent required by law.

Non-GAAP financial measures

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

First quarter 2024 highlights

\$2.02 billion of revenue, up 6% YoY

\$288 million of adjusted EBITDA, up 37% YoY

\$0.81 of adjusted diluted EPS¹, up 45% YoY

LTL adjusted operating income of \$175 million, up 50% YoY

LTL adjusted operating ratio of 85.7%, improving by 390 bps YoY

LTL tonnage per day up 2.6% YoY, with shipments per day up 4.7%

LTL yield, excluding fuel, up 9.8% YoY

LTL revenue per shipment, excluding fuel, up 7.9% YoY, accelerating from Q4'23

LTL damage claims ratio of 0.3%, a company record

Second consecutive quarter with nearly 400 bps of adjusted OR YoY improvement

¹ Diluted earnings from continuing operations per share
Refer to "Financial Reconciliations" and "Non-GAAP Financial Measures" sections in Appendix for related information

First quarter 2024 performance

REVENUE	\$2.02 billion
OPERATING INCOME	\$138 million
NET INCOME	\$67 million
DILUTED EARNINGS PER SHARE	\$0.56
ADJUSTED NET INCOME	\$97 million
ADJUSTED DILUTED EPS	\$0.81
ADJUSTED EBITDA	\$288 million
CASH FLOW FROM OPERATING ACTIVITIES	\$145 million

BY SEGMENT	
NORTH AMERICAN LTL	
REVENUE	\$1
ADJUSTED EBITDA	\$2
ADJUSTED OPERATING RATIO	85
EUROPEAN TRANSPORTATION	
REVENUE	\$7
ADJUSTED EBITDA	\$3

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

Four pillars of LTL 2.0 plan driving significant margin and earnings ex

1

Provide best-in-class service

2

Invest in network for the long-term

3

Accelerate yield growth

Targets for LTL Growth, Profitability and Efficiency, 2021-2027

Revenue CAGR of 6% to 8%

Adjusted EBITDA CAGR of 11% to 13%

Adjusted operating ratio improvement of at least 600 bps

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

Strong position in North American LTL





A leading carrier in a compelling industry

5% CAGR: North American LTL industry revenue

- \$52 billion bedrock industry for the US economy, 10% of share held by top 10 LTL players
- Diverse demand across verticals, with secular growth
- Attractive pricing environment, with industry prices rising each year for over a decade
- Strong service quality is key gating factor for yield and margin expansion
- Industry service center capacity stayed nearly flat

Sources: Third-party research; company filings

Note: Revenue CAGR for periods 2010–2023; industry size and market share from 2023

¹ US service centers, includes ARCB, FDX, ODFL, SAIA, XPO and YELL

A major player in the supply-chain ecosystem



\$4.7 billion
2023 revenue

9%
2023 industry share

3rd largest
LTL carrier by 2023 revenue

2023
t



33,000
customers served

650 million
linehaul miles run
per year

13 million
shipments per year

1
pc



23,000
employees

13,000
drivers

33,000
trailers

se

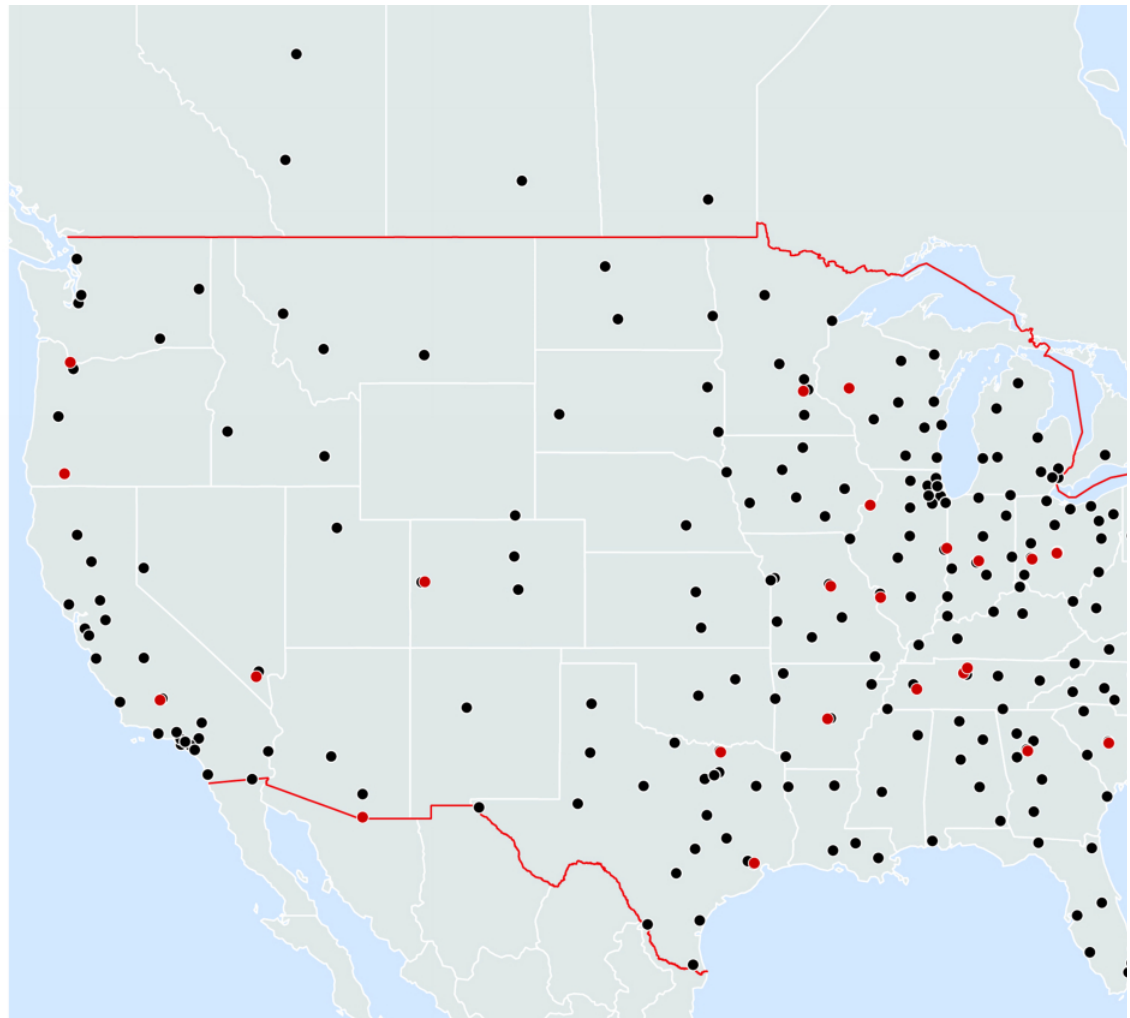
¹ Excludes the company's December 2023 acquisition of 28 service centers, not yet operational as of March 31, 2024
Note: Company data for North American LTL segment only as of March 31, 2024, unless otherwise noted as 2023 (full year)

Expansive network covering 99% of US zip codes

- Service Centers
- Acquired Service Centers¹

- 293 service centers
- 28 additional service centers acquired
- Cross-border and offshore capabilities
- Strategic investments in high-demand markets

¹Indicates planned expansion of footprint with 28 service centers acquired in December 2023, being integrated throughout 2024-2025



Strategic mix of blue-chip and local customers



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custo

Note: Company data for North American LTL segment only as of March 31, 2024; selected customers of XPO

LTL 2.0 growth plan and levers



Executing on four pillars of LTL 2.0 plan

▶ Provide best-in-class service

- Building a customer-centric service organization
 - Incentivizing employees to drive service quality
 - Investing in new tools for field organization and enhancing training program
-

▶ Invest in network for the long-term

- Targeting capex of 8% to 12% of revenue on average through 2027
 - Expanding linehaul fleet with tractors and in-house trailer manufacturing
 - Investing in real estate capacity to further improve service and drive network
-

▶ Accelerate yield growth

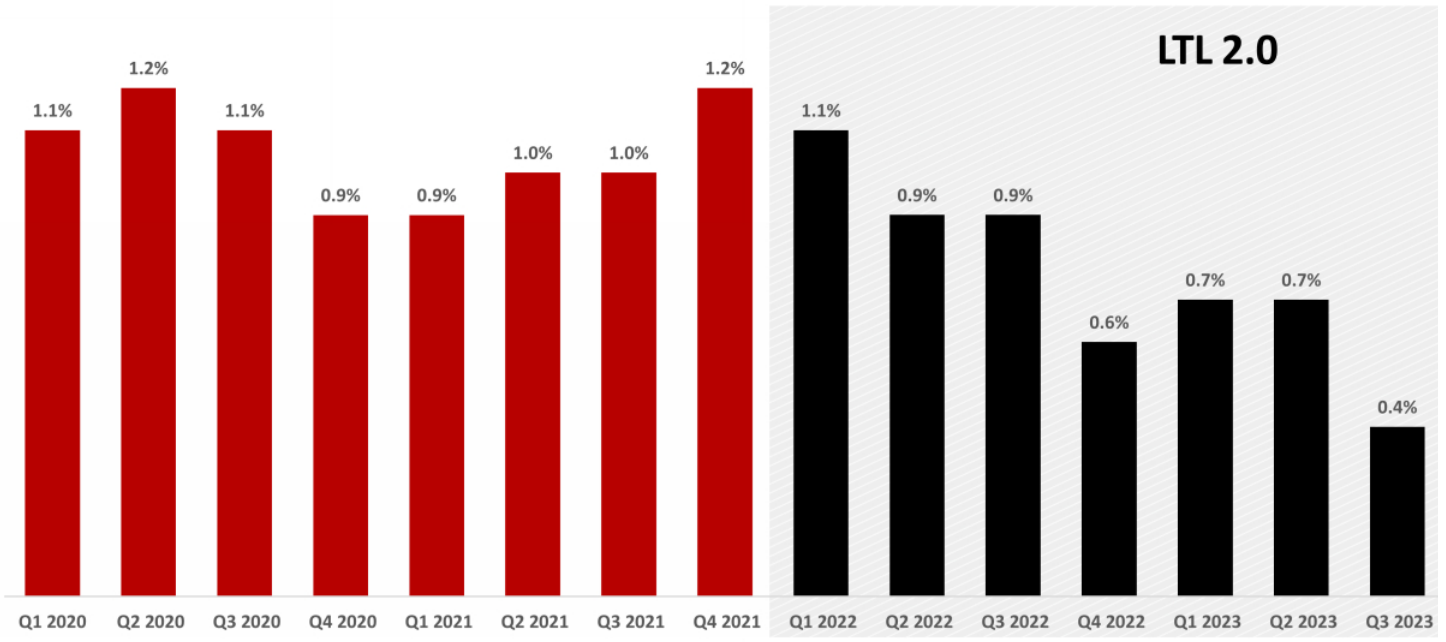
- Aligning price earned with increasing service excellence
 - Expanding accessorial revenue from value-add services
 - Growing share of higher-yielding local channel by scaling local salesforce
-

▶ Drive cost efficiencies

- Insourcing linehaul miles to enhance service quality, network density and fluidity
- Improving productivity of pickup-and-delivery and dock operations
- Rationalizing corporate cost structure

Delivering meaningful service improvements

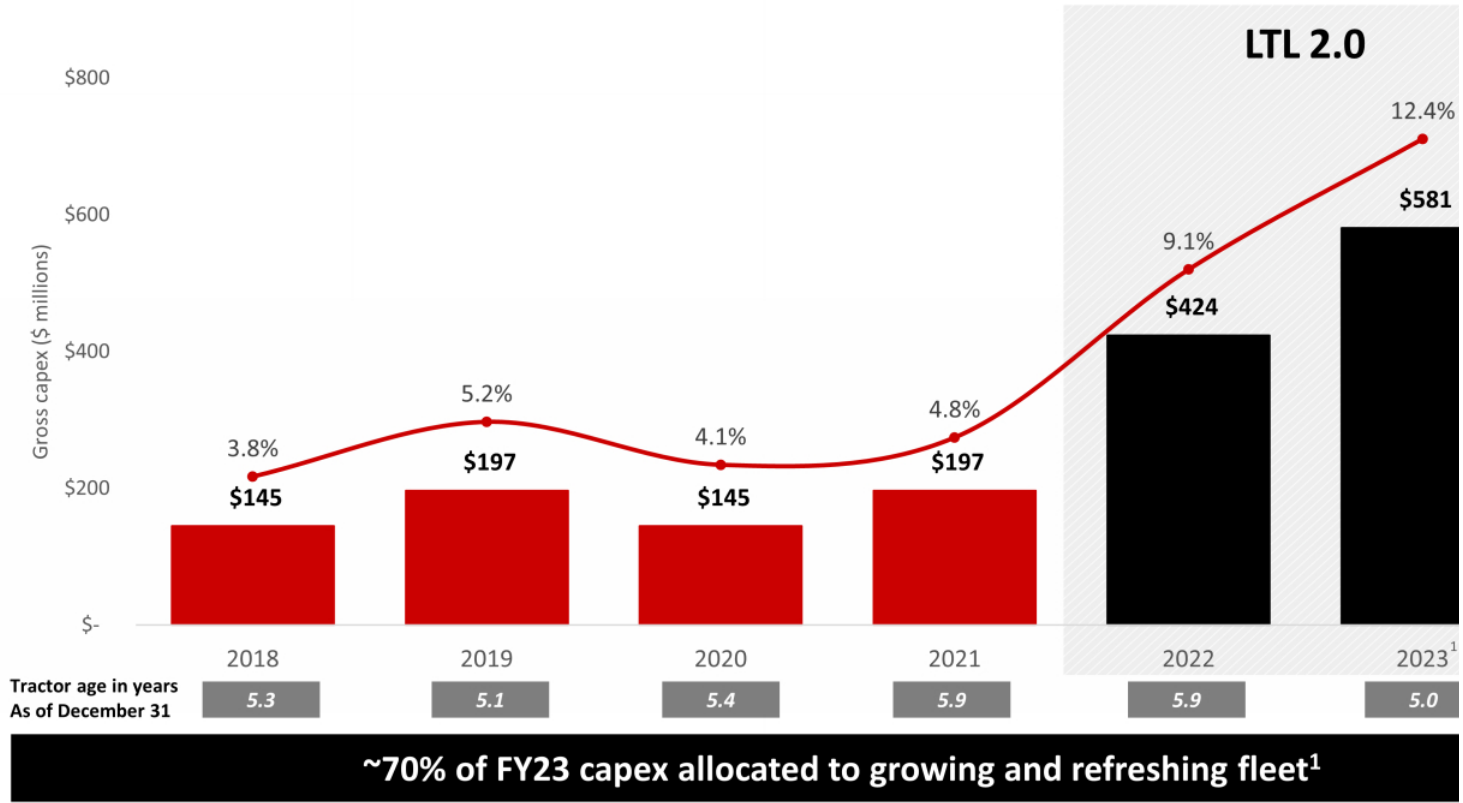
Damage claims declining as a % of LTL revenue¹



Service initiatives have driven over 70% improvement in damages since the beginning of

¹ Based on claims payment data
² Based on damage frequency data

Investing in high-return growth levers

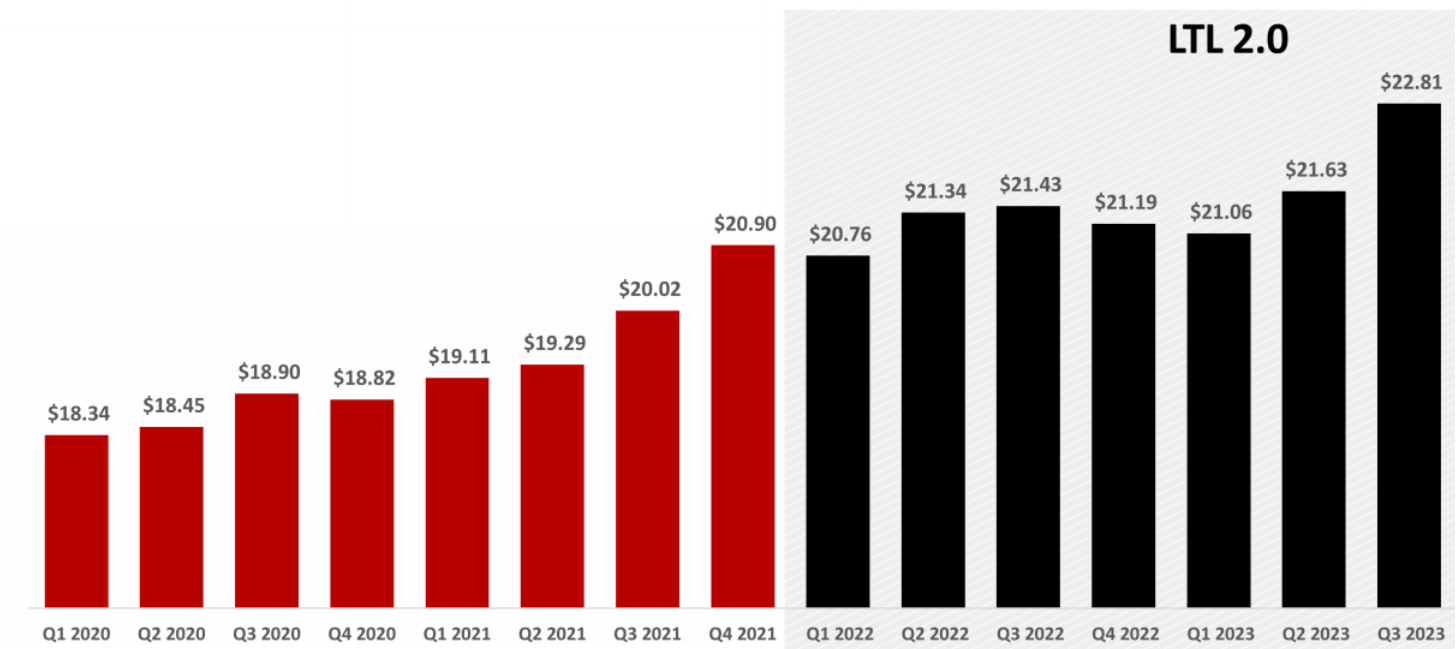


Note: Gross capex and revenue for North American LTL only

¹ Excludes the company's December 2023 acquisition of 28 service centers

Earning price by delivering value through service excellence

Gross revenue per hundredweight (excluding fuel surcharges)

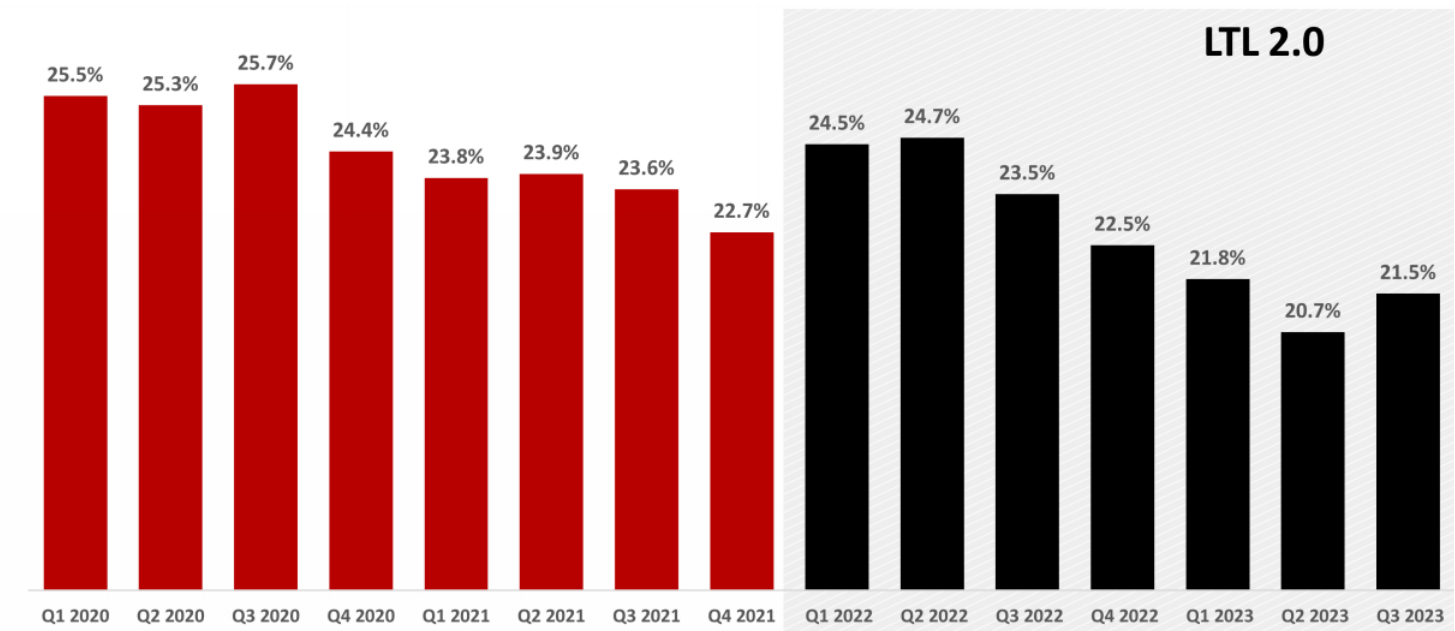


Yield, excluding fuel, improved 9.8% year-over-year in Q1'24

Note: Gross revenue per hundredweight excludes the adjustment required for financial statement purposes in accordance with the company's revenue recognition policy

Insourcing linehaul is a key cost and service opportunity

Linehaul miles outsourced to third-party carriers, as a % of total linehaul miles



Accelerating pace of linehaul insourcing with sleeper cab trucks and teams

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

Expected components and contributions

Combination of volume gains + pricing over inflation



Operating costs optimized through technology



Linehaul insourced from third parties



Appendix





European Transportation segment

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

- In France: the #1 full truckload (FTL) broker and the #1 palletized load (LTL) provider
- In Iberia (Spain and Portugal): the #1 FTL broker and the #1 LTL provider
- In the UK: a top-tier dedicated truckload provider, and the #1 LTL network
- Serves a diverse base of customers with consumer, trade and industrial markets, including many sector leaders that have long-tenure with XPO
- Range of services includes dedicated truckload, LTL, FTL broker, transportation, last mile and freight forwarding, as well as other solutions that are customized to reduce CO₂e emissions

2024 planning assumptions

For the full year 2024, the company expects:

- Gross capex of \$700 million to \$800 million
- Interest expense of \$240 million to \$260 million
- Pension income of approximately \$25 million
- Adjusted effective tax rate of 23% to 25%
- Diluted share count of 121 million

Refer to "Non-GAAP Financial Measures" section on page 24 of this document



Financial reconciliations

The following table reconciles XPO's net income from continuing operations for the periods ended March 31, 2024 and 2023 to adjusted EBITDA for the same periods.

Reconciliation of net income from continuing operations to adjusted EBITDA

\$ in millions (unaudited)	Three Months Ended March 31,		
	2024	2023	Change %
Net income from continuing operations	\$ 67	\$ 17	294.1%
Interest expense	58	42	
Income tax provision	23	4	
Depreciation and amortization expense	117	101	
Transaction and integration costs	14	22	
Restructuring costs	8	24	
Adjusted EBITDA	\$ 288	\$ 210	37.1%

Amounts may not foot due to rounding
Refer to "Non-GAAP Financial Measures" section on page 24 of this document

Financial reconciliations (cont.)

The following table reconciles XPO's net income from continuing operations for the periods ended March 31, 2024 and : net income from continuing operations for the same periods.

Reconciliation of adjusted net income and adjusted diluted earnings per share

	Three Months Ended	
	March 31,	
	2024	2023
\$ in millions, except per-share data (unaudited)		
Net income from continuing operations	\$ 67	\$ 17
Amortization of acquisition-related intangible assets	14	13
Transaction and integration costs	14	22
Restructuring costs	8	24
Income tax associated with the adjustments above ⁽¹⁾	(7)	(11)
Adjusted net income from continuing operations	\$ 97	\$ 65
Adjusted diluted earnings from continuing operations per share	\$ 0.81	\$ 0.56
Weighted-average common shares outstanding		
Diluted weighted-average common shares outstanding	120	116

Amounts may not add due to rounding

¹The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items, non-deductible compensation, and contribution- and margin-based taxes
Refer to "Non-GAAP Financial Measures" section on page 24 of this document

Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to its North American less-than-truckload (LTL) segment periods ended March 31, 2024 and 2023 to adjusted operating income, adjusted operating ratio and adjusted EBITDA.

Reconciliation of North American LTL adjusted operating income, adjusted operating ratio and adjusted EBITDA

\$ in millions (unaudited)	Three Months Ended March 31,		
	2024	2023	Change %
Revenue (excluding fuel surcharge revenue)	\$ 1,011	\$ 903	12.0%
Fuel surcharge revenue	210	217	-3.2%
Revenue	1,221	1,120	9.0%
Salaries, wages and employee benefits	613	555	10.5%
Purchased transportation	78	99	-21.2%
Fuel, operating expenses and supplies ⁽¹⁾	243	248	-2.0%
Operating taxes and licenses	16	12	33.3%
Insurance and claims	21	28	-25.0%
Losses on sales of property and equipment	2	1	100.0%
Depreciation and amortization	82	68	20.6%
Restructuring costs	-	6	-100.0%
Operating income	165	103	60.2%
Operating ratio ⁽²⁾	86.4%	90.8%	
Amortization expense	9	8	
Restructuring costs	-	6	
Adjusted operating income	\$ 175	\$ 117	49.6%
Adjusted operating ratio ⁽³⁾	85.7%	89.6%	
Depreciation expense	73	60	
Pension income	6	4	
Other	-	1	
Adjusted EBITDA ⁽⁴⁾	\$ 255	\$ 182	40.1%

Amounts may not add due to rounding

¹Fuel, operating expenses and supplies includes fuel-related taxes

²Operating ratio is calculated as $1 - (\text{operating income divided by revenue})$

³Adjusted operating ratio is calculated as $1 - (\text{adjusted operating income divided by revenue})$

⁴Adjusted EBITDA is used by the company's chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280. Refer to "Non-GAAP Financial Measures" section on page 24 of this document

Non-GAAP financial measures

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide reconciliations of the non-GAAP financial measures contained in this document to the most directly comparable measures 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 net income from continuing operations per share ("adjusted EPS"); adjusted operating income for our North American Less-Than-Truckload segment; adjusted operating ratio for our North American Less-Than-Truckload segment; and adjusted effective tax rate.

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 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 such measures may not be comparable to similarly titled measures of other companies. These non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Adjusted EBITDA, adjusted net income from continuing operations, adjusted EPS, adjusted operating income and adjusted operating ratio include adjustments for transaction and integration costs, as well as 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 fees, stock-based compensation, retention awards, internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to information 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 performance evaluations for XPO and each business segment's ongoing performance.

We believe that adjusted EBITDA improves comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization) 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 business performance. Adjusted net income from continuing operations 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 core operating activities, including amortization of acquisition-related intangible assets, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables. We believe that adjusted operating ratio improves the comparability of our operating results from period to period by removing the impact of certain transaction and integration costs and restructuring costs, as well as adjusted effective tax rate improves comparability of our effective tax rate, by excluding the tax effect of special items.

With respect to our financial targets for (i) the six-year period 2021 through 2027 of North American less-than-truckload adjusted EBITDA CAGR, and adjusted operating ratio and (ii) the 2024 adjusted effective tax rate, the 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. 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 that would be required to produce such a reconciliation.