# 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 28, 2021**

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

| Delaware | 001-32172 | 03-0450326 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (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 | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common stock, par value $0.001 per share | XPO | New York Stock Exchange |

Indicate by check mark whether the registrant 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 7.01. Regulation FD Disclosure.**

On July 28, 2021, XPO Logistics, Inc. (the "Company") released a slide presentation expected to be used by the Company in connection with certain future investor presentations, together with a corresponding script. Copies of the script and slide presentation are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

The slide presentation and script 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 June 30, 2021.

The information furnished in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, 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 Script, dated July 28, 2021 |
| 99.2 | Investor Presentation, dated July 28, 2021 |
| 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: July 28, 2021 | XPO LOGISTICS, INC. |
| | By: /s/ Karlis P. Kirsis |
| | Karlis P. Kirsis |
| | Corporate Secretary |

**Exhibit 99.1**

XPO Logistics

**July 28, 2021**

**Presentation Script and Slides**

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

Thank you for joining us. We'll start with an overview of our business and the extremely strong second quarter we just delivered — our last full quarter as a combined company before the planned spin-off of our logistics segment on August 2. We reported near-record net income and the highest revenue and adjusted EBITDA of any quarter in our company's history, giving our transportation and logistics segments a strong springboard to move forward separately as XPO Logistics and GXO Logistics.

Today, pre-spin, XPO is one of the largest providers of supply chain services in the world, with approximately $19 billion of trailing 12 months revenue as of June 30, 2021, and a global network of people, technology and physical assets. Approximately 141,000 team members, including 107,000 employees and 34,000 temporary workers, help our customers manage their supply chains most efficiently, using advanced technology for the movement of goods.

Each of our company's two reporting segments of transportation and logistics is an industry leader in its own right, with robust growth prospects. When the planned spin-off is complete, GXO will be the largest pure-play contract logistics provider in the world, and XPO will be a leading provider of less-than-truckload and truck brokerage freight transportation services. GXO will have an investment-grade credit rating from day one, and XPO is moving toward an investment-grade rating in the future.

The spin-off transaction is subject to various conditions, and may or may not occur, or its terms or timing may be different than originally planned.

**Investor Highlights**

These are the key factors driving our growth and returns companywide:

- We're a global leader in logistics, and a top-three North American leader in both less-than-truckload (LTL) transportation and truck brokerage. Our lines of business have outsized exposure in verticals that have a history of enduring demand, including e-commerce.

  Our value proposition is a combination of scale, density, expertise and innovation that gives us expansive opportunities for organic growth and share gains through accretive M&A.

- Our scale gives us significant operating leverage, purchasing power, the capacity to innovate and the ability to deliver consistent outcomes across multiple markets for large customers.
- In each line of business, we have company-specific, self-help initiatives that are optimizing our operations, primarily through our proprietary technology.
- Our best-in-class logistics business is strongly positioned to benefit from the industry's predominant tailwinds — e-commerce and omnichannel retail, the shift toward supply chain outsourcing and warehouse automation.
- In transportation, we have a best-in-class digital brokerage platform that's driving above-market growth, while in LTL, our technology is expanding our margin as the recovery stimulates demand for our services.
- We're nimble allocators of capital, with a disciplined focus on returns and an enviable record of creating substantial shareholder value.
- We serve customers in diverse verticals with complementary demand patterns, and the majority of our revenue is generated under long-term contracts, making our performance more resilient in economic cycles.
- Our business model is optimized for free cash flow generation in all parts of the cycle; about 70% of our revenue is asset-light, with low maintenance capex.
- Our secret sauce has always been the world-class people we attract to XPO — not just our most senior executives, but also the thousands of professionals at the next level.

**Technology Overview**

One of the ways we strengthen our relationships with customers is by empowering our employees to deliver superior service through our technology. Our industry is evolving, and customers want to de-risk their supply chains with more automation and better visibility into the movement of their goods. We're already well-positioned to meet this demand, because we prioritized digitization and visibility early in our technological development.

We've built a highly scalable platform on the cloud that speeds the deployment of new ways to increase efficiency, control costs and leverage our footprint. We can deploy innovations across multiple geographies in a relatively short time, and also take an innovation developed for one vertical and apply it to other verticals to differentiate the value we offer.

We believe that our investment in technology has been among the highest in our industry for nearly a decade. Technology is a high-ROI investment for us, and one that drives our competitive advantage in both transportation and logistics. It also makes the most of the talent and assets within our organization. When our logistics segment spins off as GXO, it will continue to use the intellectual property we've developed for those operations through IP assignments and licensing agreements.

The supply chain industry is wide open for disruptive thinking and we're driving positive change. The most significant impacts of our technology to date are in these four areas:

*XPO Smart™*

XPO Smart™ is our proprietary suite of workforce planning tools that improve productivity in our logistics sites and LTL docks. The tools help our site managers determine the best staffing levels by shift, day and week, with the optimal mix of full- and part-time labor. Our proprietary analytics "learn" the operations of a specific site and can forecast how a labor management decision today could affect productivity in a future period.

We're seeing an average 5% to 7% productivity improvement from XPO Smart™ as we optimize our labor management in a safe and disciplined manner. To date, the tools have been implemented in 100% of our LTL dock operations, and approximately 60% of our global logistics sites, with further roll-outs underway. We expect to realize a significant upside from these implementations as we fully utilize XPO Smart™ in our operations.

*Intelligent warehouse automation*

Intelligent warehouse automation is a priority for our logistics segment. This includes autonomous robots and collaborative robots (cobots), automated sortation systems, automated guided vehicles, goods-to-person systems and wearable smart devices. We integrate these technologies into our operations and control them in-house with our proprietary warehouse management system.

Advanced automation, robotics and autonomous goods-to-person systems are becoming increasingly essential as supply chains become more complex. In e-commerce and omnichannel logistics operations, automation ensures the speed, accuracy and consistency needed to meet consumer expectations during outbound order fulfilment and inbound returns. Importantly, automation also enhances safety and the overall quality of employment.

In mid-2020, we opened a fully automated Digital Distribution Warehouse of the Future in the UK, which we co-developed with Nestlé, the world's largest food and beverage company. This site has the capacity to process more than a million pallets per year — the highest throughput of any facility in Nestlé's global network. Our European innovation lab is based on the premises, where it functions as both a think tank and a test site for new technologies.

*XPO Connect™*

XPO Connect™ is our proprietary digital platform that fully automates transportation procurement — it encompasses our Freight Optimizer system, shipper interface, pricing engine, carrier interface and our carrier mobile app. When our customers have truckload freight to move, we use this powerful technology to find the optimal carrier based on a number of parameters, including price, market conditions and load profile.

Our investment in digitization is making our brokerage business much more efficient and reducing our costs. It enables us to capture share and elevates customer service without large increases in headcount. The platform gives our customers the flexibility to source reliable truckload capacity at the optimal price, gain insights into market conditions and tender loads at their convenience. Carriers can increase their income and reduce empty miles by having their drivers bid on loads from their trucks using our mobile app.

In the second quarter, we topped 85,000 truck carriers registered on XPO Connect™, which is an increase of 43% year-over-year. In July, we surpassed 475,000 truck driver downloads of the platform's mobile app, up from 150,000 a year ago.

*LTL optimization*

In less-than-truckload, we're growing our margin by innovating the way we operate. LTL is a rock-solid industry with strong fundamentals, which gives us the ability to focus our technology on optimizing specific components of the service we provide — primarily linehaul, pickup-and-delivery, pricing and dock productivity. For instance, with intelligent route-building, we can reduce empty miles in our linehaul network and mitigate cargo damage. To boost trailer utilization, our algorithms arrive at recommendations to fill trailer gaps based on volume and density, taking freight dimensions into account.

Our North American LTL linehaul network moved freight approximately 2.3 million miles a day on average in 2020, which is an enormous lever for efficiency and profitability. From 2015 to 2020, we improved the operating margin by 960 basis points, and we believe there's a lot more we can gain.

**Company Overview**

We created XPO in 2011 to provide exceptional value for our customers while generating meaningful returns for our shareholders. The supply chain industry is vast, growing, fragmented and ripe for innovation, with underpenetrated sectors.

Supply chains are unique by nature. Each one is a network spanning every step a company must take to move its goods from the origin to the end-user. Our customers typically have supply chains that include vendors, manufacturers, labor, assets, technologies, data and other resources.

Our service offering is asset-light overall, with assets accounting for less than a third of revenue. In 2020, our net capex was 2% of revenue — a notably lower percentage than asset-intensive competitor groups in our industry, such as less-than-truckload, truckload, parcel and rail carriers. The assets we do own or lease are critical components of the customer services we provide, such as 869 logistics sites, and on the transportation side, 559 cross-docks and approximately 13,000 tractors and 35,000 trailers.

We market our service offerings using a two-pronged sales strategy: earn a greater share of wallet with our existing customer base and further penetrate high-growth verticals where our expertise and track record give us an advantage.

Over the past three years, we deepened our bench strength of senior-level sales talent in transportation and logistics in both North America and Europe. We also invested in new training and analytics for our salesforce and sales support personnel in North American LTL.

**Overview of Logistics Segment**

Our logistics segment accounted for 38% of company revenue in 2020. The segment's trailing 12 months revenue as of June 30, 2021, was $7 billion.

We hold about 5% share of the fragmented $130 billion market for outsourced contract logistics in North America and Europe, which makes XPO one of five companies at the top of the industry that, together, hold 25% share. There's another $300 billion of insourced logistics that could shift to outsourcing, making the total addressable opportunity in the realm of $430 billion. When the spin-off is complete, GXO will become the single largest pure-play contract logistics provider in the world.

Our customers include many of the largest and most respected brands in the world — market leaders, such as Apple, Coca-Cola, Intel, L'Oréal, Nestlé and Nike. The average tenure of our top 20 logistics customers is 15 years. The long-term nature of these contractual relationships gives us visibility into future revenues and often leads to additional growth. Our logistics business has grown at a double-digit revenue CAGR for nearly two decades.

Our logistics services are differentiated by our ability to deliver technology-enabled, customized solutions, vertical expertise, sophisticated engineering and scale — all of which make us attractive to national and multinational customers. Our footprint stands at approximately 208 million square feet (19 million square meters) of warehouse space.

Within our logistics segment, we’ve identified these key drivers of value creation:

- Our strong positioning with blue-chip customers who require bespoke solutions, and our ability to grow with them, making a compelling case for outsourcing to us;
- Leading capabilities for e-commerce and reverse logistics management, including the largest outsourced e-fulfillment platform in Europe and expansive capabilities for e-fulfillment, omnichannel logistics and returns management in North America;
- Our robust technological differentiation, including our proprietary warehouse management platform that integrates robotics and other advanced automation to facilitate agility, visibility, speed, accuracy and control;
- Our XPO Direct™ network — an innovative, shared-space distribution solution that gives customers a fluid way to position inventory close to target populations, reducing fixed costs and transit times;
- A large opportunity to grow share in established specializations and geographies where we have relationships with sector leaders. For example, our acquisition of UK contract logistics operations from Kuehne+Nagel deepened our expertise in the European technology sector and led to our new partnership with Dixons Carphone. We’ll be providing Dixons Carphone with omnichannel fulfilment and returns management in the UK and Ireland, where they’re the market leader; and
- Significant levers for profitable growth and substantial free cash flow, with a long runway for margin expansion.

Our logistics customers primarily operate in industries that are well-suited for outsourcing, including e-commerce and retail, food and beverage, consumer packaged goods, technology, aerospace, telecommunications, industrial and manufacturing, chemicals, agribusiness, life sciences and healthcare. These are all verticals where we have deep expertise and understand the specific requirements, such as special handling, complex stock-keeping, time-assured deliveries and surge management.

The e-commerce sector, in particular, continues to demonstrate strong, secular growth. Before COVID-19, e-commerce was already growing globally at a double-digit rate, and that growth has accelerated as more consumers opt to purchase goods online. Many omnichannel retailers, e-tailers and direct-to-consumer manufacturers find it difficult to handle high volumes of complex fulfilment processes in-house without compromising service. The solutions we provide allow our customers to focus on their competencies and grow with confidence.

Many of our e-commerce facilities also manage merchandise returns, known as reverse logistics. This is one of the fastest growing and most highly valued services across multiple customer verticals. Reverse logistics has become mission-critical for companies with consumer end-markets, as shoppers increasingly test-drive the products they buy online.

Roughly 30% of consumer goods bought online are returned, on average. This creates peaks in returns at certain times of year. We've been able to shave several days off the reverse process through automation, which accelerates a customer's ability to return goods to retail. Depending on the merchandise being returned, our services can include prioritizing high-value SKUs, inspection, testing, repackaging, refurbishment, resale or product disposal, as well as refunding and warranty management.

Logistics processes overall are ripe for transformation through technology. Order fulfillment times are compressing, most notably in the direct-to-consumer space. The most cost-effective way to meet the majority of customer expectations is through advanced automation and intelligent machines — robots and cobots, automated sortation systems, automated guided vehicles and goods-to-person systems, which bring inventory to workers for order fulfillment.

We've been integrating collaborative robotics and goods-to-person systems into a number of our warehouses to support our employees and improve efficiency. We're accelerating our deployment of automation, and this is substantially increasing throughput. In 2020, we shipped five times more product units using advanced warehouse robots than we did in 2019.

Robotics are particularly valuable in tight labor markets where wage inflation and labor shortages can erode customer margins. We've found that autonomous goods-to-person systems can improve productivity by 4-6x. Cobots, which assist workers with the inventory picking process, have a 2x benefit to productivity on average. Stationary robot arms can repeat demanding tasks with precision up to 4x faster than would be possible manually.

In addition to our investments in automation and analytics, we've differentiated XPO from other logistics providers through our ability to create a synchronized warehouse environment across automation solutions. Our proprietary warehouse management platform integrates robotics and other advanced automation into our operations with rigorous control, even when complex, third-party software is involved.

Our XPO Smart™ workforce management tools are integrated into our warehouse ecosystem and deployed on the cloud. As logistics volumes fluctuate, our site leaders are able to make rapid adjustments to labor levels and improve productivity in real time.

*XPO Direct™*

XPO Direct™ is our shared-space distribution network for B2C and B2B customers in North America. This unique solution gives retailers, e-tailers and manufacturers a way to manage fulfillment using our scale, capacity and innovation without the need to add high-fixed-cost distribution centers. Our technology links our facilities, which serve as strategically located stockholding sites and cross-docks that can be utilized by multiple customers at the same time.

XPO Direct™ gives our customers the flexibility to reposition inventory within one-day and two-day ground delivery range of approximately 99% of the US population as demand patterns change, and in close proximity to retail stores for inventory replenishment. It's a strategic way to meet consumer expectations for shorter fulfillment times and greater service agility. In addition, our customers have the use of our technology for demand forecasting and distribution management. We integrate with major third-party e-commerce marketplace platforms, including Amazon, Channeladvisor and Shopify.

**Overview of Transportation Segment**

Our transportation segment accounted for 62% of company revenue in 2020. The segment's trailing 12 months revenue as of June 30, 2021, was $12 billion, with the vast majority of revenue and profit derived from less-than-truckload, our largest transportation service line, and truck brokerage.

*Less-Than-Truckload (LTL)*

The company-specific drivers of growth and margin in our LTL business are:

- Critical capacity and national lane density as the #3 LTL provider in North America;
- Sizable opportunities to further improve profitability beyond the significant gains we've already made by using our technology to optimize linehaul, pickup-and-delivery, pricing and variable labor spend;
- Favorable industry fundamentals, including rational pricing dynamics in North America and the growth of e-commerce; and
- Over 30 years' experience and deep relationships with customers and partners in our domestic, cross-border and international networks.

Our LTL operations in North America are asset-based. We provide customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services with one of the industry's largest fleets of tractors and trailers, professional drivers and a national network of terminals. This includes cross-border US service to and from Mexico and Canada, as well as intra-Canada service.

We doubled EBITDA in North American LTL within four years of acquiring this business in 2015, and we've brought the operation a long way forward. In the second quarter of 2021, our operating ratio was 82.7% and our adjusted operating ratio was 80.6%. Excluding gains from real estate sales, our LTL adjusted operating ratio improved 1,030 basis points year-over-year to a quarterly record of 81.1%. We also delivered our first billion-dollar revenue quarter in LTL, and we're on track to deliver at least $1 billion of LTL adjusted EBITDA in 2022.

Our LTL team is laser-focused on on-time, damage-free performance. Using one of the industry's most modern fleets, we delivered approximately 12.4 million shipments in 2020. We have over 20,000 LTL customers in North America alone, primarily local accounts, and we're diversifying our base by selling this service across more verticals.

Our linehaul network is how we move LTL freight across the country. We use intelligent route-building to increase linehaul fleet utilization, optimize load factor and limit cargo damage. To improve pickup-and-delivery performance, we developed routing and visualization tools that help our dispatchers leverage route density and reduce cost per stop. To optimize pricing, we use elasticity models to adjust for current lane conditions. And we use XPO Smart™ in our yard and dock operations to enhance productivity.

While each application of our technology delivers its own benefits, we also expect a strong synergistic effect on our LTL business as a whole. For example, when we optimize truck routes, this benefits asset utilization, driver utilization, customer service and yield, and should reduce our carbon footprint.

In Europe, where we're the #1 LTL provider in France and Spain and the #3 provider in the UK, we utilize a blend of operations that includes asset-based (XPO fleet) and asset-light (contracted carriers), supported by a network of terminals. We have approximately 100 LTL locations serving countries across Europe, and we deliver over 61,000 pallets daily.

*Truck Brokerage*

Our truck brokerage business has a long track record of outperformance. From 2013 through 2020, in the US, our revenue CAGR of 23% was more than three times the brokerage industry revenue CAGR of 7%. Our growth is being propelled by our scale and technology, and by favorable industry tailwinds:

- We offer customers critical capacity on a large scale as the #2 brokerage provider globally, the #3 truck broker in North America and the UK, and the #1 truck broker in France and Spain;

- Key secular trends are creating growth opportunities for us, including the growing demand for truckload capacity in the e-commerce and omnichannel retail sectors. Another trend is that shippers are increasingly outsourcing to brokers — particularly brokers with digital capabilities like XPO;

- Our digital capabilities are creating above-market growth for our brokerage business. We have the opportunity to unlock incremental revenue and profit well beyond current levels through our XPO Connect™ digital marketplace, and capture high-margin opportunities with our pricing technology; and

- Our long-tenured relationships with blue-chip customers are an opportunity to grow wallet share and leverage our reputation in key verticals.

Our truck brokerage business has an agile, non-asset model with a variable labor structure that generates substantial return on investment. We can reduce our costs when demand is soft and flex our resources to find trucks as demand returns. Essentially, we place shippers' freight with qualified carriers, primarily trucking companies. This service is priced for shippers on either a spot market or contract basis. Customers offer loads to us daily via electronic data interchange, APIs, email, telephone and our XPO Connect™ platform.

As of June 30, 2021, we had approximately 85,000 independent carriers in our global brokerage network, giving us access to more than a million trucks. This enormous truckload capacity is a huge differentiator for us, together with our veteran brokerage leaders and our best-in-class technology.

XPO Connect™ has become one of the most rapidly adopted technologies in the brokerage industry. The value of the platform grows exponentially with every customer, carrier and transaction it touches. Importantly, it continually improves our brokerage service through automation, giving us the ability to manage volume growth without eroding margin.

Our transportation segment also includes an asset-light last mile logistics service for the home delivery of heavy goods — another sector that’s benefitting from the rapid expansion of e-commerce and omnichannel retail. XPO is the largest provider of last mile logistics for heavy goods in North America, with a growing last mile presence in Europe.

**A Culture with Purpose**

In conveying our strengths, we believe that equal weight should be given to the human face of XPO. Our company employs over 100,000 extraordinary individuals who have great insights about our customers and our business. The past year was trying at times, but it also brought out the best in Team XPO — our people showed true professionalism by keeping goods moving through supply chains for customers during the pandemic. They know that XPO is 100% committed to their safety.

Our culture is also about being respectful, entrepreneurial, innovative and inclusive. It's about having compassion, being honest and respecting diverse points of view, while operating as a team. We foster emotional safety at work, with robust ethical guidelines that clearly define prohibited behavior, such as harassment, dishonesty, discrimination, workplace violence, bullying, conflicts of interest, insider trading and human trafficking.

In 2020, we created the role of chief diversity officer, and we routinely reinforce the importance of diversity in our culture through open-door management, the XPO University training curriculum, our Workplace virtual community and equal opportunity hiring policies. We also support diverse causes important to our employees, such as Soles4Souls, Girls With Impact, Workfit programs for differently-abled people and the Susan G. Komen Foundation’s fight against breast cancer. We’re proud to be the official transportation partner for the 2021 Susan G. Komen 3-Day Walks®.

Our Pregnancy Care Policy is a gold standard not just for our industry, but for any industry. Any employee of XPO, female or male, who becomes a new parent through birth or adoption can qualify for six weeks of 100% paid leave as the infant's primary caregiver, or two weeks paid leave as the secondary caregiver. In addition, a woman receives up to 20 days of 100% paid prenatal leave for health and wellness and other preparations for her child's arrival.

Our women employees can request pregnancy accommodations without fear of discrimination. This includes "automatic yes" accommodations, such as changes to work schedules and the timing or frequency of breaks, or assistance with certain tasks. More extensive accommodations are easily determined with input from a doctor. Furthermore, we guarantee that a woman will continue to be paid her regular base wage rate while her pregnancy accommodations are in effect, even if her duties need to be adjusted, and she will remain eligible for wage increases while receiving alternate work arrangements.

We’ve also partnered with a leading healthcare network for women and families to offer supplemental health services from over 1,400 practitioners in 20 specialties via a virtual clinic. In total, more than 30 quality benefits are available to XPO women and families in the US. These include fertility services, prenatal and postpartum care, paid family bonding and a return-to-work program.

*Environmental Sustainability*

Environmental sustainability remains a significant priority for us. In the US, XPO has been named a Top 75 Green Supply Chain Partner by *Inbound Logistics* for six consecutive years. In France, we've renewed our commitment to the $CO_2$ Charter for another three years. In Spain, all of our sites meet LEED energy certification standards for 100% consumption of renewable energy.

A number of our logistics warehouses are ISO 14001-certified, which ensures environmental and other regulatory compliances. The groundbreaking logistics site we created with Nestlé is operating with environmentally friendly ammonia refrigeration systems, energy-saving lighting, air-source heat pumps for administration areas and rainwater harvesting.

We monitor fuel emissions from forklifts, with protocols in place to take immediate corrective action if needed. Our packaging engineers ensure that the optimal carton size is used for each product slated for distribution, and when feasible, we purchase recycled packaging. As a byproduct of managing returned merchandise, we recycle millions of electronic components and batteries each year.

In our transportation segment, we've made substantial investments in fuel-efficient Freightliner Cascadia tractors in North America; these use EPA 2013-compliant and Greenhouse Gas 2014-compliant selective catalytic reduction (SCR) technology. Our North American LTL locations have energy-saving policies in place and are implementing a phased upgrade to LED lighting.

Our modern road fleet in Europe is 98% compliant with Euro V, EEV and Euro VI standards. We also own over 250 natural gas trucks operating in France, the UK, Spain and Portugal, including 80 tractors we purchased in 2020 that use liquified natural gas (LNG). In Spain, we own government-approved mega-trucks to transport freight with fewer trips, and our last mile operations in Europe use electric vehicles for deliveries in certain urban areas, reducing those emissions to zero.

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

**Second Quarter 2021 Financial Highlights**[1]

In the second quarter, we reported near-record net income and the highest revenue and adjusted EBITDA of any quarter in our company's history, continuing to outpace a macro that's recovering faster than expected.

Notably, our global logistics business generated year-over-year revenue growth of 34% and organic revenue growth of 16% in the quarter. In North American less-than-truckload, where we have a long track record of margin expansion, we delivered two quarterly records — our first billion-dollar revenue quarter in LTL, and an adjusted operating ratio of 81.1%, excluding gains on real estate sales. In truck brokerage, where our digital capabilities are creating above-market growth, our loads were up 38% in North America, gross revenue was up 101% and net revenue was up 47%.

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[1] Reconciliations of non-GAAP financial measures used in this document are provided in the accompanying slide presentation

Financial highlights for the second quarter are:

- $5.04 billion of revenue
- $246 million of operating income
- $156 million of net income[2]
- $1.38 diluted earnings per share
- $209 million of adjusted net income[2]
- $1.86 adjusted diluted earnings per share
- $507 million of adjusted EBITDA
- $366 million of cash flow from operations
- $282 million of free cash flow

**XPO and GXO Guidance**

The company increased its pre-spin combined adjusted EBITDA target for full year 2021 to a range of $1.875 billion to $1.915 billion, reflecting higher expectations for both segments following its second quarter performance. Utilizing this combined target, the following pro forma targets have been calculated as if the spin-off had been completed on January 1, 2021.

*XPO full year 2021 pro forma financial targets[3]:*

- Adjusted EBITDA of $1.195 billion to $1.235 billion, including adjusted EBITDA of $574 million to $614 million generated in the last six months of 2021;
- Depreciation and amortization of $385 million to $395 million, excluding approximately $95 million of acquisition-related amortization expense;
- Interest expense of approximately $200 million;
- Effective tax rate of 23% to 25%;
- Adjusted diluted EPS of $4.00 to $4.30;
- Net capital expenditures of $250 million to $275 million; and
- Free cash flow of $400 million to $450 million.

*GXO full year 2021 pro forma financial targets[3]:*

- Revenue of $7.5 billion to $7.7 billion;

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[2] Net income attributable to common shareholders

[3] Pro forma 2021 guidance excludes impacts associated with the planned spin-off of the logistics segment; assumes 116 million diluted shares outstanding at the time of the spin

- Adjusted EBITDA of $605 million to $635 million, including adjusted EBITDA of $309 million to $339 million generated in the last six months of 2021;
- Depreciation and amortization of $240 million to $250 million, excluding approximately $60 million of acquisition-related amortization expense;
- Interest expense of $20 million to $25 million;
- Effective tax rate of 26% to 28%; and
- Net capital expenditures of $240 million to $250 million.

**Liquidity Position**

On June 30, 2021, we had approximately $1.9 billion of total liquidity, including $801 million of cash and cash equivalents and $1.1 billion of available borrowing capacity. XPO's net leverage was 2.4x, calculated as net debt of $4.5 billion, divided by adjusted EBITDA of $1.8 billion for the trailing 12 months.

Following the spin-off, XPO's net leverage is expected to be approximately 2.8x, calculated as pro forma net debt of $3.4 billion, divided by 2021 pro forma adjusted EBITDA of $1.2 billion. The company has no significant debt maturing until mid-2023, and plans to deleverage to achieve an investment-grade credit rating.

**Outperformance and Opportunity**

We're continuing to execute extremely well, while preparing for the planned spin-off. This disciplined focus is a major reason why nearly 70% of Fortune 100 companies rely on our services and trust us with their most important asset — their reputation.

When we receive awards for excellence from world-class companies, such as Intel, Corteva, Diebold, Dow, Ford, GM, Nissan, Nordstrom, Owens Corning, Raytheon, The Home Depot and Whirlpool, we know we're doing our job.

Our contract with the Tour de France as its official transportation partner has been extended through 2024. This was the 41st consecutive year we partnered with the Tour, and we took great pride in supporting our customer on the world stage. Recently, we were named the official logistics partner for the prestigious IRONMAN triathlons in Europe; our multi-year agreement is underway with our support of more than 20 competitive events this year.

In 2016, we made the Fortune 500 list for the first time, and one year later, XPO was named the fastest-growing transportation company on the list. In 2018, *Fortune* named us to their Fortune Future 50 list. Gartner has ranked us as a Magic Quadrant 3PL leader for four consecutive years. In Italy, we've been awarded Logistics Company of the Year for innovation three times. *Logistics Manager* named us 3PL of the Year, and both the Netherlands and France ranked us in the top three 3PLs in their respective countries. *Forbes* ranked us as the top-performing US company on the Global 2000 and one of the best employers in the US.

In February, *Fortune* named us one of the World's Most Admired Companies for the fourth straight year. And in April, *Forbes* again named us one of Spain's best companies to work for. The Financial Times has honored us as a European Diversity Leader, and in 2020, we were named a Winning "W" Company by 2020 Women on Boards for the gender diversity of our board of directors. *Newsweek* ranked us in the top 100 of America's most responsible companies, and Statista named us one of the most socially responsible companies in France. In the UK, XPO was voted one of Glassdoor's top three best places to work. We thank our employees for creating the culture that has led to these recognitions.

Now we have the industry's biggest tailwinds at our back and compelling opportunities to unlock value through the spin-off. Given our momentum, we increased our expectations for full year earnings in both segments, and raised our pro forma 2021 adjusted EBITDA targets for XPO and GXO, as well as GXO's 2022 adjusted EBITDA target.

Our guidance is a measure of our confidence in continuing to outperform each industry where we operate, as the size of each opportunity continues to grow.

Thank you for your interest!

**Non-GAAP Financial Measures**

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

XPO's non-GAAP financial measures used in this document include: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA margin for the three and six-month periods ended June 30, 2021 and 2020 on a consolidated basis; adjusted EBITDA and adjusted EBITDA excluding truckload for the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; free cash flow for the three and six-month periods ended June 30, 2021 and 2020, and the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; adjusted net income (loss) attributable to common shareholders and adjusted earnings (loss) per share (basic and diluted) ("adjusted EPS") for the three and six-month periods ended June 30, 2021 and 2020; net revenue and net revenue margin for our North American truck brokerage business for the three-month periods ended June 30, 2021 and 2020; adjusted EBITDA, adjusted operating income and adjusted operating ratio (including and excluding real estate) for our North American less-than-truckload business for the three-month periods ended June 30, 2021 and 2020 and the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; organic revenue for our logistics segment for the three-month period ended June 30, 2021 and 2020; and net debt and net leverage as of June 30, 2021.

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

Adjusted EBITDA, adjusted net income attributable to common shareholders and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the table attached to the accompanying slide 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 XPO's and each business segment's ongoing performance.

We believe that free cash flow is an important measure of our ability to repay maturing debt or fund other uses of capital that we believe will enhance stockholder value. We calculate free cash flow as net cash provided by operating activities, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA excluding truckload improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the tables attached to the accompanying slide presentation that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income (loss) attributable to common shareholders and adjusted earnings (loss) per share improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities, including amortization of acquisition-related intangible assets. We believe that net revenue and net revenue margin improve the comparability of our operating results from period to period by removing the cost of transportation and services, in particular the cost of fuel, incurred in the reporting period as set out in the attached tables. We believe that adjusted operating income and adjusted operating ratio (including and excluding real estate) for our North American less-than-truckload business improve the comparability of our operating results from period to period by (i) removing the impact of certain transaction and integration and restructuring costs, as well as amortization expenses and (ii) including the impact of pension income incurred in the reporting period as set out in the tables attached to the accompanying slide presentation. We believe that organic revenue is an important measure because it excludes the impact of the following items: foreign currency exchange rate fluctuations and revenue generated by the logistics operations in the UK we recently acquired. We believe that net debt and net leverage are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our last twelve-month reported adjusted EBITDA.

With respect to our financial targets for full year pre-spin combined 2021 adjusted EBITDA, full year pro forma XPO 2021 adjusted EBITDA, adjusted diluted EPS and free cash flow, last six-month pro forma XPO 2021 adjusted EBITDA, pro forma XPO and GXO net leverage, pro forma GXO 2021 adjusted EBITDA and last six-month pro forma GXO 2021 adjusted EBITDA, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

***Forward-looking Statements***

*This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including our future growth prospects for adjusted EBITDA in our North American less-than-truckload business, our full year pre-spin combined 2021 financial target for adjusted EBITDA; our full year pro forma XPO 2021 financial targets for adjusted EBITDA, depreciation and amortization (excluding acquisition-related amortization expense), interest expense, effective tax rate, adjusted diluted EPS, net capital expenditures and free cash flow; our pro forma XPO and GXO net leverage; our full year pro forma GXO 2021 financial targets for revenue, adjusted EBITDA, depreciation and amortization (excluding acquisition-related amortization expense), interest expense, effective tax rate and net capital expenditures; our last six-month pro forma XPO and GXO 2021 financial targets for adjusted EBITDA; our company's planned spin-off of its logistics segment; and XPO's plan to pursue an investment-grade credit rating. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.*

*These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include 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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Exhibit 99.2

JULY 2021

# Investor Presentation

XPO Logistics

# Disclaimers

**NON-GAAP FINANCIAL MEASURES**

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# Table of contents

# Business overview

# Planned spin-off on August 2 will create two pure-play industry powerhouses

## XPOLogistics

### KEY TRANSPORTATION METRICS[1]

**62% OF 2020 COMPANY REVENUE**

A leading provider of freight transportation, primarily less-than-truckload (LTL) and truck brokerage services

| | |
|---|---|
| TTM revenue | $11.8 billion |
| Locations | 744 |
| Countries of operation | 18 |

- Third largest provider of LTL transportation in North America and a leading LTL network in Western Europe
- Second largest truck broker worldwide, and third largest in North America
- Innovator in digital brokerage transactions, with one of the industry's most rapidly adopted, fully automated freight management platforms: XPO Connect™

## GXO

### KEY LOGISTICS METRICS[1]

**38% OF 2020 COMPANY REVENUE**

Will be the largest pure-play contract logistics provider in the world, and a leader in outsourced e-commerce fulfillment and returns

| | |
|---|---|
| TTM revenue | $7.0 billion |
| Warehouses | 869 |
| Countries of operation | 27 |

- Asset-light business characterized by long-term, contractual relationships with high retention rates and low cyclicality
- 208 million sq. ft.[1] of warehouse space (97 million sq. ft. in North America; 104 sq. ft. million in Europe; 7 million sq. ft. in Asia)
- Innovator in advanced warehouse automation, including robots, cobots, goods-to-person systems and wearables

[1] As of June 30, 2021

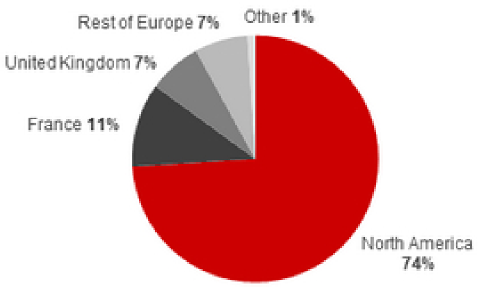
Note: The company expects to complete the spin-off of its logistics segment on August 2, 2021; there can be no assurance the spin-off will happen, or of its timing or terms

Note: Historical results are not necessarily indicative of the results that may be expected in the future or for the standalone businesses after the spin-off

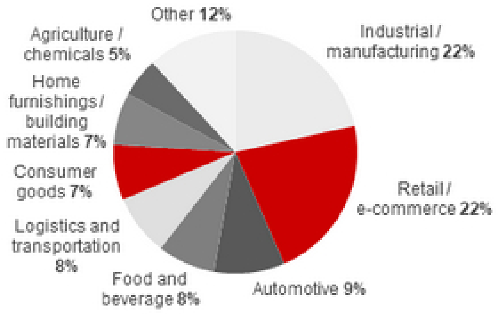
XPOLogistics

# Overview of XPO post-spin: a leading global provider of freight transportation

## REVENUE SPLIT BY GEOGRAPHY[1]




## REVENUE SPLIT BY VERTICAL[1]



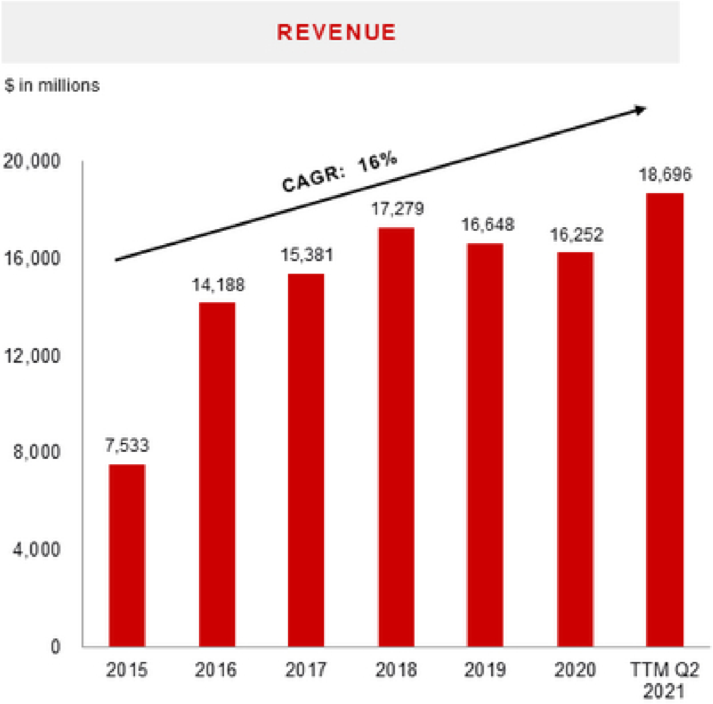

## KEY METRICS[2]

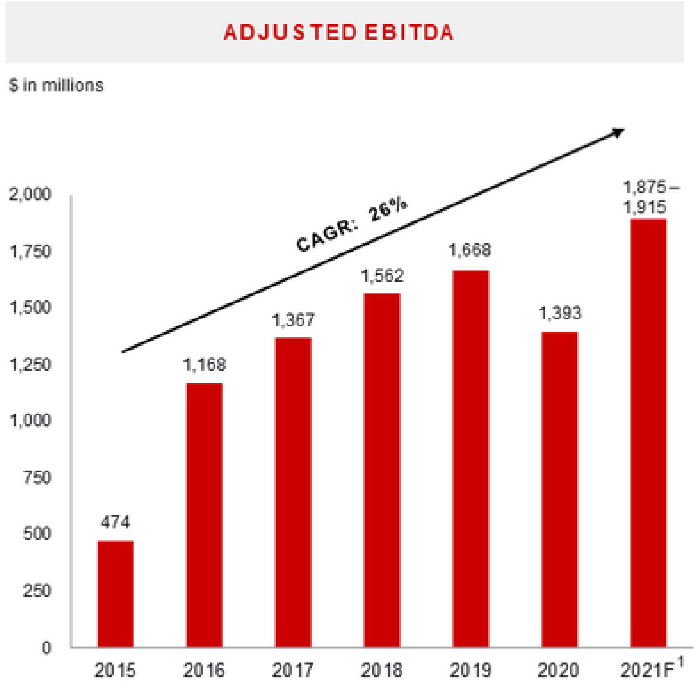
| | |
|---|---|
| TTM revenue | $11.8 billion |
| Countries of operation | 18 |
| Locations | 744 |
| Team members[3] | ~44,000 |
| LTL TAM, North America[4] | ~$42 billion |
| Brokerage TAM, North America[5] | ~$61 billion |

[1] Based on trailing 12 months revenue as of June 30, 2021
[2] Data as June 30, 2021, except total addressable markets (TAMs)
[3] ~40,000 employees and ~4,000 temporary workers
[4] Third-party research, 2020: North American LTL industry size
[5] Third-party research, 2020: North American total addressable truckload opportunity is ~$360 billion; truck brokerage component is ~$61 billion

# Financial overview and Q2 2021 results

# Double-digit growth in revenue and adjusted EBITDA

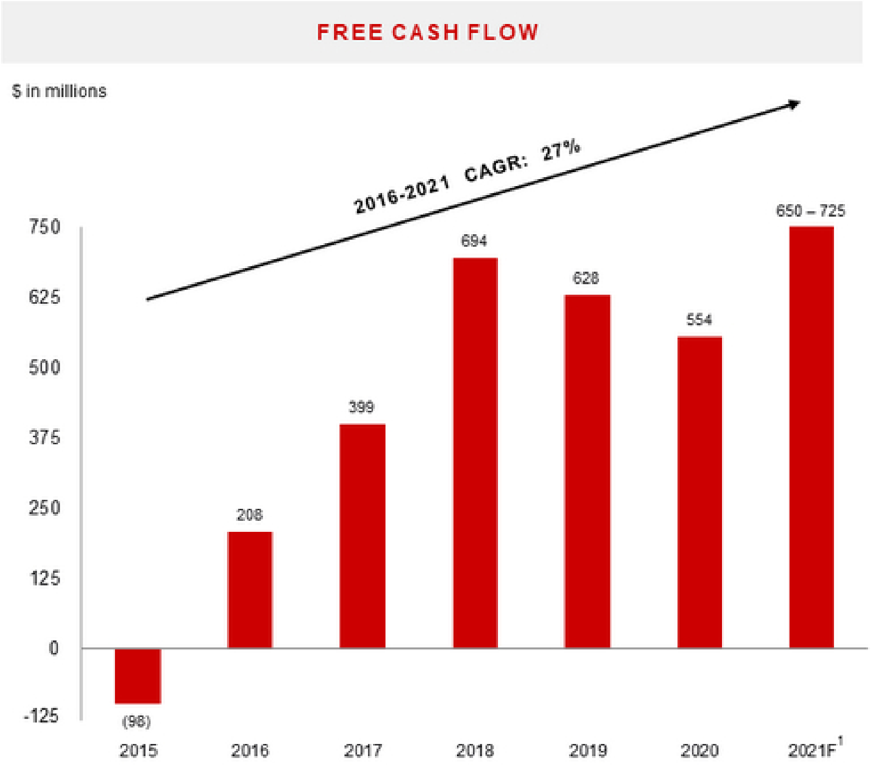



[1] Full year 2021 forecast range for XPO's adjusted EBITDA as a combined company, pre-spin-off
Note: Both charts exclude the impact of the North American truckload unit divested in October 2016
Refer to the "Non-GAAP Financial Measures" section on page 2 and Appendix for related information

XPOLogistics

# Strong free cash flow generation




[1] Full year 2021 forecast range for XPO's free cash flow as a combined company, excludes transaction-related charges for the planned spin-off
Note: 2016 and 2017 data have been recast to reflect the impact of Accounting Standards Update 2016-2018
Refer to the "Non-GAAP Financial Measures" section on page 2 and Appendix for related information

XPOLogistics

# Balance sheet and liquidity as of June 30, 2021

| | |
|---|---|
| NET DEBT[1] | $4.5 billion |
| CASH AND CASH EQUIVALENTS | $801 million |
| NET LEVERAGE[2] | 2.4x |
| TOTAL LIQUIDITY | $1.9 billion |

**Recent activities**

- In June, the company put in place an undrawn $800 million revolving credit facility for GXO
- In July, GXO issued $800 million of five- and ten-year notes with an average interest rate of 2.2%; the proceeds from the sale of the notes will be used primarily to fund a cash distribution to XPO in conjunction with the spin-off
- In July, XPO raised nearly $400 million through an offering of its common stock
- Following the spin-off, XPO's net leverage is expected to be approximately 2.8x[3], and GXO's net leverage is expected to be approximately 1.4x[4].

**XPO is moving toward an investment-grade credit rating in the future**

**GXO will be investment-grade from day one**

[1] Calculated as total debt of $5.27 billion less cash and cash equivalents of $801 million
[2] Calculated as net debt of $4.5 billion divided by TTM adjusted EBITDA of $1.8 billion for the 12 months ended June 30, 2021
[3] Calculated as pro forma net debt of $3.4 billion divided by 2021E pro forma adjusted EBITDA of $1.2 billion
[4] Calculated as pro forma net debt of $879 million divided by 2021E pro forma adjusted EBITDA of $620 million
Refer to the "Non-GAAP Financial Measures" section on page 2 and Appendix for related information

XPOLogistics

# XPO second quarter 2021 consolidated results

| | |
|---|---|
| REVENUE | $5.04 billion |
| NET INCOME[1] | $156 million |
| DILUTED EARNINGS PER SHARE | $1.38 |
| ADJUSTED NET INCOME[1] | $209 million |
| ADJUSTED DILUTED EARNINGS PER SHARE | $1.86 |
| ADJUSTED EBITDA | $507 million |
| CASH FLOW FROM OPERATIONS | $366 million |
| FREE CASH FLOW | $282 million |

**Commentary**

- Revenue was the highest of any quarter in XPO's history, increasing by 44% from prior year Q2 revenue of $3.50 billion, and net income was a near-record for the company
- Operating income increased to $246 million from prior year Q2 operating loss of $141 million
- Adjusted EBITDA was the highest of any quarter in XPO's history, increasing by 195% from prior year Q2 adjusted EBITDA of $172 million
- Adjusted diluted EPS increased to $1.86 from prior year Q2 adjusted diluted loss per share of $0.32
- Q2 EBITDA margin of 10.1% is ~520 basis points higher than prior year

[1] Net income attributable to common shareholders

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

XPOLogistics

# XPO pro forma 2021 guidance

The company has updated its pro forma full year 2021 financial targets for XPO, the pure-play transportation company that will result from the planned spin-off of XPO's logistics segment on August 2, 2021.

XPO increased its pre-spin combined adjusted EBITDA target for full year 2021 to a range of $1.875 billion to $1.915 billion, reflecting higher expectations for both segments following its second quarter performance. Utilizing this combined target, the following XPO pro forma targets have been calculated as if the spin-off had been completed on January 1, 2021.

| | |
|---|---|
| ADJUSTED EBITDA | $1.195 billion to $1.235 billion, including adjusted EBITDA of $574 million to $614 million generated in the last six months of 2021 |
| DEPRECIATION AND AMORTIZATION | $385 million to $395 million, excluding approximately $95 million of acquisition-related amortization expense |
| INTEREST EXPENSE[1] | Approximately $200 million |
| EFFECTIVE TAX RATE | 23% to 25% |
| ADJUSTED DILUTED EPS | $4.00 to $4.30 |
| NET CAPITAL EXPENDITURES | $250 million to $275 million |
| FREE CASH FLOW | $400 million to $450 million |

Note: Pro forma 2021 guidance excludes impacts associated with the planned spin-off of the logistics segment; assumes 116 million diluted shares outstanding at the time of the spin-off

[1] Pro forma for planned debt paydown post-spin-off

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

# GXO pro forma 2021 guidance and 2022 targets

The company has updated its pro forma full year 2021 financial targets for GXO, the pure-play logistics company that will result from the planned spin-off of XPO's logistics segment on August 2, 2021.

XPO increased its pre-spin combined adjusted EBITDA target for full year 2021 to a range of $1.875 billion to $1.915 billion, reflecting higher expectations for both segments following its second quarter performance. Utilizing this combined target, the following GXO pro forma targets have been calculated as if the spin-off had been completed on January 1, 2021.

| | |
|---|---|
| REVENUE | $7.5 billion to $7.7 billion |
| ADJUSTED EBITDA | $605 million to $635 million, including adjusted EBITDA of $309 million to $339 million generated in the last six months of 2021 |
| DEPRECIATION AND AMORTIZATION | $240 million to $250 million, excluding approximately $60 million of acquisition-related amortization expense |
| INTEREST EXPENSE | $20 million to $25 million |
| EFFECTIVE TAX RATE | 26% to 28% |
| NET CAPITAL EXPENDITURES | $240 million to $250 million |

**Raised 2022 target for GXO adjusted EBITDA to a range of $705 million to $740 million, with 8% to 12% YoY organic revenue growth in 2022**

Note: Pro forma 2021 guidance excludes impacts associated with the planned spin-off of the logistics segment; assumes 116 million diluted shares outstanding at the time of the spin-off
Refer to the "Non-GAAP Financial Measures" section on page 2

# XPO: Less-than-truckload

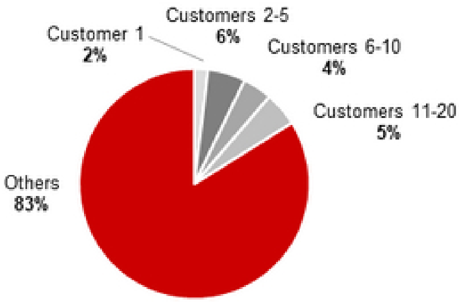
# XPO is a top three provider of LTL service in North America


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

- **Industry size, North America: ~$42 billion[1]**
- **XPO's share of addressable market: ~8%**
- **Q2 2021 record adjusted operating ratio: 81.1%[2]**
- **Largest customer as % of annual revenue: 2%**
- **Growth driven by a favorable industry environment, large-player advantage and idiosyncratic initiatives for margin expansion**

LOW CUSTOMER CONCENTRATION RISK

Revenue, TTM June 30, 2021
North America




[1] Source: Third-party research
[2] Excludes gains from sales of real estate
Refer to the "Non-GAAP Financial Measures" section on page 2 and Appendix for related information

XPOLogistics

# Key metrics for XPO's North American LTL business

| | |
|---|---|
| TTM revenue[1] | $3.9 billion |
| Locations | 291 |
| Team members[2] | ~21,400 |
| Number of tractors / trailers | ~7,800 / 25,000 |
| Shipments per year[3] | ~12.4 million |

**Over 35 years of experience and deep relationships with domestic and cross-border customers**

[1] As of June 30, 2021, North America only
[2] ~21,100 employees and ~300 temporary workers
[3] FY 2020

# North American LTL on track to grow adjusted EBITDA to at least $1 billion in 2022

| | |
|---|---|
| **Industry fundamentals favorable for long-term expansion** | ▪ Industry characterized by rational pricing dynamics<br>▪ Core base of industrial demand diversified by the rapid growth of e-commerce, as more retail shipments are driven to LTL carriers |
| **National providers have a strong advantage** | ▪ XPO is one of the few US providers with coast-to-coast scale and visibility<br>▪ Covers every US state, including Alaska and Hawaii, and ~99% of all postal codes |
| **XPO's optimization technology drives ongoing margin expansion** | ▪ Self-help tech initiatives for routing, load-building and pricing have already delivered significant margin growth<br>▪ XPO analytics with machine learning improve cross-dock labor productivity |
| **Pricing software reduces cost, improves utilization** | ▪ Automates pricing for small to mid-sized accounts<br>▪ Elasticity models help inform pricing decisions for larger accounts |
| **Substantial improvement since 2015 acquisition, with more upside** | ▪ Second best adjusted operating margin in the North American LTL industry<br>▪ Resilient cash flow generation realized through diligent working capital and capex management |

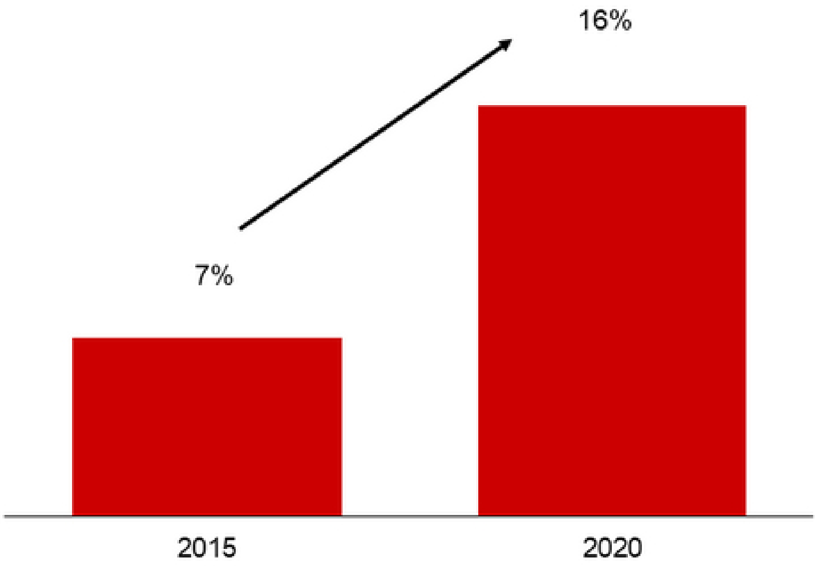
XPOLogistics

# Industry-best North American LTL operating margin improvement

**Executing on additional upsides**

XPO's optimization technology has already delivered significant margin expansion, with extensive room for more gains in four areas:

- **Routing:** Dynamic routing for pickups and deliveries, with real-time digital visibility
- **Load-building:** Automated load-building for higher trailer utilization
- **Pricing:** Data-driven pricing tools reduce cost-to-serve with smaller accounts and identify optimal pricing for larger accounts
- **Labor productivity:** Intelligent analytics optimize the scheduling of dockworkers and truck drivers




**+960 basis point improvement in adjusted operating margin[1] 2015 – 2020, with more to come**

[1] Adjusted operating margin is the inverse of adjusted operating ratio
Refer to the "Non-GAAP Financial Measures" section on page 2 and Appendix for related information

XPOLogistics

# XPO Smart™ intelligent productivity tools optimize LTL variable labor spend

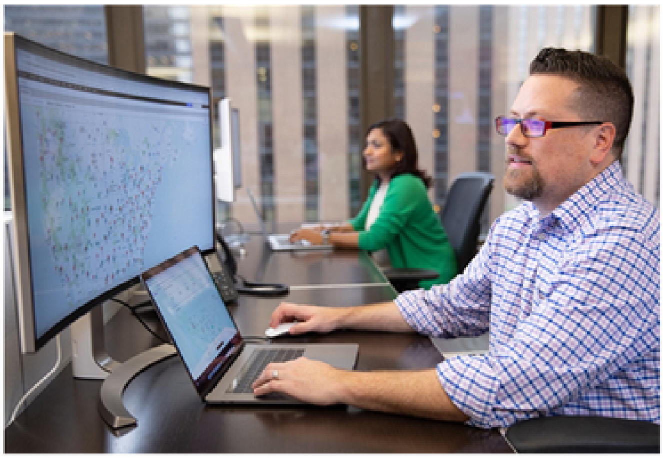
**Proprietary technology uses machine learning to become continually smarter at site-specific optimization**

- Analyzes all major productivity levers simultaneously, giving managers the data to make the best overall decisions about full-time labor, part-time labor, length of work shift, scheduling and overtime hours
- Drives more motor moves per hour on LTL cross-docks, with high engagement of dockworkers and drivers
- Provides visibility into cross-dock labor activity in real time, as well as pre-scheduled labor for future periods
- Helps managers understand the future impact of operational decisions through site-specific modeling
- Takes turnover and training time into account when mapping productivity

**Implemented in 100% of North American LTL network, with significant productivity enhancements expected when fully utilized**

# XPO: Truck brokerage

# XPO is a brokerage leader with first-mover advantage in digital technology

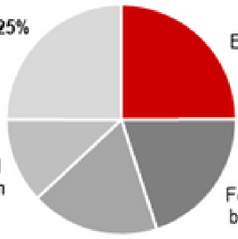


Truck brokerage is a non-asset business that facilitates the movement of a quantity of freight requiring a full truckload, typically from a single shipper. A broker purchases truck capacity from independent carriers.

- **Truckload opportunity, North America: $360 billion[1]**
- **XPO's share of $61 billion truck brokerage[1] market: 3%**
- **TTM revenue June 30, 2021: $2 billion**
- **Average tenure of top 10 customers: ~13 years**
- **Growth driven by digital brokerage capabilities, access to massive capacity, and agility to adapt to changes in supply chains**

**HEALTHY REVENUE DIVERSIFICATION BY VERTICALS**

Revenue, TTM June 30, 2021
North America




[1] Third-party research, 2020: North American total addressable truckload opportunity is ~$360 billion; truck brokerage component is ~$61 billion

XPOLogistics

# Best-in-class value proposition and performance

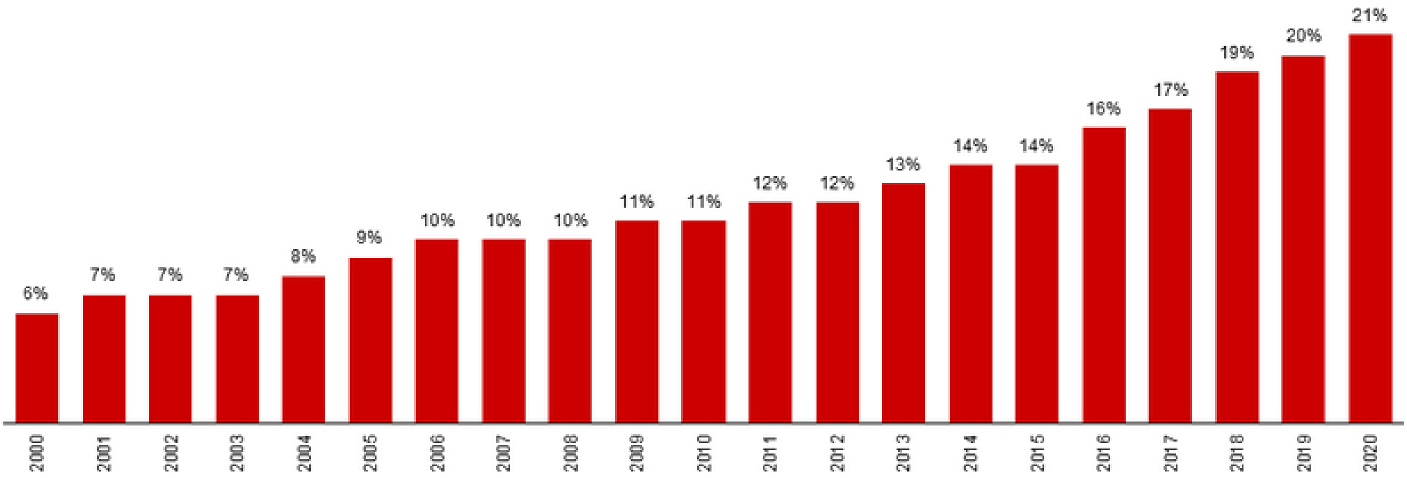
| | |
|---|---|
| **Critical scale and capacity** | ▪ #3 broker in North America and #2 worldwide<br>▪ 67,000 carrier relationships in North America, 85,000 globally<br>▪ A transportation leader across UK, France, Spain, Portugal and Morocco |
| **Robust industry tailwinds** | ▪ Secular outsourcing trend to brokers, particularly those with digital capabilities<br>▪ Acceleration of e-commerce and omnichannel retail demand coming out of COVID |
| **Nimble business model** | ▪ Agile, non-asset business model with a variable labor structure generates substantial return on investment<br>▪ Strong operating leverage, with modest capex requirements |
| **Durable commercial edge** | ▪ Long-tenured base of Tier 1 customer relationships, with low concentration risk<br>▪ Blue-chip customer brands are highly referenceable in strategically important verticals |
| **In-demand technology** | ▪ Proprietary digital platform, XPO Connect™, excels at efficiency through automation<br>▪ Investments in digitization and visibility have created clear differentiation |
| **Double-digit EBITDA growth** | ▪ Pricing optimization, automation and sales/margin discipline are driving profitability<br>▪ Outsized free cash flow conversion to EBITDA |

**XPO continues to substantially outperform major brokerage competitors in North America**

XPOLogistics

# Brokers have been steadily capturing truckload share for decades

BROKER PENETRATION OF US TRUCKLOAD INDUSTRY

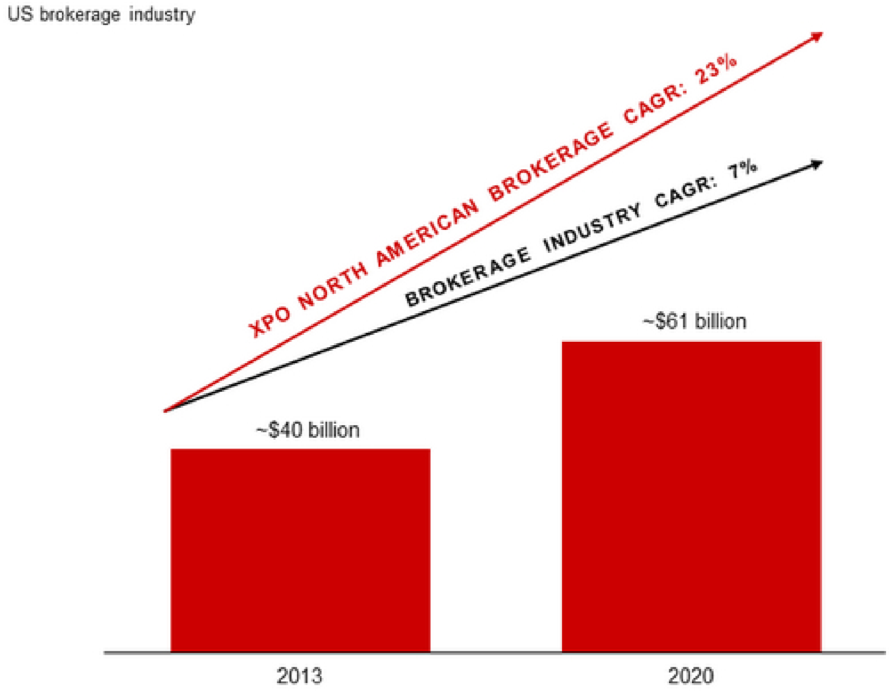



**Proportion of outsourced freight transportation is shifting from asset-based trucking companies to brokers, as shippers seek more reliable access to capacity and agility**

Source: Third-party industry research

# XPO’s brokerage CAGR has outperformed industry CAGR by more than 3x

BROKERAGE REVENUE GROWTH  XPO VS INDUSTRY




Source: Third-party research
Note: Total addressable truckload opportunity is ~$360 billion; truck brokerage component is ~$61 billion

# XPO is accelerating revenue and margin expansion as a digital broker

**Fully automated, cloud-based digital platform**

- Provides deep visibility into available transportation capacity and market conditions
- Optimizes freight-matching by sourcing the best carriers for each load profile
- Improves transportation procurement by providing deep visibility into available capacity and market conditions
- Gives shippers and carriers the ability to interact directly when negotiating and tendering loads

**XPO HAS FIRST-MOVER ADVANTAGE WITH INVESTMENTS IN PROPRIETARY TECH**

**FreightOptimizer** by XPO Logistics

XPO's freight-matching engine

**Connect** by XPO Logistics

Digital freight marketplace for shippers

**Drive** by XPO Logistics

Mobile app with self-service driver dashboard for carriers

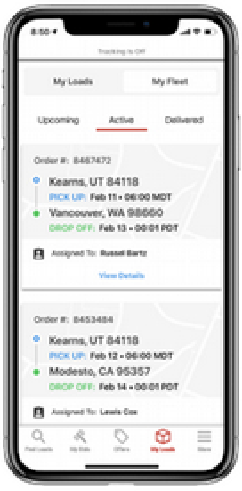
**Automated functionality generates efficiencies for shippers, carriers and XPO**

XPOLogistics

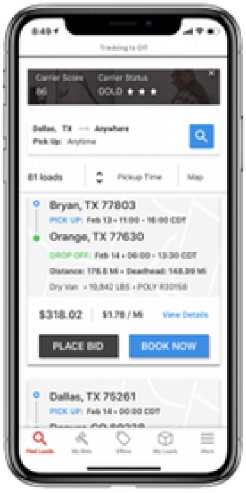
# Truck drivers have downloaded the Drive XPO™ app ~475,000 times

- Proprietary mobile app gives drivers access to the XPO Connect™ platform from the road
- Fully automated transactions, tracking solution and intuitive tools for bidding, booking loads and more
- Enhances access to truckload capacity for XPO customers regardless of market conditions

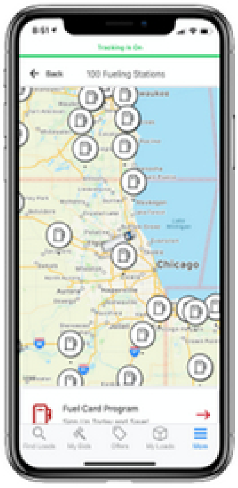
CAPACITY POSTING



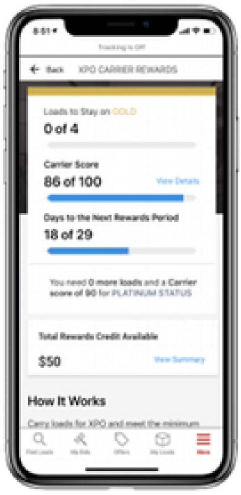
LOAD BOOKING



FREIGHT MANAGEMENT

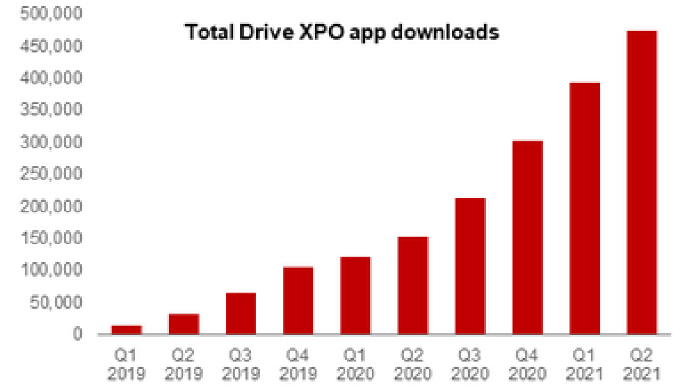


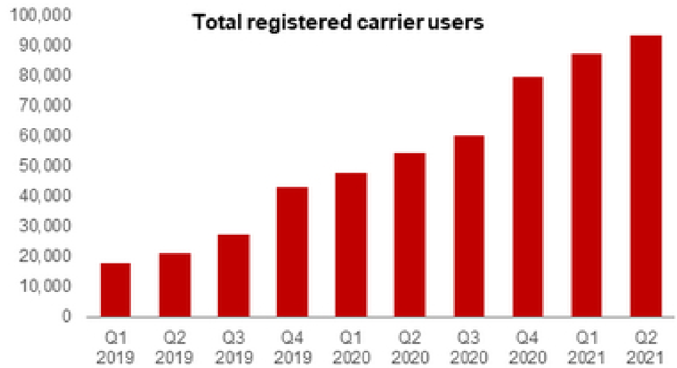
CARRIER SCORE AND REWARDS



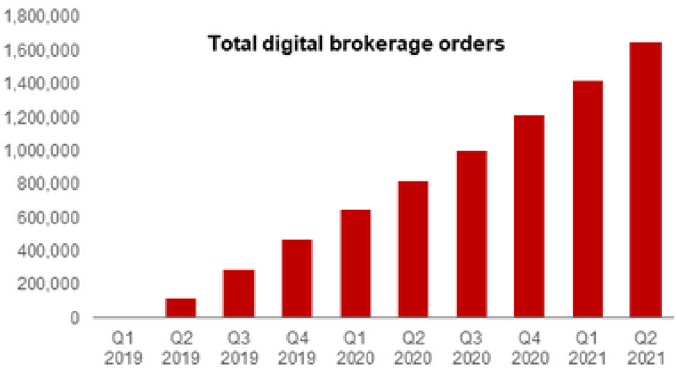
# XPO's digital marketplace is widely adopted and growing fast

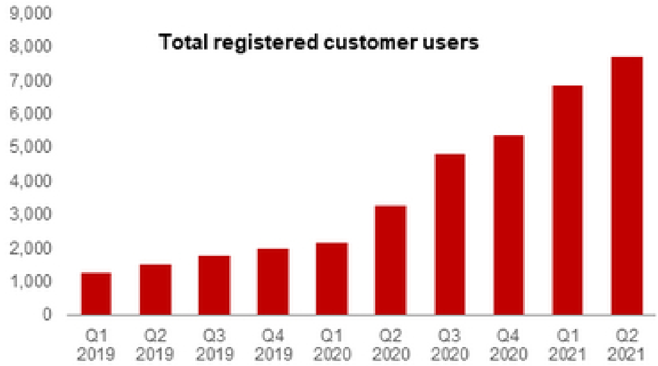
## XPO CONNECT™ CARRIERS




## XPO CONNECT™ CUSTOMERS




Note: All data is cumulative

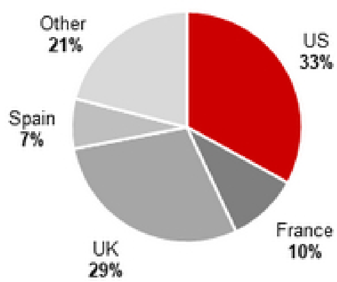
# GXO: Logistics

# GXO will be the largest pure-play contract logistics provider globally

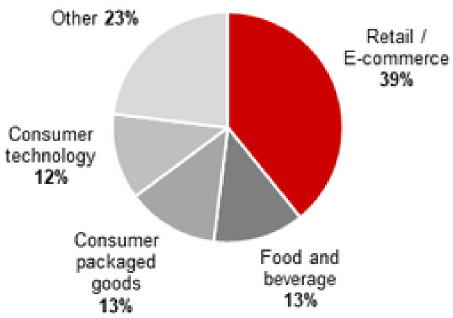
Logistics is an asset-light business characterized by long-term contractual relationships with high renewal rates and low cyclicality. It includes the management and distribution of goods, order fulfillment, reverse logistics and other services.

- **Current outsourced logistics spend, North America and Europe: ~$130 billion, with a total addressable opportunity of $430 billion[1]**
- **GXO's share of current outsourced spend: 5%**
- **Average tenure of top 20 customers: 15 years**
- **Largest customer as % of 2020 revenue: 4%**
- **Growth driven by e-commerce, outsourcing and customer demand for warehouse automation**

**REVENUE BY GEOGRAPHY[2]**




**REVENUE BY VERTICAL[2]**




[1] Source: Third-party industry research; refers to contract logistics
[2] TTM as of June 30, 2021

XPOLogistics

# Global leader in warehouse automation, expertise and quality of performance

| | |
|---|---|
| **Strong positioning in a fast-growing industry with massive tailwinds** | ▪ Well-positioned to continue to benefit from the rapid growth in e-commerce and reverse logistics, customer demand for warehouse automation and the secular trend toward outsourcing<br>▪ Largest outsourced e-commerce fulfilment platform in Europe and a leading platform for e-commerce and reverse logistics in North America |
| **Robust technological differentiation** | ▪ Global leader in innovation, capitalizing on the increasing complexity of supply chains, as B2C companies turn to 3PL partners to help them meet consumer demands<br>▪ Integrated technology solutions for warehouse management, intelligent automation, predictive analytics and labor productivity are valued by customers |
| **Long-term customer relationships in enduring verticals** | ▪ Blue-chip customer base, with 15-year average tenure of top 20 customers<br>▪ Long-term relationships with world-class brands, including more than a third of the Fortune 100<br>▪ Deep roots in sectors with high-growth outsourcing opportunities, such as retail and e-commerce, food and beverage, consumer packaged goods and consumer technology |
| **Resilient business model with multiple drivers of profitable growth** | ▪ Long runway for margin expansion through ongoing technology deployments and an asset-light business model (maintenance capex <1.5% of revenue)<br>▪ Proven resilience across cycles, with strong free cash flow generation<br>▪ Majority of revenue tied to multi-year contracts, with high visibility into revenue and earnings |
| **Experienced and cohesive leadership** | ▪ Hands-on executive team with decades of logistics experience; focused on winning<br>▪ Long track record of delivering above-industry performance with multinational operations<br>▪ Successful leaders of an entrepreneurial, inclusive and team-oriented culture |

## Approximately 4x to 8x the size of nearest pure-play competitors

| | |
|---|---|
| TTM revenue[1] | $7 billion |
| Countries of operation | 27 |
| Warehouses | 869 |
| Team members[2] | ~94,000 |
| Total warehouse space | ~208 million sq. ft. |
| – Capacity in Europe | ~104 million sq. ft. |
| – Capacity in North America | ~97 million sq. ft. |
| – Capacity in Asia | ~7 million sq. ft. |

[1] As of June 30, 2021
[2] ~66,000 employees and ~28,000 temporary workers

XPOLogistics

# Diversified blue-chip customer base with long tenure

| End markets | Key customers |
|---|---|
| E-commerce, omnichannel and technology | Apple, Intel, Nike, Gucci, Carrefour, asos, H&M, Kering, Walt Disney, Virgin media, hp, verizon |
| Food and beverage | Nestlé, Danone, Birds Eye, Coca-Cola, Hershey's, Carlsberg, Kellogg's, PepsiCo, Waitrose & Partners |
| Consumer packaged goods | Whirlpool, SC Johnson, logitech, L'ORÉAL PARIS |

Multi-year contracts with

**93%**

average historical revenue retention rate

Average tenure of top 20 customers is

**15**

years

No customer accounted for more than

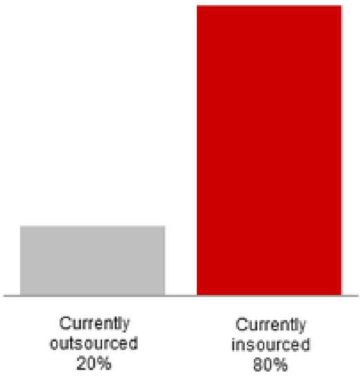
**4%**

of 2020 revenue

# Three major tailwinds are early-stage with low penetration and significant runways

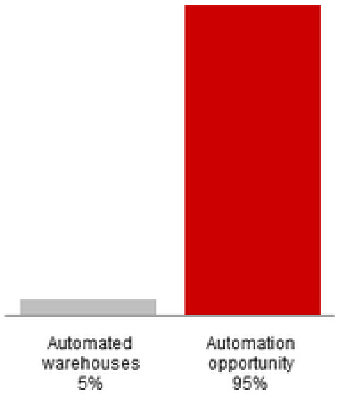
## E-COMMERCE LOGISTICS[1]

Consumers are demanding more from e-commerce supply chains



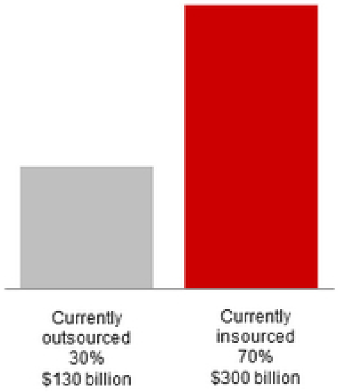

## WAREHOUSE AUTOMATION[2]

Customer demand for automation is accelerating




## OUTSOURCING TO 3PLS[3]

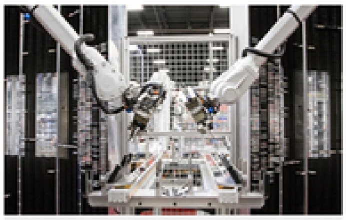
$430 billion total addressable opportunity




**The management of product returns is a fast-growing area of e-commerce logistics, propelling GXO's 16% revenue CAGR in reverse logistics 2018 – 2020**

Sources: L.E.K. Consulting, other third-party research
[1] Represents global e-commerce market
[2] Represents approximate penetration in US and Europe
[3] Represents North America and Europe

# Intelligent warehouse automation generates measurable improvements



ROBOTICS

GOODS-TO-PERSON SYSTEMS

ADVANCED SORTATION SYSTEMS

VISION TECHNOLOGY

- Automation delivers reliable, consistent outcomes for customers, with increased speed and accuracy
- Warehouse management platform integrates several types of automation as an integrated solution
- First-mover advantage with advanced automation; strongly differentiates GXO as logistics partner of choice
- Robotics work cooperatively with humans or as standalone solutions
- Collaborative robots and autonomous goods-to-person systems overcome space and labor constraints; can move between projects and sites

**4-6x productivity improvement with employees supported by goods-to-person systems**

**2x productivity improvement with employees who work alongside cobots**

XPOLogistics

# GXO Smart improves workforce productivity by 5% to 7% on average

**Proprietary labor management tools and analytics use machine learning to optimize ~$3 billion of labor cost in logistics operations**

- Technology provides detailed visibility into current warehouse labor activities in real time, as well as pre-scheduled labor for future periods
- Manages major productivity levers simultaneously, including full-time labor, part-time labor, length of work shift, scheduling and overtime hours
- Currently deployed in ~60% of GXO warehouses as of Q2 2021

**Large upside going forward, as machine learning continues to boost productivity through actionable business intelligence**

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

**National distribution solution 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 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 to GXO Direct across 20 locations
- Enables commercial relationships with emerging super-growth firms that are too small to support a dedicated logistics facility

## INTEGRATES WITH MAJOR THIRD-PARTY E-COMMERCE MARKETPLACE PLATFORMS

# Summary

XPOLogistics

# All three lines of business are strongly positioned for the future

| | POWERFUL TAILWINDS PROPELLING GROWTH AND RETURNS |
|---|---|
| Less-than-truckload | ▪ Extremely favorable industry trends<br>▪ Company-specific tech initiatives improving margin, independent of the macro<br>▪ #3 LTL provider in North America |
| Truck brokerage | ▪ Significantly outperforming competition<br>▪ First-mover advantage with strategic investments in digital brokerage<br>▪ #2 truckload broker globally, #3 in North America |
| Logistics | ▪ Secular trends of e-commerce and warehouse automation drive outsourcing<br>▪ Strong positioning with blue-chip customers across enduring verticals<br>▪ #1 pure-play contract logistics provider globally |

XPO Logistics

# Rationale for spin-off, expected to close August 2, 2021

| | |
|---|---|
| **Strategic focus** | ▪ XPO and GXO will both benefit from an undiluted focus on their specific strategic priorities and customer requirements |
| **Differentiation** | ▪ Each company can deepen its differentiation by enhancing the proprietary technology developed specifically for its service offering |
| **Flexibility** | ▪ Each company will have greater flexibility to tailor its decision-making, capital allocation and capital structure to its business strategy |
| **Aligned investor base** | ▪ Each standalone company will have an investor base aligned with a clear-cut value proposition and be valued separately by the investment community, potentially resulting in an increase in equity value that would benefit each of the businesses in executing its strategy |
| **Pure-play equity currency** | ▪ Each company will be able to attract and retain world-class talent by offering meaningful equity-based compensation that correlates closely to performance<br>▪ Each company's ability to pursue accretive M&A will be enhanced with the benefit of an independent equity currency at a potentially higher value |

# Culture of ESG will continue at XPO and GXO

**XPO took decisive actions to strengthen its cultural framework for diversity, equity and inclusion in 2020, with clear targets going forward:**

- Appointed first chief diversity officer
- Set ESG targets for executive compensation program
- Established core DE&I objectives relating to recruitment and retention
  - Working to significantly increase the diversity of talent in the pipeline by collaborating with HBCUs and others
  - Ensuring promotion of women and minority employees to middle and senior management roles
  - Communicating culture of belonging to an expanded range of underrepresented groups, replicating XPO's success with LGBTQ+ hiring

## ESG Scorecard

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

**Tracking progress on ~40 ESG initiatives**

# Supplemental materials

# Additional service: last mile logistics for heavy goods

**Last mile logistics is the facilitation of deliveries to consumer homes, often with white-glove service. XPO specializes in last mile logistics for heavy goods, such as appliances, furniture and large electronics. North American industry size: ~$13 billion[1].**

## XPO KEY METRICS[2]

| | |
|---|---|
| TTM revenue | $1.0 billion |
| Hub locations | 85 |
| Team members[3] | ~2,600 |
| Carriers / trucks | ~1,800 / ~4,300 |
| TTM deliveries and installations per year | Over 11 million |

## INDUSTRY LEADER IN NORTH AMERICA

- XPO is the largest last mile provider for heavy goods
- Customers include omnichannel retail, e-commerce and direct-to-consumer manufacturers
- Asset-light platform positioned within 125 miles of 90% of the US population; independent contractor network
- Consistently high satisfaction levels supported by digital consumer engagement via XPO technology
- XPO Connect™ tools balance route efficiency with consumer at-home availability

**Accelerating growth of e-commerce includes trend toward more big and bulky goods bought online**

US e-commerce, $ in billions


[1] Third-party research
[2] As of June 30, 2021
[3] ~1,800 employees and ~800 temporary workers

# XPO holds leading transportation positions in key European geographies

**Truck Brokerage**

**#1 truck broker in France and Spain**
**#3 truck broker in the UK**

**Less-Than-Truckload**

**#1 LTL provider in France and Spain**
**#3 LTL provider in the UK**

Optimal LTL operating model utilized for each coverage area: contracted capacity, owned capacity or blended capacity

- Approximately 100 LTL locations serving countries across Europe
- Ability to transport freight from a single pallet to full truckload
- Over 61,000 pallets delivered daily over domestic and international networks

## XPO is widely recognized for performance and culture

- Named one of the World's Most Admired Companies by Fortune, 2018, 2019, 2020, 2021
- Ranked #1 in the Fortune 500 category of Transportation and Logistics, 2017, 2018, 2019, 2020
- Awarded silver CSR rating in Europe by EcoVadis for transportation and logistics, 2019, 2020
- Named one of Spain's Best Companies to Work For by Forbes, 2019, 2020, 2021
- Awarded Apprenticeship of the Year in the UK by Motor Transport, 2020
- Named one of Best Leadership Teams and Best CEOs for Diversity by Comparably, 2021
- Received Intel's Supplier Achievement Award, 2021
- Winner of Dow Chemical's Sustainability Award for road transportation, 2021
- Named LTL Collaborator of the Year by GlobalTranz, 2021
- Recognized as one of the Most Socially Responsible Companies in France by Statista, 2020
- Honored with Whirlpool Corporation Intermodal Carrier of the Year Award and Maytag Dependability Award, 2020
- Ranked Logistics Solution Provider of the Year by Urban Transport News in India, 2020
- Received Torres & Earth Award in Spain for making positive contributions to combat climate change, 2020
- Ranked #7 of the Top 20 UK Companies for Quality of Workplace Culture by the Chartered Management Institute, 2020
- Ranked in top three of the Top 100 Transport Companies in France by l'Officiel des Transporteurs, 2019, 2020
- Recognized by Ford Motor Company with World Excellence Awards, 2019 silver-level, 2020 gold-level
- Recognized by Owens Corning as Supplier of the Year Award, 2020
- Named a European Diversity Leader by the Financial Times, 2019
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2017, 2018, 2019, 2020, 2021
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution 2019, managed transportation 2020, 2021

Continued on next page

# XPO is widely recognized for performance and culture (cont.)

- Ranked in top 100 of America's Most Responsible Companies by Newsweek, 2019
- Named a Winning "W" Company by 2020 Women on Boards for gender diversity of the board of directors, 2019
- Named a Disruptive Technology Leader on the Freight.Tech 25 by FreightWaves, 2019
- Recognized by Raytheon Company with EPIC Supplier Excellence Award for on-time delivery, 2019
- Recognized by Nissan Manufacturing UK for excellence at Operational Logistics Awards, 2014, 2015, 2016, 2017, 2018, 2019
- Ranked #1 on Transport Topics Top 50 Logistics list, 2017, 2018, 2019, 2020
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021
- Ranked #3 of the Glassdoor Top 20 UK companies with the best leadership and culture, 2018, 2019
- Named to the Fortune Future 50 list of US companies best positioned for breakout growth, 2018
- Awarded Best Employer Practice Award for partnership with DS Workfit by British Association for Supported Employment, 2019
- CEO Jacobs ranked #10 on Barron's readers list of World's Best CEOs, 2018

# Select highlights of XPO's people-first culture

- Road to Zero program helped decrease the percentages of distracted driving, lost work days and crashes by double-digits in 2020
- Appointed a Chief Diversity Officer and launched a Diversity and Inclusion Council in 2020
- Launched a Sustainability Steering Committee and a Diversity and Inclusion Steering Committee in Europe in 2020
- Named 2021 transportation partner of 3-Day Walks® for Susan G. Komen Foundation in its fight against breast cancer
- Partnered with Hispanic Association of Colleges and Universities to provide financial support for HACU's objectives
- Partnered with Truckers Against Trafficking to help combat human trafficking
- Recognized by Human Rights Campaign on the Corporate Equality Index (CEI) for LGBTQ+ inclusion, 2020, 2021
- Recognized by Disability:IN and the American Association of People with Disabilities on the Disability Equality Index, 2021
- Donated global logistics services to Soles4Souls, a non-profit committed to disrupting the cycle of poverty
- Partnered with a leading virtual clinic for women and families to provide supplemental health services for employees
- Tuition benefit reimburses employees up to $5,250 annually for pursuing continuing education
- Robust recruitment initiatives emphasize diversity hiring; awarded Viqtory's bronze-level Military-Friendly Employer®
- Company celebrates Black History, Women's History, Hispanic Heritage, LGBTQ+ Pride and Military Appreciation months
- 300 young people hired to date by XPO Logistics in Europe through the XPO Graduate Program

**Progressive Pregnancy Care and Family Bonding benefits**

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

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

# Strongly committed to sustainability in transportation and logistics

## TRANSPORTATION

- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018, 2019, 2020, 2021
- Awarded Trophées EVE 2020 for implementing an "urban river" solution to reduce $CO_2$ emissions during inner-city deliveries in Paris, in cooperation with the Ports of Paris, City of Paris, Île-de-France region and Voies Navigables de France
- Renewed three-year commitment to the $CO_2$ Charter in France, extending 10-year commitment to sustainability
- Expanded fleet with 80 liquified natural gas (LNG) trucks in Europe in 2020; now over 250 natural gas trucks in Europe
- Invested in fuel-efficient Freightliner Cascadia tractors in North America (EPA-compliant and GHG14-compliant technology), and Stralis Natural Power Euro VI tractors in Europe
- European fleet has reduced fuel consumption by 10% since 2015
- Partnered with ENGIE Solutions, a leading provider of sustainable mobility, to transport natural gas in cryogenic tanks capable of maintaining extremely low temperatures
- XPO mega-trucks in Spain can reduce $CO_2$ emissions by up to 20% by transporting more freight per trip
- XPO drivers train in responsible eco-driving and fuel usage reduction techniques
- North American LTL locations implementing phased upgrades to LED lighting
- Experimenting in Europe with diesel-electric hybrids and zero-emission electric vans for last mile service
- Utilizing electronic waybills and documentation in global operations to reduce paper and other waste

**CarbonNET, our proprietary, cloud-based calculator, helps our operations document emission sources, activity data and $CO_2$ calculations**

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# Strongly committed to sustainability in transportation and logistics (cont.)

## LOGISTICS

- XPO's Digital Distribution Warehouse of the Future for Nestlé in the UK is an environmentally advanced facility, with ammonia refrigeration, LED lighting, air-source heat pumps and a rainwater harvesting system
- Numerous XPO facilities are ISO14001-certified to high standards for environmental management
- Nearly 75% of XPO's total space in Europe are expected to operate LED lighting systems by year-end 2021
- Polystyrene recycling initiative launched in France in partnership with Envie, an organization that gets vulnerable people back to work; recognized with the Sustainable Industry Award by L'Usine Nouvelle
- Long-time partner of EPA SmartWay® Logistics in North America; EPA's Energy Star Warehouse Leadership Group
- 96% of XPO's logistics sites are eligible for the EPA's Stormwater No Exposure Certification
- Obtained Ecocert Organic Certification for temperature-controlled logistics warehouses in France, 2019
- Defined greenhouse gas and landfill reduction targets for North American logistics and drafted procedures to address sustainable procurement, greenhouse gas emissions, landfill diversion, natural resource conservation and energy efficiency
- Energy efficiency evaluations performed prior to selecting warehouses to lease
- Vast majority of material handling devices used in logistics sites operate on battery power instead of fuel
- Millions of electronic components and batteries recycled annually as a byproduct of managing reverse logistics
- Packaging engineers ensure that optimal carton size is used for each product slated for distribution
- Reusable kitting tools manufactured by XPO utilized for installation of parts in customer operations

# Business glossary

## XPO SERVICES

- **Less-than-truckload (LTL):** LTL is the transportation of a quantity of freight that is larger than a parcel but too small to require an entire truck, and is often shipped on a pallet. LTL shipments are priced according to the weight of the freight, its commodity class (generally determined by cube/weight ratio and type of product), and mileage within designated lanes. An LTL carrier typically operates a hub-and-spoke network that allows for the consolidation of multiple shipments for different customers in single trucks. XPO is the third largest LTL provider in North America, with 290 terminals and over 75,000 next-day and two-day lanes. This network provides customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services, including cross-border US service to and from Mexico and Canada, and intra-Canada service. The company also has one of the largest LTL networks in Western Europe, using a blended model of owned and contracted capacity to provide customers with domestic and pan-European solutions,
- **Logistics:** Logistics is an asset-light business characterized by long-term contractual relationships with high renewal rates and low cyclicality. Contracts are typically structured as either fixed-variable, cost-plus or gain-share. XPO is the second largest contract logistics provider in the world, with long-tenured customer relationships in diverse verticals, and customized solutions with high-value-add components, such as advanced automation, that minimize commoditization. The company's services include e-commerce fulfillment, reverse logistics, value-added warehousing and distribution, order personalization, cold-chain logistics, packaging and labeling, aftermarket support, inventory management and supply chain optimization for customers in aerospace, manufacturing, retail, life sciences, chemicals, food and beverage and cold-chain.

  Reverse logistics, also known as returns management, is a fast-growing area of logistics that refers to managing the flow of returned goods back through logistics facilities  typically unwanted or defective merchandise. The demand for returns management has increased dramatically along with e-commerce sales, as consumers often "test drive" products they buy online. Reverse logistics services can include cleaning, testing, inspection, refurbishment, restocking, warranty processing and refunding.
- **Truck brokerage:** Truck brokerage is a variable-cost business that facilitates the trucking of freight by procuring carriers through the use of proprietary technology, typically referred to as a TMS (transportation management system). Brokerage net revenue is the spread between the price to the shipper and the cost of purchased transportation. The vast majority of truck brokerage shipments are full truckload: cargo is provided by a single shipper in an amount that requires the full limit of the trailer, either by dimension or weight. XPO is the second largest freight broker globally and the third largest in North America. The company matches shippers' loads with third-party carrier capacity  primarily provided by independent contractors with the ability to interact directly on the company's proprietary XPO Connect™ digital platform (see next page). Truck brokers have steadily increased their share of the for-hire trucking market throughout cycles, and shippers increasingly value automation, making digital truck brokerage one of the strongest trends in the transportation industry.

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# Business glossary (cont.)

## XPO TECHNOLOGY

- **XPO Connect™:** XPO's proprietary, fully automated, self-learning digital freight marketplace connects shippers and carriers directly, as well as through company operations. XPO Connect™ gives shippers comprehensive visibility into current market conditions, including fluctuations in capacity, spot rates by geography and digital negotiating through an automated counteroffer feature. Carriers can post available truck capacity and bid on loads, and shippers can tender loads and track their freight in real time. Drivers use the Drive XPO™ app for mobile access to XPO Connect™ from the road. The app also serves as a geo-locator and supports voice-to-text communications. The cloud-based XPO Connect™ platform is deployed in North America and Europe.
- **XPO Direct™:** XPO's national, shared-space distribution network gives retail, e-commerce, omnichannel and manufacturing customers new ways to distribute their goods. XPO Direct™ warehouses serve as stockholding sites and cross-docks that can be utilized by multiple customers at the same time. B2C and B2B customers "rent" XPO's logistics capacity, labor, technology, transportation and storage to reposition inventories fluidly across markets as demand fluctuates without the capital investment of adding distribution centers. The XPO Direct™ network uses XPO's existing assets and supplier relationships as growth levers, capturing incremental business by positioning customer inventories within one or two-day ground delivery of approximately 99% of the US population.
- **XPO Smart™:** XPO's proprietary, intelligent optimization tools improve labor productivity, warehouse management and demand forecasting in the company's logistics and transportation operations. In the company's logistics business, XPO Smart™ interfaces with the XPO's proprietary warehouse management platform to forecast optimal labor levels day-by-day and shift-by-shift, showing the future impact of current decisions. In the transportation business, XPO Smart™ is utilized in the company's less-than-truckload operations to improve cross-dock productivity at LTL network terminals.

# Appendix

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# Financial reconciliations

The following table reconciles XPO's net income (loss) attributable to common shareholders for the periods ended June 30, 2021 and 2020 to adjusted EBITDA for the same periods.

## XPO LOGISTICS, INC.
## RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

(Unaudited)
(In millions)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change % | 2021 | 2020 | Change % |
| Net income (loss) attributable to common shareholders [1] | $ 156 | $ (132) | NM | $ 271 | $ (110) | NM |
| Distributed and undistributed net income [1] [2] | - | 1 | | - | 2 | |
| Net income (loss) attributable to noncontrolling interests | 2 | (3) | | 5 | (1) | |
| Net income (loss) | 158 | (134) | NM | 276 | (109) | NM |
| Debt extinguishment loss | - | - | | 8 | - | |
| Interest expense | 63 | 82 | | 132 | 154 | |
| Income tax provision (benefit) | 46 | (71) | | 81 | (61) | |
| Depreciation and amortization expense | 205 | 196 | | 397 | 379 | |
| Unrealized (gain) loss on foreign currency option and forward contracts | 2 | 3 | | 1 | (1) | |
| Transaction and integration costs | 35 | 46 | | 53 | 90 | |
| Restructuring costs | (2) | 50 | | 2 | 53 | |
| **Adjusted EBITDA [3]** | $ 507 | $ 172 | 194.8% | $ 950 | $ 505 | 88.1% |
| Revenue | $ 5,036 | $ 3,502 | 43.8% | $ 9,810 | $ 7,366 | 33.2% |
| **Adjusted EBITDA margin [4]** | 10.1% | 4.9% | | 9.7% | 6.9% | |

NM- Not meaningful

[1] The sum of quarterly net income (loss) attributable to common shareholders and distributed and undistributed net income may not equal year-to-date amounts because losses are not allocated to the Series A Preferred Stock.

[2] Relates to the Series A Preferred Stock and is comprised of actual preferred stock dividends and the non-cash allocation of undistributed earnings

[3] Adjusted EBITDA includes North American less-than-truckload real estate gains of $5 million and $10 million for the three months ended June 30, 2021 and 2020, respectively, and $22 million and $37 million, respectively, for the six months ended June 30, 2021 and 2020.

[4] Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.

Note: Adjusted EBITDA was prepared assuming 100% ownership of XPO Logistics Europe in all periods

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

XPOLogistics

# Financial reconciliations (cont.)

The following table reconciles XPO's net income (loss) attributable to common shareholders for the periods ended June 30, 2021 and 2020 to adjusted net income (loss) attributable to common shareholders for the same periods.

**XPO LOGISTICS, INC.**
**RECONCILIATION OF GAAP NET INCOME (LOSS) AND NET INCOME (LOSS) PER SHARE TO ADJUSTED NET INCOME (LOSS) AND ADJUSTED NET INCOME (LOSS) PER SHARE**

(Unaudited)
(In millions, except per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 [1] | 2021 | 2020 [1] |
| GAAP net income (loss) attributable to common shareholders | $ 156 | $ (132) | $ 271 | $ (110) |
| Debt extinguishment loss | - | - | 8 | - |
| Unrealized (gain) loss on foreign currency option and forward contracts | 2 | 3 | 1 | (1) |
| Amortization of acquisition-related intangible assets | 35 | 36 | 71 | 71 |
| Transaction and integration costs | 35 | 46 | 53 | 90 |
| Restructuring costs | (2) | 50 | 2 | 53 |
| Income tax associated with the adjustments above [2] | (17) | (30) | (32) | (52) |
| Impact of noncontrolling interests on above adjustments | - | (2) | (1) | (2) |
| Allocation of undistributed earnings | - | - | - | (3) |
| **Adjusted net income (loss) attributable to common shareholders** | $ 209 | $ (29) | $ 373 | $ 46 |
| | | | | |
| **Adjusted basic earnings per share** | $ 1.87 | $ (0.32) | $ 3.43 | $ 0.50 |
| **Adjusted diluted earnings per share** | $ 1.86 | $ (0.32) | $ 3.32 | $ 0.45 |
| | | | | |
| **Weighted-average common shares outstanding** | | | | |
| Basic weighted-average common shares outstanding | 112 | 91 | 109 | 92 |
| Diluted weighted-average common shares outstanding | 113 | 91 | 113 | 102 |

[1] The second quarter and first six months of 2020 were recast to exclude the amortization of acquisition-related intangible assets
[2] The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items and contribution- and margin-based taxes
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPOLogistics

# Financial reconciliations (cont.)

The following table reconciles XPO's net cash provided by operating activities for the periods ended June 30, 2021 and 2020, and the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015 to free cash flow for the same periods.

## XPO LOGISTICS, INC.
## RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO FREE CASH FLOW

(Unaudited)
(In millions)

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Years Ended December 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net cash provided by operating activities | $ 366 | $ 214 | $ 539 | $ 394 | $ 885 | $ 791 | $ 1,102 | $ 785 | $ 622 | $ 91 |
| Cash collected on deferred purchase price receivable | - | - | - | - | - | 186 | - | - | - | - |
| Adjusted net cash provided by operating activities | 366 | 214 | 539 | 394 | 885 | 977 | 1,102 | 785 | 622 | 91 |
| Payment for purchases of property and equipment | (110) | (116) | (250) | (255) | (526) | (601) | (551) | (504) | (483) | (249) |
| Proceeds from sales of property and equipment | 26 | 23 | 62 | 77 | 195 | 252 | 143 | 118 | 69 | 60 |
| **Free Cash Flow** | $ 282 | $ 121 | $ 351 | $ 216 | $ 554 | $ 628 | $ 694 | $ 399 | $ 208 | $ (98) |

Note: 2016 and 2017 data have been recast to reflect the impact of Accounting Standards Update 2016-18
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to its North American less-than-truckload business for the quarters ended June 30, 2021 and 2020, and for the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015 to adjusted operating income, adjusted operating ratio and adjusted EBITDA for the same periods.

## RECONCILIATION OF NON-GAAP MEASURES
## XPO LOGISTICS NORTH AMERICAN LESS-THAN-TRUCKLOAD
## ADJUSTED OPERATING RATIO AND ADJUSTED EBITDA

(Unaudited)
(In millions)

| | Three Months Ended June 30, | | Years Ended December 31, | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Revenue (excluding fuel surcharge revenue) | $ 917 | $ 700 | $ 3,106 | $ 3,259 | $ 3,230 | $ 3,140 | $ 3,035 | $ 3,081 |
| Fuel surcharge revenue | 164 | 92 | 433 | 532 | 552 | 455 | 370 | 448 |
| **Revenue** | 1,081 | 792 | 3,539 | 3,791 | 3,782 | 3,595 | 3,405 | 3,529 |
| Salaries, wages and employee benefits | 486 | 416 | 1,748 | 1,786 | 1,754 | 1,697 | 1,676 | 1,741 |
| Purchased transportation | 116 | 70 | 334 | 397 | 400 | 438 | 438 | 508 |
| Fuel and fuel-related taxes | 71 | 35 | 186 | 264 | 293 | 234 | 191 | 230 |
| Other operating expenses | 145 | 147 | 495 | 471 | 590 | 574 | 538 | 635 |
| Depreciation and amortization | 57 | 58 | 224 | 227 | 243 | 233 | 203 | 164 |
| Rents and leases | 19 | 15 | 65 | 49 | 44 | 42 | 41 | 49 |
| **Operating income** [1] | 187 | 51 | 487 | 597 | 458 | 377 | 318 | 202 |
| **Operating ratio** [2] | 82.7% | 93.6% | 86.2% | 84.3% | 87.9% | 89.5% | 90.7% | 94.3% |
| Transaction, integration and rebranding costs | - | 3 | 5 | - | - | 19 | 24 | 21 |
| Restructuring costs | - | 5 | 4 | 3 | 3 | - | - | - |
| Amortization expense | 9 | 9 | 34 | 34 | 33 | 34 | 34 | 10 |
| Other income [3] | 14 | 10 | 43 | 22 | 29 | 12 | - | - |
| Depreciation adjustment from updated purchase price allocation of acquired assets | - | - | - | - | - | - | (2) | - |
| **Adjusted operating income** [1] | $ 210 | $ 78 | $ 573 | $ 656 | $ 523 | $ 442 | $ 374 | $ 233 |
| **Adjusted operating ratio** [4] [5] | 80.6% | 90.1% | 83.8% | 82.7% | 86.2% | 87.7% | 89.0% | 93.4% |
| Depreciation expense | 48 | 49 | 190 | 193 | 210 | 199 | 169 | 154 |
| Other | - | - | 1 | 2 | - | 6 | 4 | (6) |
| **Adjusted EBITDA** [1] | $ 258 | $ 127 | $ 764 | $ 851 | $ 733 | $ 647 | $ 547 | $ 381 |

[1] Operating income, adjusted operating income and adjusted EBITDA include real estate gains of $5 million and $10 million for the three months ended June 30, 2021 and 2020, respectively
[2] Operating ratio is calculated as (1 - (operating income divided by revenue))
[3] Other income primarily consists of pension income
[4] Adjusted operating ratio is calculated as (1 - (Adjusted operating income divided by Revenue)). Adjusted operating margin is the inverse of adjusted operating ratio
[5] Excluding impact of gains on real estate transactions from both periods, adjusted operating ratio strengthened by 1,030 basis points from 91.4% in the second quarter of 2020 to 81.1% in the second quarter of 2021

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

# Financial reconciliations (cont.)

The following table reconciles XPO's revenue attributable to its North American Truck Brokerage business for the quarters ended June 30, 2021 and 2020 to net revenue for the same period.

**RECONCILIATION OF NON-GAAP MEASURES**
**XPO LOGISTICS NORTH AMERICAN TRUCK BROKERAGE**
**NET REVENUE**

(Unaudited)
(In millions)

| | Three Months Ended June 30, | | |
|---|---|---|---|
| | 2021 | 2020 | Change % |
| **Revenue** | $ 598 | $ 298 | 100.6% |
| **Cost of transportation and services** | 511 | 238 | |
| **Net revenue** | $ 87 | $ 60 | 47.1% |

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

XPOLogistics

# Financial reconciliations (cont.)

The following table reconciles XPO's Logistics segment revenue to organic revenue for the quarter ended June 30, 2021.

**RECONCILIATION OF NON-GAAP MEASURES**
**XPO'S LOGISTICS SEGMENT**
**ORGANIC REVENUE**

(Unaudited)
(In millions)

| | Three Months Ended June 30, | |
|---|---|---|
| | **2021** | **2020** |
| Revenue | $ 1,881 | $ 1,404 |
| Revenue from acquired business | (151) | - |
| Foreign exchange rates | (107) | - |
| **Organic revenue** | $ 1,623 | $ 1,404 |
| Organic revenue growth [(1)] | 15.6% | |

[1] Organic revenue growth is calculated as the relative change in year-over-year organic revenue, expressed as a percentage of 2020 organic revenue.
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPOLogistics

# Financial reconciliations (cont.)

The following table reconciles XPO's net income (loss) attributable to common shareholders for the trailing twelve months ended June 30, 2021 to adjusted EBITDA for the same period.

**XPO LOGISTICS, INC.**
**RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA**

(Unaudited)
(In millions)

| | Trailing Twelve Months Ended June 30, 2021 | Six Months Ended June 30, 2021 | Twelve Months Ended December 31, 2020 | Six Months Ended June 30, 2020 |
|---|---|---|---|---|
| Net income (loss) attributable to common shareholders | $ 460 | $ 271 | $ 79 | $ (110) |
| Preferred stock conversion charge [1] | 22 | - | 22 | - |
| Distributed and undistributed net income [2] | 7 | - | 9 | 2 |
| Net income (loss) attributable to noncontrolling interests | 13 | 5 | 7 | (1) |
| Net income (loss) | 502 | 276 | 117 | (109) |
| Debt extinguishment loss | 8 | 8 | - | - |
| Interest expense | 303 | 132 | 325 | 154 |
| Income tax provision (benefit) | 173 | 81 | 31 | (61) |
| Depreciation and amortization expense | 784 | 397 | 766 | 379 |
| Unrealized (gain) loss on foreign currency option and forward contracts | - | 1 | (2) | (1) |
| Transaction and integration costs | 63 | 53 | 100 | 90 |
| Restructuring costs | 5 | 2 | 56 | 53 |
| **Adjusted EBITDA** | $ 1,838 | $ 950 | $ 1,393 | $ 505 |

[1] Relates to the conversion of 69,445 shares of the company's Series A Preferred Stock
[2] Relates to the Series A Preferred Stock and is comprised of actual preferred stock dividends and the non-cash allocation of undistributed earnings
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's net income (loss) attributable to common shareholders for the years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015 to adjusted EBITDA and adjusted EBITDA excluding the North American truckload business divested in 2016.

**XPO LOGISTICS, INC.**
**RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA EXCLUDING TRUCKLOAD**

| (Unaudited) (In millions) | Years Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net income (loss) attributable to common shareholders | $ 79 | $ 379 | $ 390 | $ 312 | $ 63 | $ (246) |
| Preferred stock beneficial conversion charge [1] | 22 | - | - | - | - | 52 |
| Distributed and undistributed net income | 9 | 40 | 32 | 28 | 6 | 3 |
| Net income (loss) attributable to noncontrolling interests | 7 | 21 | 22 | 20 | 16 | (1) |
| Net income (loss) | 117 | 440 | 444 | 360 | 85 | (192) |
| Debt commitment fees | - | - | - | - | - | 20 |
| Debt extinguishment loss | - | 5 | 27 | 36 | 70 | - |
| Other interest expense | 325 | 292 | 217 | 284 | 361 | 187 |
| Loss on conversion of convertible senior notes | - | - | - | 1 | - | 10 |
| Income tax provision (benefit) | 31 | 129 | 122 | (99) | 22 | (91) |
| Accelerated amortization of trade names | - | - | - | - | - | 2 |
| Depreciation and amortization expense | 766 | 739 | 716 | 658 | 643 | 363 |
| Unrealized (gain) loss on foreign currency option and forward contracts | (2) | 9 | (20) | 49 | (36) | 3 |
| Transaction, integration and rebranding costs | 100 | 5 | 33 | 78 | 103 | 201 |
| Restructuring costs | 56 | 49 | 21 | - | - | - |
| Litigation costs | - | - | 26 | - | - | - |
| Gain on sale of equity investment | - | - | (24) | - | - | - |
| Gain on sale of intermodal equipment | - | - | - | - | - | (10) |
| **Adjusted EBITDA** | $ 1,393 | $ 1,668 | $ 1,562 | $ 1,367 | $ 1,248 | $ 493 |
| Adjusted EBITDA divested NA Truckload business | - | - | - | - | 80 | 19 |
| **Adjusted EBITDA excluding Truckload** | $ 1,393 | $ 1,668 | $ 1,562 | $ 1,367 | $ 1,168 | $ 474 |

[1] 2020 charge relates to the conversion of 69,445 shares of the company's Series A Preferred Stock
Note: Adjusted EBITDA was prepared assuming 100% ownership of XPO Logistics Europe
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document