

Non-GAAP Financial Measures – Net Revenue and Net Revenue per Load

The schedule below presents net revenue and net revenue per load, which represent non-GAAP financial measures, for our North American Truck Brokerage business. We provide reconciliations of these measures to the most directly comparable measure calculated in accordance with United States generally accepted accounting principles ("GAAP"). We believe that presenting net revenue and net revenue per load improves the comparability of our operating results from period to period. We believe comparability is improved by removing the cost of transportation and services, in particular the cost of fuel, incurred in the reporting period. Other companies may calculate net revenue and net revenue per load differently and, therefore, our measures may not be comparable to similarly titled measures of other companies. Net revenue and net revenue per load are not measures of financial performance or liquidity under GAAP and should not be considered in isolation or as an alternative to total revenue or other similar measures determined in accordance with GAAP. Net revenue and net revenue per load should only be used as supplemental measures of our operating performance.

XPO Logistics, Inc.

Reconciliation of GAAP Revenue to Net Revenue for North American Truck Brokerage

(Unaudited)

(In millions, except for load data)

	Three Months Ended December 31,		
	2020	2019	Change %
Revenue	\$ 616	\$ 351	75.5%
Cost of transportation and services	501	297	
Net revenue	115	54	110.0%
Net revenue margin	18.6%	15.5%	
Number of loads (thousands)	262	212	
Net revenue per load	\$ 435.75	\$ 257.35	69.3%

Non-GAAP Financial Measures – Revenue Growth

The schedule below presents organic revenue, which represents a non-GAAP financial measure, for our European Logistics business. We provide a reconciliation of this measure to the most directly comparable measure calculated in accordance with United States generally accepted accounting principles ("GAAP"). We believe that presenting organic revenue improves the comparability of our operating results from period to period by excluding the impact of foreign currency exchange rate fluctuations. We believe comparability is improved because this item is not reflective of our normalized operating activities. Other companies may calculate organic revenue differently and, therefore, our measure may not be comparable to similarly titled measures of other companies. Organic revenue is not a measure of financial performance or liquidity under GAAP and should not be considered in isolation or as an alternative to total revenue or other similar measures determined in accordance with GAAP. Items excluded from organic revenue are significant and necessary components of the operations of our business, and, therefore, organic revenue should only be used as a supplemental measure of our operating performance.

XPO Logistics, Inc.
Reconciliation of GAAP Revenue to Organic Revenue
(Unaudited)
(In millions)

	European Logistics	
	Three Months Ended December 31,	
	2020	2019
Revenue	\$ 1,098	\$ 923
Foreign exchange rates	(52)	-
Organic Revenue	\$ 1,046	\$ 923
Organic Revenue Growth ⁽¹⁾	13.3%	

⁽¹⁾ Organic revenue growth is calculated as the relative change in year-over-year organic revenue, expressed as a percentage of 2019 organic revenue.