# 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): February 7, 2024**

# XPO, 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) | (Zip Code) |

**(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 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 February 7, 2024, XPO, Inc. (the "Company") released a slide presentation expected to be used by the Company in connection with certain future investor presentations. A copy of the slide presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The slide presentation should be read together and with the Company's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates any such information by reference.

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

*(d) Exhibits*

| Exhibit No. | Exhibit Description |
|---|---|
| 99.1 | Investor Presentation, dated February 7, 2024 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

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

Date: February 7, 2024

XPO, INC.

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

Exhibit 99.1

# Investor Overview

## Q4 2023

February 2024

# Forward-looking statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as a relating to our full year 2024 expectations of gross capex, interest expense, pension income, adjusted effective tax rate, and diluted share count, and future financial targets of North America EBITDA CAGR, adjusted operating ratio improvement, capex as a percentage of revenue, and percentage of outsourced linehaul miles. All statements other than statements of historical fact 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," "co "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other com 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 d 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 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 incl filings with the SEC, and the following: the effects of business, economic, political, legal, and regulatory impacts or conflicts upon our operations; supply chain disruptions, the global shortage semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages; our ability to align our investments in capital assets, including eq warehouses and other network facilities, to our customers' demands; our ability to implement our cost and revenue initiatives; the effectiveness of our action plan, and other management American LTL business; our ability to benefit from a sale, spin-off or other divestiture of one or more business units; our ability to successfully integrate and realize anticipated synergies, cost sa opportunities with respect to acquired companies; goodwill impairment, including in connection with a business unit sale or other divestiture; changes in tariffs, trade restrictions, trade agreem of our defined benefit plans, difficulties in managing or overseeing foreign operations and external agents different liability standards, issues related to compliance with data protectio intellectual property laws in countries that we provide services in; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; the expected benefits of the spin-offs of GXO the size and business diversity of our company; our ability to develop and implement suitable information technology systems; the impact of potential cyber-attacks and information technolog failures; our indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; seasonal fluctuations; issues related to our intellectual property rights; relationships with our network of third-party transportation providers; our ability to successfully manage the transitions of certain management roles; our ability to attract and retain key drivers; labor matters; litigation; risks associated with our self-insured claims; governmental or political actions; and competition and pricing pressures.

All forward-looking statements set forth in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this document speak only as of t undertake any obligation to update forward-looking statements except to the extent required by law.

# Non-GAAP financial measures

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

# Fourth quarter 2023 highlights

## Delivering strong results

$1.94 billion of revenue, up 6% YoY

$264 million of adjusted EBITDA, up 28% YoY, excluding $55 million of real estate gains in 2022

$160 million of LTL adjusted operating income, up 51% YoY

LTL adjusted operating ratio of 86.5%, improving by 380 bps YoY

LTL tonnage per day up 2.0% YoY, with shipments per day up 5.7%

LTL yield, excluding fuel, up 10.3% YoY, significantly accelerating from Q3’23

LTL damage claims ratio of 0.3%, improved from 0.4% in Q3’23

**Record service quality drove substantial improvements in operating results**

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

# Fourth quarter 2023 performance

| | |
|---|---|
| REVENUE | $1.94 billion |
| OPERATING INCOME | $119 million |
| NET INCOME[1] | $58 million |
| DILUTED EARNINGS PER SHARE[2] | $0.49 |
| ADJUSTED NET INCOME[1] | $93 million |
| ADJUSTED DILUTED EPS[2] | $0.77 |
| ADJUSTED EBITDA | $264 million |
| CASH FLOW FROM OPERATING ACTIVITIES[3] | $251 million |

**BY SEGMENT**

| NORTH AMERICAN LTL | |
|---|---|
| REVENUE | $1 |
| ADJUSTED EBITDA | $2 |
| ADJUSTED OPERATING RATIO | 86 |

| EUROPEAN TRANSPORTATION | |
|---|---|
| REVENUE | $7 |
| ADJUSTED EBITDA | $3 |

[1] Net income from continuing operations
[2] Diluted earnings from continuing operations per share
[3] Cash provided by operating activities from continuing operations
Refer to "Financial Reconciliations" and "Non-GAAP Financial Measures" sections in Appendix for related information

# Four pillars of LTL 2.0 plan will drive significant margin and earnings

**1**

Provide best-in-class service

**2**

Invest in network for the long-term

**3**

Accelerate yield growth

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

**Revenue CAGR of 6% to 8%**

**Adjusted EBITDA CAGR of 11% to 13%**

**Adjusted operating ratio improvement of at least 600 bps**

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

# Strong position in North American LTL




# A leading carrier in a compelli
# industry

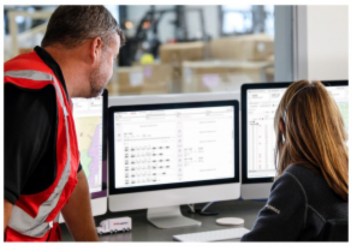
## 6% North American LTL industry revenue CAGI

- $59 billion bedrock industry for the US economy;
  share held by top 10 LTL players
- Diverse demand across verticals, with secular grow
- Attractive pricing environment, with industry prici
  each year for over a decade
- Strong service quality is key gating factor for yield
  margin expansion
- Industry service center capacity stayed nearly flat
  while demand trended up[1]

Sources: Third-party research; company filings
Note: Revenue CAGR for periods 2010–2022; industry size and market share from 2022
[1] US service centers, includes ARCB, FDX, ODFL, SAIA, XPO and YELL; total number of service centers includes zones with d

# A major player in the supply-chain ecosystem


| | | | |
|---|---|---|---|
| **$4.7 billion** 2023 revenue | **9%** 2022 industry share[1] | **3rd largest** LTL carrier by 2022 revenue[1] | 2023 t |



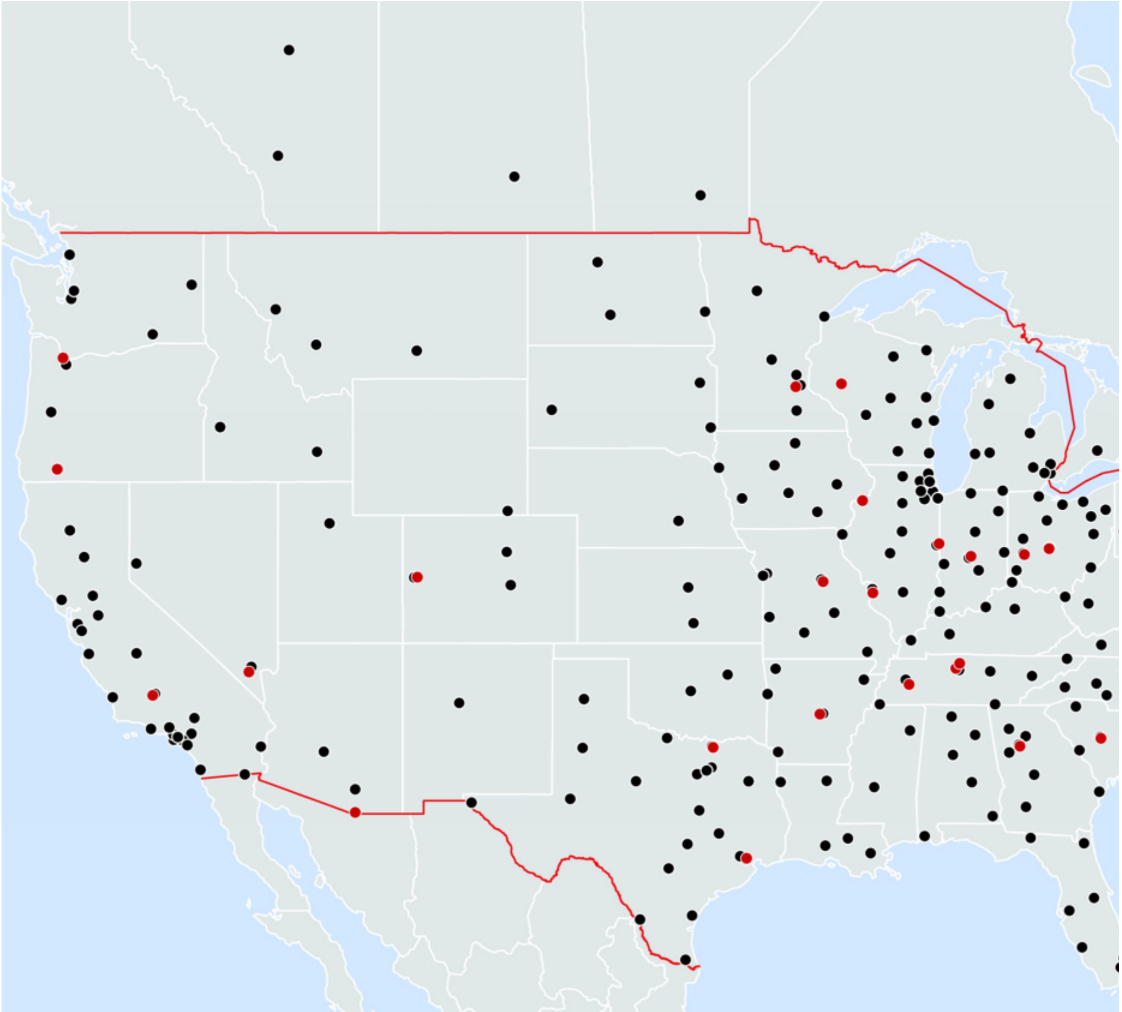
| | | | |
|---|---|---|---|
| **31,000** customers served | **650 million** linehaul miles run per year | **13 million** shipments per year | **1** pc |

| | | | |
|---|---|---|---|
| **23,000** employees | **13,000** drivers | **32,000** trailers | se |

[1] Approximation excluding YELL
[2] Excludes the company's December 2023 acquisition of 28 service centers, not yet operational
Note: Company data for North American LTL segment as of December 31, 2023, unless otherwise noted

# Expansive network covering 99% of US zip codes

- Service Centers
- Acquired Service Centers[1]



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

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

# Strategic mix of blue-chip and local customers

ABB | CATERPILLAR | EATON

TRACTOR SUPPLY CO | Ford | GE | GRAINGER

JOHN DEERE | CNH INDUSTRIAL | 3M | OSHKOSH

McMASTER-CARR | BRUNSWICK | ULINE | ULTA BEAUTY

**31,**
custom
Decembe

**2.5% re**
from largest c
concentr

**15-y**
average tenu
custo

Note: Company data for North American LTL segment as of December 31, 2023, unless otherwise noted; selected customers of XPO

# LTL growth plan and levers

# Executing on four pillars of LTL 2.0 plan

**Provide best-in-class service**

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

**Invest in network for the long-term**

- Targeting capex of 8-12% of revenue on average through 2027
- Expanding linehaul fleet with tractors and in-house trailer manufacturing
- Acquired 28 service centers to further improve service and drive network ef

**Accelerate yield growth**

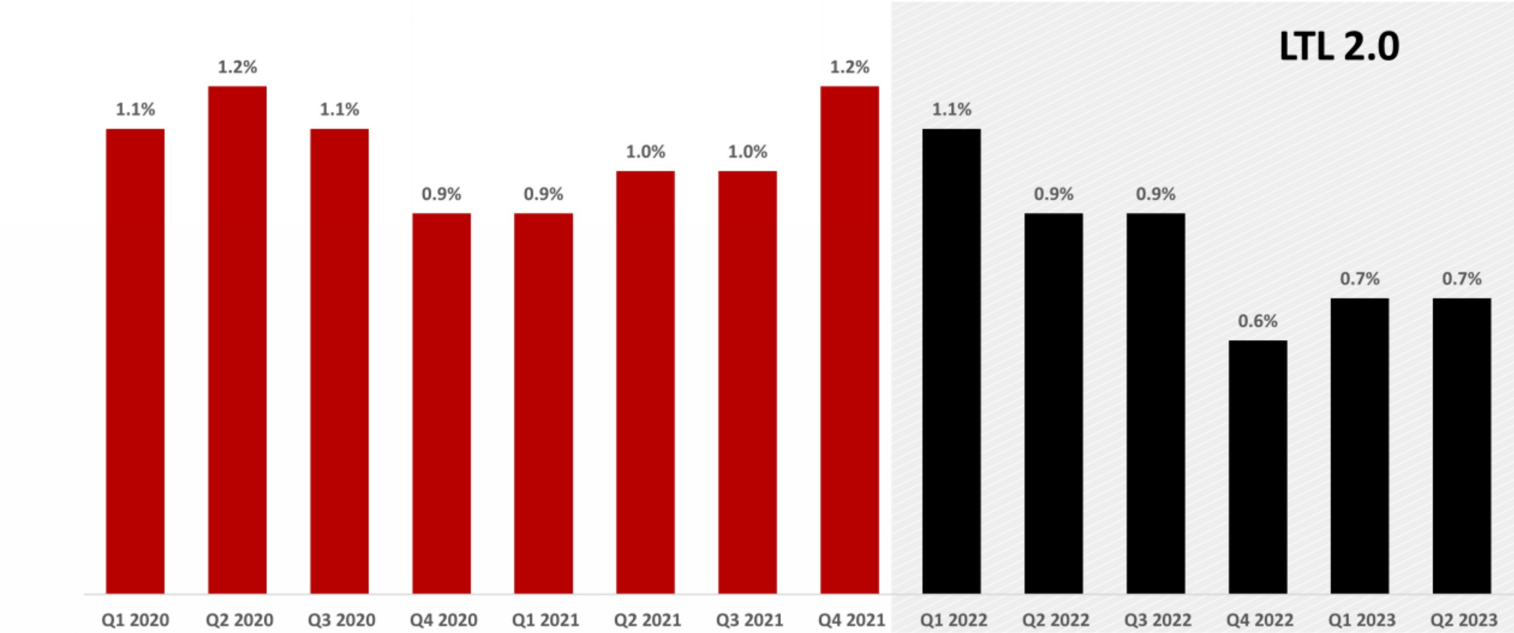
- Leveraging service excellence to earn price
- Expanding accessorial revenue from value-add services
- Growing share of higher-yielding local channel by scaling local salesforce

**Drive cost efficiencies**

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

# Delivering meaningful service improvements

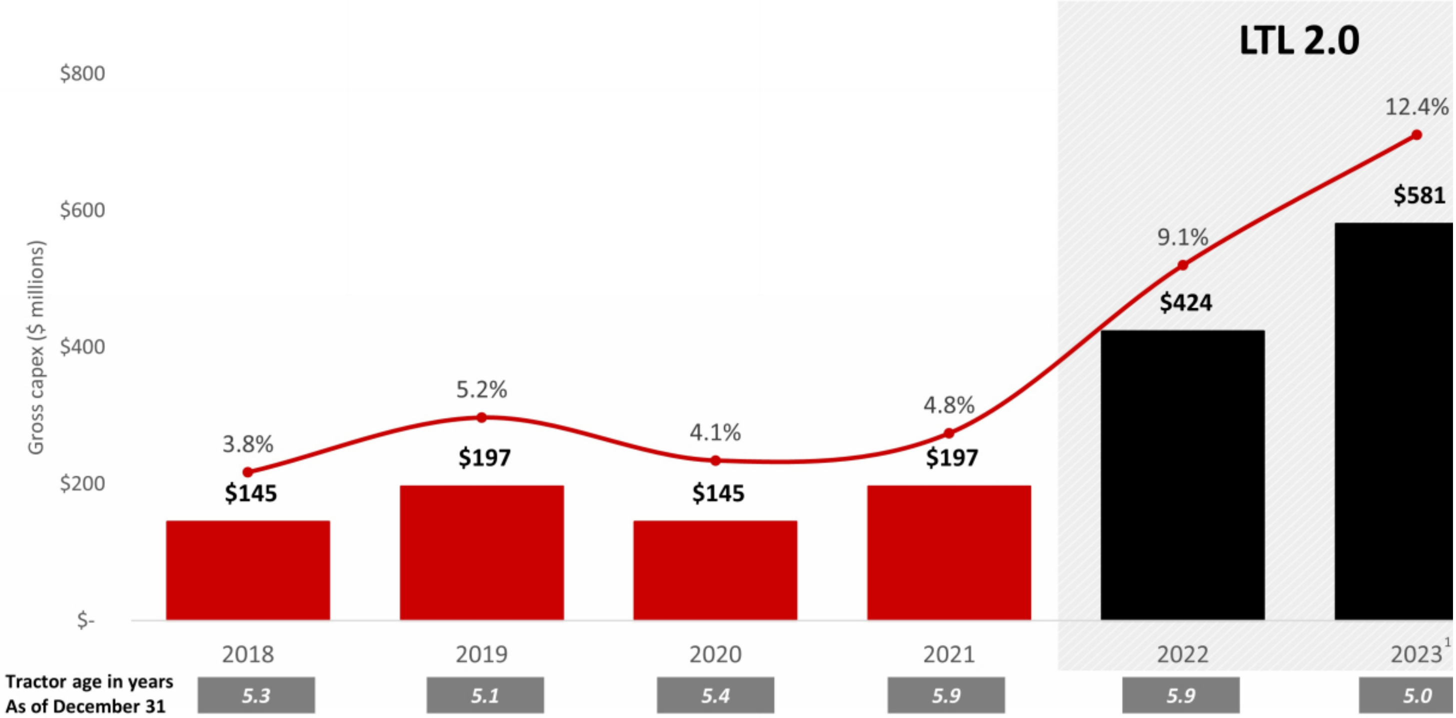
## Damage claims declining as a % of LTL revenue[1]




**Service initiatives drove 64% improvement in damages since the beginning of LTL 2**

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

# Investing in high-return growth levers

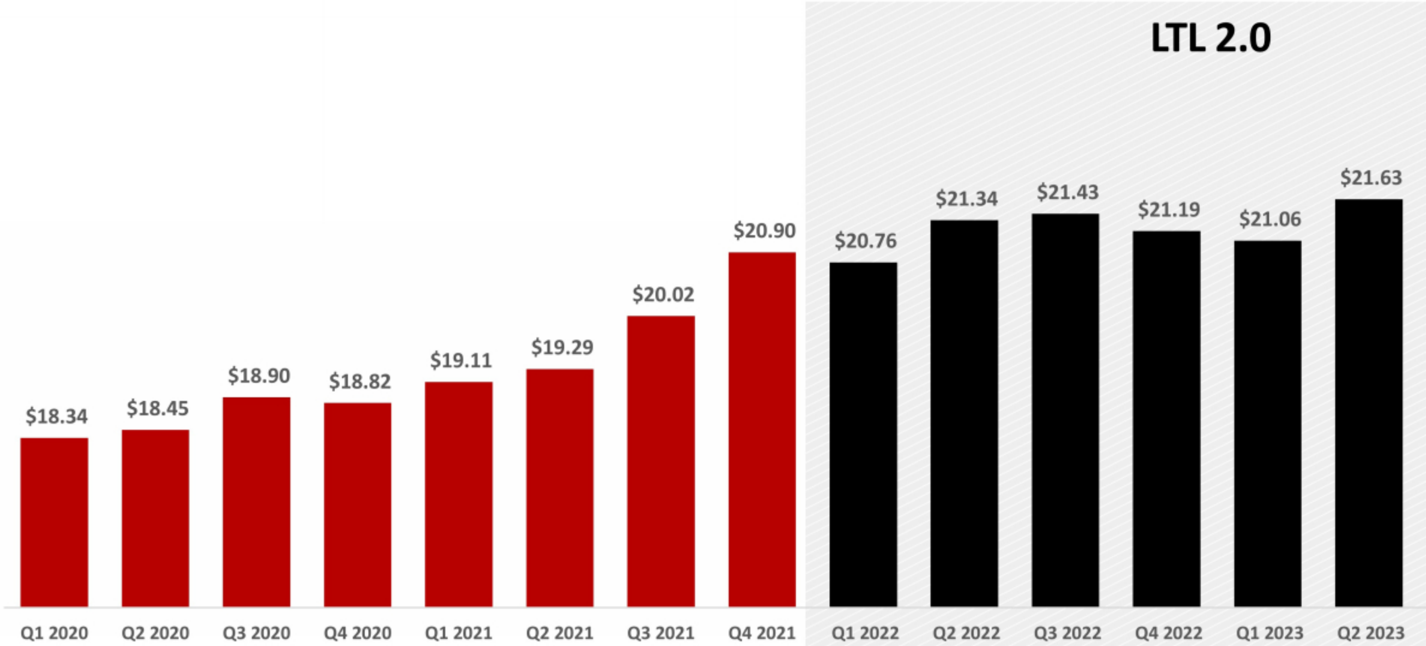



**~70% of FY23 capex allocated to growing and refreshing fleet[1]**

Note: Gross capex and revenue for North American LTL only
[1] Excludes the company's December 2023 acquisition of 28 service centers

# Earning price by delivering value through service excellence

## Gross revenue per hundredweight (excluding fuel surcharges)

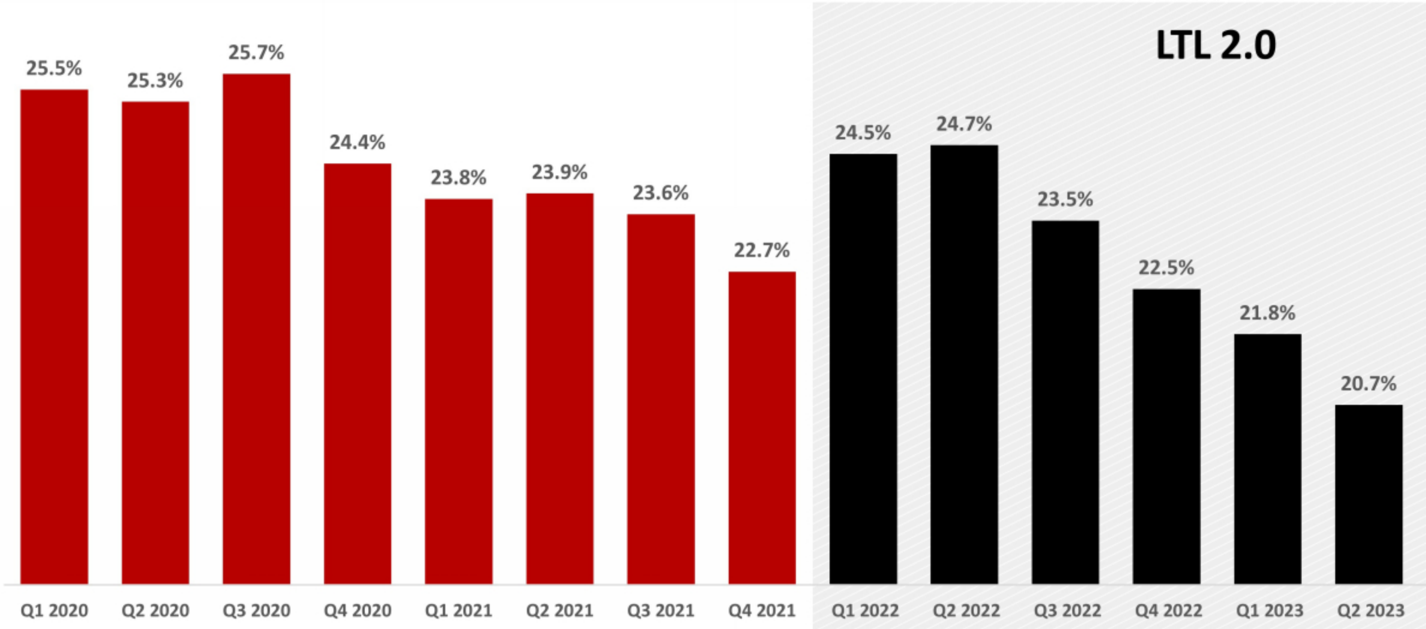



**Yield excluding fuel improved 10.3% year-over-year in Q4'23**

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

# Insourcing linehaul is a key cost and service opportunity

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




**Targeting a reduction in outsourced linehaul miles to a % in the low teens by 202**

Note: Revenue for North American LTL only

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

## Expected components and contributions

| |
|---|
| Combination of volume gains + pricing over inflation |
| Operating costs optimized through technology |
| Linehaul insourced from third parties |

1


Appendix
18


# European Transportation segment

**Unique pan-European transportation platform holds leadi key geographies**

- In France: the #1 full truckload (FTL) broker and the #1 palle (LTL) provider
- In Iberia (Spain and Portugal): the #1 FTL broker and the #1
- In the UK: a top-tier dedicated truckload provider, and the la LTL network
- Serves a diverse base of customers with consumer, trade an markets, including many sector leaders that have long-tenu with XPO
- Range of services includes dedicated truckload, LTL, FTL bro transportation, last mile and freight forwarding, as well as m solutions that are customized to reduce $CO_2$e emissions

# 2024 planning assumptions


**For the full year 2024, the company expects:**

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

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

# Financial reconciliations

The following table reconciles XPO's net income (loss) from continuing operations for the periods ended December 31, 2 adjusted EBITDA and adjusted EBITDA excluding gains on real estate transactions for the same periods.

## Reconciliation of net income (loss) from continuing operations to adjusted EBITDA

| $ in millions | Three Months Ended December 31, | | | Years Ended December 31 | |
|---|---|---|---|---|---|
| (unaudited) | 2023 | 2022 | Change % | 2023 | 2022 |
| Net income (loss) from continuing operations | $ 58 | $ (36) | NM | $ 192 | $ 184 |
| Debt extinguishment loss | 2 | 13 | | 25 | 39 |
| Interest expense | 42 | 32 | | 168 | 135 |
| Income tax provision | 20 | 8 | | 68 | 74 |
| Depreciation and amortization expense | 114 | 103 | | 432 | 392 |
| Goodwill impairment | - | 64 | | - | 64 |
| Litigation matter (1) | 8 | - | | 8 | - |
| Transaction and integration costs | 11 | 42 | | 58 | 58 |
| Restructuring costs | 9 | 35 | | 44 | 50 |
| Other | - | 1 | | 1 | 1 |
| **Adjusted EBITDA** | $ 264 | $ 262 | 0.8% | $ 996 | $ 997 |
| Gains on real estate transactions | - | 55 | | - | 55 |
| **Adjusted EBITDA, excluding gains on real estate transactions** | $ 264 | $ 207 | 27.5% | $ 996 | $ 942 |

[1] Relates to California Environmental Matters as described in Note 9 to the Company's third quarter Form 10-Q.
Refer to "Non-GAAP Financial Measures" section on page 24 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's net income (loss) from continuing operations for the periods ended December 31, 2
adjusted net income from continuing operations for the same periods.

## Reconciliation of adjusted net income and adjusted diluted earnings per share

| $ in millions, except per-share data (unaudited) | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 | Years Ended December 31, 2023 | Years Ended December 31, 2022 |
|---|---|---|---|---|
| Net income (loss) from continuing operations | $ 58 | $ (36) | $ 192 | $ 184 |
| Debt extinguishment loss | 2 | 13 | 25 | 39 |
| Amortization of acquisition-related intangible assets | 13 | 14 | 55 | 54 |
| Goodwill impairment | - | 64 | - | 64 |
| Litigation matter (1) | 8 | - | 8 | - |
| Transaction and integration costs | 11 | 42 | 58 | 58 |
| Restructuring costs | 9 | 35 | 44 | 50 |
| Income tax associated with the adjustments above (2) | (8) | (19) | (36) | (41) |
| **Adjusted net income from continuing operations attributable to common shareholders** | $ 93 | $ 113 | $ 346 | $ 408 |
| **Adjusted diluted earnings from continuing operations per share** | $ 0.77 | $ 0.98 | $ 2.92 | $ 3.53 |
| **Weighted-average common shares outstanding** | | | | |
| Diluted weighted-average common shares outstanding | 120 | 115 | 118 | 116 |
| Incremental dilutive effect of stock-based awards | - | 1 | - | - |
| Adjusted diluted weighted-average common shares outstanding | 120 | 116 | 118 | 116 |

[1]Relates to California Environmental Matters as described in Note 9 to the Company's third quarter Form 10-Q
[2]The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items, non-deductible compensation, and contribution- and margin-based taxes
Refer to "Non-GAAP Financial Measures" section on page 24 of this document

# Financial reconciliations (cont.)

The following table reconciles XPO's operating income attributable to its North American less-than-truckload (LTL) segm
periods ended December 31, 2023 and 2022, to adjusted operating income, adjusted operating ratio and adjusted EBITD

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

| $ in millions (unaudited) | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 | Years Ended December 31, 2023 | Years Ended December 31, 2022 |
|---|---|---|---|---|
| Revenue (excluding fuel surcharge revenue) | $ 966 | $ 851 | $ 3,814 | $ 3,631 |
| Fuel surcharge revenue | 221 | 242 | 857 | 1,014 |
| **Revenue** | 1,187 | 1,093 | 4,671 | 4,645 |
| Salaries, wages and employee benefits | 602 | 546 | 2,346 | 2,176 |
| Purchased transportation | 83 | 106 | 366 | 499 |
| Fuel, operating expenses and supplies [(1)] | 238 | 242 | 956 | 983 |
| Operating taxes and licenses | 13 | 11 | 48 | 48 |
| Insurance and claims | 21 | 25 | 102 | 123 |
| (Gains) losses on sales of property and equipment | 2 | (54) | 8 | (54) |
| Depreciation and amortization | 77 | 64 | 291 | 239 |
| Transaction and integration costs | - | 1 | - | 3 |
| Restructuring costs | 2 | - | 12 | 5 |
| **Operating income** | 149 | 152 | 542 | 623 |
| **Operating ratio [(2)]** | 87.4% | 86.1% | 88.4% | 86.6% |
| Other income | 1 | - | 1 | 1 |
| Amortization expense | 8 | 8 | 34 | 34 |
| Transaction and integration costs | - | 1 | - | 3 |
| Restructuring costs | 2 | - | 12 | 5 |
| Gains on real estate transactions | - | (55) | - | (55) |
| **Adjusted operating income** | $ 160 | $ 106 | $ 589 | $ 611 |
| **Adjusted operating ratio [(3)]** | 86.5% | 90.3% | 87.4% | 86.8% |
| Depreciation expense | 69 | 56 | 257 | 205 |
| Pension income | 4 | 15 | 17 | 59 |
| Gains on real estate transactions | - | 55 | - | 55 |
| Other | - | - | 1 | 2 |
| **Adjusted EBITDA [(4)]** | $ 233 | $ 232 | $ 864 | $ 932 |

[1]Fuel, operating expenses and supplies includes fuel-related taxes
[2]Operating ratio is calculated as (1 – (operating income divided by revenue))
[3]Adjusted operating ratio is calculated as (1 – (adjusted operating income divided by revenue)); adjusted operating margin is the inverse of adjusted operating ratio
[4]Adjusted EBITDA is used by the company's chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280
Refer to "Non-GAAP Financial Measures" section on page 24 of this document

# Non-GAAP financial measures

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide reconciliations of the non-GAAP financial measures contained in this document to the most directly comparable mea forth in the financial tables attached to this document.

This document contains the following non-GAAP financial measures: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") on a consolidated basis; adjusted EBITD transactions on a consolidated basis; adjusted net income from continuing operations; adjusted diluted earnings from continuing operations per share ("adjusted EPS"); adjusted operating income for Truckload segment; adjusted operating ratio for our North American Less-Than-Truckload segment; and adjusted effective tax rate.

We believe that the above adjusted financial measures facilitate analysis of our ongoing business operations because they exclude items that may not be reflective of, or are unrelated to, XPO and its bu 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, a not be comparable to similarly titled measures of other companies. These non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Adjusted EBITDA, adjusted EBITDA excluding gains on real estate transactions, adjusted net income from continuing operations, adjusted EPS, adjusted operating income and adjusted operating ratio include integration costs, as well as restructuring costs, and other adjustments as set forth in the attached tables. Transaction and integration adjustments are generally incremental costs that result from an actual o or spin-off and may include transaction costs, consulting fees, stock-based compensation, retention awards, internal salaries and wages (to the extent the individuals are assigned full-time to integration ar 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-GA financial, operating and planning decisions and evaluating XPO's and each business segment's ongoing performance.

We believe that adjusted EBITDA improves comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), impacts and other adjustments as set out in the attached tables that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underl adjusted net income from continuing operations and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that mana reflective of our core operating activities, including amortization of acquisition-related intangible assets, transaction and integration costs, restructuring costs and other adjustments as set out in the attached operating income and adjusted operating ratio improve the comparability of our operating results from period to period by removing the impact of certain transaction and integration costs and restructuri expenses. We believe that adjusted effective tax rate improves comparability of our effective tax rate, by excluding the tax effect of special items.

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