

**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): August 1, 2019

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-32172
(Commission File Number)

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 7.01. Regulation FD Disclosure.

On August 1, 2019, 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, 2019.

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

<u>Exhibit No.</u>	<u>Exhibit Description</u>
<u>99.1</u>	<u>Investor Presentation Script, dated August 1, 2019</u>
<u>99.2</u>	<u>Investor Presentation, dated August 1, 2019</u>

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: August 1, 2019

XPO LOGISTICS, INC.

By: /s/ Karlis P. Kirsis

Karlis P. Kirsis,

Senior Vice President, Corporate Counsel



August 1, 2019

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 XPO Logistics today — our company, our technology and the key factors driving our growth and returns. We'll discuss a number of significant profit improvement opportunities specific to XPO. Then we'll summarize our operations and give you the details of our second quarter financial performance and 2019 targets.

XPO is a top ten global logistics company with over \$17 billion in annual revenue. We operate as a highly integrated network of people, technology and physical assets under the single brand of XPO Logistics. We use our network to help our customers manage their goods most efficiently throughout their supply chains.

As context, we have two reporting segments: transportation and logistics. Approximately 65% of our revenue comes from transportation. The other 35% is logistics, which we sometimes refer to as "supply chain" or "contract logistics."

Our markets are highly diversified. The more than 50,000 customers we serve span every major industry and touch every part of the economy. Our revenue derives from a mix of key verticals, such as retail and e-commerce, food and beverage, consumer packaged goods and industrial.

About 59% of our revenue is generated in the United States, 13% comes from France and 12% from the United Kingdom. Of the balance, Spain is the next largest at 5% of revenue. In total, we operate in 30 countries with 1,537 locations and approximately 100,000 employees.

Investor Highlights

These are the key factors driving our growth and returns:

- Leading positions in the fastest growing sectors of transportation and logistics
- Fast pace of technological innovation driving competitive advantages
- Strong, multimodal presence in high-growth e-commerce and omnichannel
- Share growth that complements opportunities for further consolidation of fragmented markets
- Substantial advantages of scale
- Significant cash flow generation
- Ability to outperform the macro in all parts of the cycle
- Expectation of free cash flow acceleration in an economic downturn

- Extraordinary leaders, innovators, managers, engineers, logisticians and operators
- Company-specific levers that represent a large pool of potential profit drivers

All 10 factors above are rooted in these well-established strengths of XPO:

- We hold top three industry positions across all major business units. More than 60% of our revenue comes from industry sectors that are growing at 2-5x GDP.
- Our proprietary technology makes the most of the talent and assets within our organization.
- Our combination of scale, density, expertise and technology is critically important in e-commerce and omnichannel supply chains, where consumer satisfaction is driven by the quality of order fulfillment and returns management.
- We hold less than 2% share of the total addressable opportunity, and we're gaining share while continuing to differentiate our services.
- Our substantial scale propels operating leverage, purchasing power and cross-selling, and gives us a large capacity to innovate.
- Our business model is optimized for free cash flow generation in all parts of the cycle: 70% of our revenue is asset-light and 77% of our cost basis is variable.
- We serve customers in different verticals with diverse economic cycles — this makes us more resilient in a downturn, as does the fact that a high percentage of our revenue mix is contracted (74% in 2018).
- Our maintenance capex is low, and in a downturn, we have the ability to adjust our capex and turn working capital into a source of cash.
- Our secret sauce has always been the world-class people we've attracted to XPO — not just the 35 top leaders, but more importantly, the 2,500 people at the next level, with astute talent and blue-chip industry experience.
- We believe there's a potential pool of about \$700 million to \$1 billion of profit growth opportunity we can address by company-specific endeavors between now and 2022.

We're particularly excited about the cost-out and revenue growth initiatives that relate to our technology, because that's where the biggest runways are ahead. For example, transportation pricing is a major focus for us. We're building proprietary elasticity models to automate pricing and optimize mix, and while it's still early, we're seeing positive results in brokerage. We've identified substantial opportunity going forward, especially in LTL.

One of our largest opportunities for profit improvement is our \$6.5 billion of annual labor cost. We're very focused on closing the gaps between good performance and great performance. Over the past year, our technology team has developed sophisticated XPO Smart™ tools that optimize workforce utilization to more than offset labor inflation. In addition to real-time visibility, our tools model staffing levels, shift lengths, job mix and overtime based on predicted workflows for future dates and times. These are intelligent analytics that use machine learning to master the operating environment of a specific site, becoming continually smarter at optimization.

We've implemented XPO Smart™ in about 100 of our US warehouses, with larger roll-outs planned for North America and in Europe. Workforce productivity is a key lever for cost savings in our warehouse operations. XPO Smart™ is driving productivity gains of 5% or more on average in our warehouses. At some sites, we've seen more than 25% improvement. Now we have an XPO Smart™ pilot underway in 18 LTL service centers to look at full-time and part-time dock labor site by site. We expect to roll out the tools nationally to all 290 LTL centers by the end of this year.

In addition to workforce productivity and dynamic pricing, we're using our algorithms to leverage the data that's generated by our LTL operations in the course of business. This is a major lever to improve efficiency in pickup and delivery, which both reduces costs and improves service, while bolstering customer service. In addition, we're using our proprietary analytics to automate load-building and optimize linehaul network flows, improve trailer utilization and reduce multiple stops for trucks dedicated to direct movements. To support linehaul optimization, we're beta-testing a shipment dimensioning app for our drivers.

In our transportation segment overall, one of our most exciting developments is our XPO Connect™ marketplace. We're generating rapid-fire growth from XPO Connect™, buying truck capacity more productively than a year ago. We expect more sharp brokerage gains in productivity going forward.

Companywide, we have a significant opportunity to cross-sell our services and solve more supply chain challenges for large customers. Our XPO Direct™ distribution network is an example of an initiative that integrates our transportation and logistics offerings into one value proposition.

We also have a large opportunity to cross-sell our services in Europe, regardless of economic conditions. We hold a relatively small share of the European transportation and logistics markets, even though we're a leader in key sectors. Our strategic accounts team is engaged in a new initiative that concentrates on about 250 multinational customers who can benefit strongly from our capabilities. Customer reaction has been very positive.

In addition, we have an opportunity to improve our logistics EBITDA margin in Europe, bringing it up closer to the levels we generate in North America. We're installing logistics managers at the pan-European level, with dedicated implementation teams to pilot new initiatives for margin expansion.

Finally, we've identified opportunities to lower our procurement costs in areas such as temporary labor, purchased transportation and information technology, and to further optimize our back-office processes and infrastructure.

These are all compelling opportunities that we've identified as priorities. As always, we'll continue to deploy our resources to initiatives that have the greatest likelihood of generating profitable growth over time.

Company Overview

We created XPO in 2011 to provide exceptional value for customers while generating meaningful returns for our shareholders. The supply chain industry has strong fundamentals for value creation: it's vast, growing, fragmented and ripe for innovation, with underpenetrated market sectors.

Supply chains are unique by nature — each one is a network spanning every step a company must take to move its products from their origin to the buyers. Our customers typically have supply chains that include vendors, manufacturers, labor, assets, technologies, data and other resources. We believe that our ability to provide customers with integrated, end-to-end solutions gives us a significant competitive advantage.

There are secular industry trends in our favor, including the ongoing growth in e-commerce, just-in-time inventory management and the globalization of supply chains. Many customers, particularly national or multinational companies, prefer to use large, multimodal service providers to manage more than one aspect of their supply chain. This is borne out by our own experience — at year-end 2018, 90 of our top 100 customers were using at least two XPO service lines, and 55 of the 100 were using five or more of our services. Four years ago, these numbers were close to zero.

Our service offering is asset-light overall, with assets accounting for just under a third of revenue. In 2018, our net capex was 2.4% 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: 801 contract logistics facilities, 472 cross-docks, trucking assets of 16,000 tractors and 40,000 trailers, and intermodal assets of 9,500 53-ft. boxes and 5,000 chassis.

We market our service offering using a two-pronged sales strategy: earn a greater share of wallet with our existing customer base and penetrate high-growth verticals where companies have a need for multiple XPO services.

Over the past three years, we've quadrupled the number of strategic account managers in North America, beefed up sales support, raised incentive compensation and invested in new training and analytics to drive cross-selling of our services. We also added over 200 sales associates and sales support personnel for our North American LTL organization, with about 75% of those hires in 2018. In Europe, we created a strategic account management team that deepened our European bench strength of senior-level sales talent in both transportation and logistics.

The scope of our service range gives us an entrée with customers of all sizes and types.

XPO is:

- The second largest contract logistics provider worldwide, and the largest outsourced e-fulfillment provider in Europe
- A top three provider of less-than-truckload transportation in North America, and a leading LTL provider in Western Europe
- The second largest freight broker worldwide, with the largest owned road fleet in Europe
- The largest last mile logistics provider for heavy goods in North America

- The third largest provider of intermodal freight services in North America
- The largest manager of expedited shipments in North America by ground, air and automated carrier procurement
- A global provider of managed transportation solutions, with technology-enabled control towers, managed expedite capabilities and dedicated capacity
- A global freight forwarder with an integrated network of ocean, air, ground and cross-border services

We also create value through the cross-fertilization of best practices. We're sharing knowledge across all of our service offerings and geographies with an emphasis on high-impact areas, such as customer service, sales, safety, training, warehouse management, cross-dock operations, equipment maintenance and human resources.

Looking solely at the markets where we already operate, we hold less than 2% share of a total addressable opportunity of \$1 trillion or more — that's more than 50 times the size of our present revenue base.

Transformative Technology

XPO empowers its employees to deliver world-class service through technology. We prioritize innovation because we believe that great technology in the hands of well-trained employees, augmented by scale, is the ultimate competitive advantage in our industry.

We've built a highly scalable platform on the cloud to speed the development of new ways to increase efficiency, control costs and leverage our footprint. It's a major reason why customers trust us with about 160,000 ground shipments and more than 7 billion inventory units daily. We expect to spend about \$550 million on technology this year; we're happy to be leading positive change with one of the largest tech investments in our industry.

Our global team of approximately 1,800 technology professionals concentrates on four areas of innovation: our digital freight marketplace, automation and intelligent machines, dynamic data science — which is in the hands of over 100 XPO data scientists — and visibility and customer service, especially in e-commerce. Our emphasis is on the digitalization of supply chain interactions, such as those between shippers and carriers or consumers and retailers.

Early last year, we launched our proprietary, cloud-based warehouse management platform; it integrates robotics and other advanced automation into our operations with a high degree of control, even when complex, third-party software is involved. Our technology is much more efficient than traditional warehouse management systems, particularly in multi-site and multichannel environments.

In June 2018, we announced a groundbreaking partnership with Nestlé, the world's largest food and drink company, to co-create a 638,000-square-foot distribution center in the UK for Nestlé's consumer packaged goods. We're investing \$77 million in this site, which is scheduled to open in 2020. It will feature advanced sortation systems and robotics in a digital ecosystem that integrates predictive data into the customer service process. The site will also house an XPO technology laboratory to operate as both a think tank and a launch pad for our innovations.

We're implementing goods-to-person systems and other kinds of collaborative robots — “cobots” — in our logistics sites to supplement our existing workforce and support growth. We love the cobots and so do our people! Autonomous, mobile goods-to-person robots lift inventory storage racks, carry them to customized picking stations and free our employees from doing these time-consuming tasks. The entire solution is interfaced with our warehouse management platform; we can move the technology from site to site, dramatically improving speed, accuracy and safety. Our employees at fulfillment stations with goods-to-person systems are up to four times more efficient on average, meaning we can accommodate more same-day and next-day deliveries.

More broadly, in logistics, our warehouses are becoming high-tech hubs with various types of robotics and sophisticated analytics for demand forecasting. Some of our solutions use robotic arms that we program to perform customized tasks with superhuman precision and consistency. Our algorithms can predict the flow of goods and future returns, helping our e-commerce customers plan for inventory and labor levels. Our proprietary technology facilitates omnichannel distribution, lean manufacturing support, aftermarket support, supply chain optimization and transportation management, and it links our XPO Direct™ distribution network.

XPO Direct™ is an exciting intersection of our investments in long-term growth, most notably scale and technology. The network gives retail, e-commerce, omnichannel and manufacturing customers new ways to distribute their goods. Our technology connects strategically placed XPO warehouses, cross-docks, last mile hubs and our brokerage network, and integrates with postal services and other parcel carriers. It gives our customers real-time, end-to-end visibility and shortens transit times.

In essence, B2C and B2B customers rent our capacity for contract logistics, last mile, LTL, labor, technology, transportation and storage without taking on large fixed costs. We can predict demand patterns for SKUs using our proprietary analytics and move inventories fluidly across markets. In 2018, we grew the network to over 90 facilities, giving it critical mass; now we're onboarding blue-chip customers.

XPO Direct™ is a solution with enormous potential because it has its genesis in customer needs. Retailers and e-tailers increasingly want faster supply chains. They want inventory positioned closer to their end-customers, lower inventory costs and higher speed of fulfillment. We expect XPO Direct™ to reach a revenue run rate of at least \$1 billion by 2022.

Looking strictly at transportation, our XPO Connect™ digital freight marketplace is creating a sea change in efficiency by sourcing, transacting and tracking shipments on the cloud. Our brokerage business already benefits from having a variable cost model; now we've applied our technology to further improve margins and labor productivity.

XPO Connect™ is a fully automated, self-learning and dynamic marketplace that connects shippers and carriers directly, as well as through XPO operations. It gives our customers visibility across multiple transportation modes in real time — fluctuations in capacity, spot rates by geography and digital negotiating through an automated counteroffer feature. Shippers can assign their loads to carriers and track the freight through one, secure login.

The number of trucking carriers registered with XPO Connect™ went from zero to 18,000 by March 30 of this year, which was about 12 months after launch, and then climbed to 28,000 in the second quarter. Registered carriers are quality operators in our core network who are opting for XPO Connect™. Drivers use our Drive XPO™ app to interact with XPO Connect™ from the road. We're rolling out the app in our European brokerage network to deliver the same benefits to our customers there.

In LTL, the next leg of profit improvement is primarily driven by proprietary XPO technology. This includes the XPO Smart™ workforce productivity tools and the optimization initiatives described earlier. While each component of our plan delivers its own benefits, we expect a strong synergistic effect on LTL as a whole. For example, when we optimize truck routes, this also benefits asset utilization, driver utilization, customer service and yield, and should reduce our carbon footprint by decreasing empty miles.

In last mile, we use our proprietary applications to engage consumers in the delivery process for their heavy goods. We also gather real-time feedback post-delivery to help our customers build loyalty. We believe we have the best service metrics in our sector, in part because our sophisticated technology gives retailers, contractors and consumers more control over the home delivery experience.

Someone who buys a couch or appliance from one of our customers online can track that order in real time using our web tools, Google Home, Amazon Echo or Google Search. They can request personalized alerts, reschedule delivery times electronically and use our augmented reality tool to visualize how the item will look inside their home. Our last mile contract carriers use the XPO Connect™ platform to communicate with our last mile team — we've added automated scheduling and other self-service capabilities for shippers.

Because our services run on a single platform, we can offer customers efficiencies that would be difficult or impossible to find elsewhere. For example, we've launched a single tracking number that our customers can use in Google online to follow their goods through our warehouses and across our modes of transportation. This gives our large accounts an added incentive to use XPO for multiple solutions.

The supply chain industry is wide open for disruptive thinking like this. Our position as a leading proponent of technology has led to important advantages for our customers. We're constantly unearthing new efficiencies through advanced automation and a whole raft of other innovations, some of which are customized for individual customers. Next, here's a summary of our operations as a whole.

Overview of Logistics Operations

Contract Logistics

Contract logistics is an asset-light business characterized by long-term contractual relationships, low cyclicalities and a high-value-add component that minimizes commoditization. It has low capex requirements as a percentage of revenue, which leads to strong free cash flow conversion and ROIC.

As the second largest contract logistics provider worldwide, we're at the forefront of a \$120 billion sector that's estimated to grow at 2-3x GDP. Our global logistics footprint stands at a record 202 million square feet of facility space — this makes us particularly attractive to multinational customers who also value our vertical expertise, technology and engineering capabilities. When we secure a new logistics contract, the initial tenure is approximately five years on average, with a historical renewal rate of around 95%. These relationships can lead to cross-selling and a wider use of our services, such as inbound and outbound logistics.

XPO's logistics offering encompasses a range of services for the purpose of helping our customers control costs and increase efficiency. We provide value-added warehousing and distribution, e-commerce and omnichannel fulfillment, cold chain solutions, reverse logistics, packaging and labeling, factory support, aftermarket support, inventory management and order personalization services, such as laser etching. In addition, we provide highly engineered solutions and supply chain optimization services, such as production flow management.

Our competitive positioning in logistics is as a technology leader. We're innovative and agile, with the ability to handle complex implementations. A great deal of this has to do with advanced automation. With robotics, for instance, we work with 29 of the top robotics companies in the world, culled from hundreds of suppliers.

Reverse logistics is a fast-growing area of contract logistics, and one where we have a high profile as a quality provider. In 2018, we managed about 170 million returns. Reverse logistics, or returns management as it's also called, is a multifaceted service that encompasses inspections, repackaging, refurbishment, resale or disposal, refunds and warranty management. These are high-value services for any company with consumer end-markets, because consumers are increasingly test-driving the products they buy online. Here again, our technology is a major differentiator.

One of our largest contract logistics wins to date is an omnichannel reverse logistics facility we began ramping up in mid-2018. Our customer is a large footwear and apparel company; we've partnered on a 1.1 million square foot returns processing center in the US. The site has been custom-designed to dramatically improve the processing time it takes to get products back into the supply chain once they're returned through retail, wholesale and e-commerce channels.

The majority of our top contract logistics customers have investment-grade credit ratings. They represent the preeminent names in retail and e-commerce, food and beverage, technology, aerospace, wireless, industrial and manufacturing, chemical, agribusiness, life sciences and healthcare. We also have strong positions in fast-growing sub-verticals: for example, XPO is the number one provider of fashion logistics in Italy. There are very few logistics companies with the breadth of vertical expertise we have — most of our competitors specialize in one or two verticals.

We also have complementary strengths in Europe and North America. For example, in Europe we're a specialist in cold chain logistics, which includes some sectors that are less sensitive to economic cycles, such as food and beverage. Our European cold chain experts are helping us build this business in North America. In the US, we're strong in aerospace and other high-tech sectors, which is opening new doors for us overseas.

Overview of Transportation Operations

Our other segment — transportation — includes our lines for truck brokerage, truckload transportation, less-than-truckload, last mile, intermodal, expedite, global forwarding and managed transportation.

Truck Brokerage and Transportation

XPO utilizes a blended transportation model of brokered, owned and contracted capacity for truck transportation. The non-asset portion of our model is variable cost and gives us extensive flexibility. It includes our brokerage operations, as well as contracted capacity with independent owner-operators. Our truck brokerage operations run on a powerful, proprietary XPO management system called Freight Optimizer. This same system is an integral part of our XPO Connect™ architecture.

Brokerage is compelling to us for a number of reasons. In addition to low fixed costs, it has high free cash flow conversion and minimal capex requirements, with tailwinds from outsourcing and supplier consolidation. Brokerage is also valuable to most of our customers who use XPO for other lines of business. Examples of brokered freight include industrial flows of raw materials and finished goods, consumer goods, sensitive or high-value freight, and freight that requires high security.

In North America, our brokerage network includes approximately 38,000 independent carriers representing over a million trucks. This capacity is vitally important to shippers — they value our ability to find them trucks and drivers under all kinds of market conditions.

In Europe, the largest components of our transportation operations are LTL, dedicated transport and brokerage. In 2018, these three service lines combined generated about 80% of our European transport EBITDA. We also have a non-dedicated truckload business in Europe that provides on-demand capacity for our customers.

Less-Than-Truckload (LTL)

Our LTL business in North America is asset-based; it utilizes employee drivers, a fleet of tractors and trailers for line-haul, pick-up and delivery of pallets, and a national network of terminals. We're a top three LTL provider in the US, with a network that covers about 99% of all zip codes.

In Western Europe, where we're a leading LTL provider, we utilize the optimal model for each national market. In the UK, for example, we own the trucks and employ the drivers, whereas in Spain, we contract with independent carriers for capacity. In France, we use a blended model. Where we use independent carrier relationships, we support them with XPO terminals and staff.

Our LTL team is laser-focused on on-time, damage-free performance. Using one of the industry's most modern fleets, we deliver more than 20 billion pounds of freight a year. We have over 20,000 LTL customers in North America alone, primarily local accounts, and we've significantly increased the number of salespeople dedicated to serving and growing this base.

We've nearly doubled EBITDA in LTL in the three years since we acquired this business, and we've brought the operations a long way forward. In the second quarter, we realized a 5.2% price increase on contract renewals. We also generated an operating ratio of 81.8% and an adjusted operating ratio of 80.3% — this is the best LTL adjusted operating ratio for any quarter in the company's history.

Now, we're continuing to optimize our freight mix, improve asset utilization and serve customers with more consistency. We're also diversifying our customer base by selling this service across more verticals. LTL is on track to deliver at least \$1 billion of EBITDA in 2021.

Managed Transportation

XPO is a top five global provider of managed transportation, with approximately \$2.7 billion of freight under management. Managed transportation is a non-asset service that we provide to shippers who want to outsource some or all of their transportation modes and associated activities. These activities can include freight handling, such as consolidation and deconsolidation, labor planning, inbound and outbound shipment facilitation, documentation and customs management, claims processing and 3PL supplier management, among other services.

While managed transportation is still a small component of our revenue, it's ramping up now that we've integrated it with our XPO Connect™ platform. The three main components of this offering are control tower solutions, managed expedite and dedicated capacity.

Our control tower experts are trained in operations, analytics, procurement and customer service. They design the optimal routes for a given supply chain, determine the most efficient carriers and ensure a high level of performance. We also apply lean-based analysis to shipping patterns to identify process improvements and cost-saving opportunities. We oversee vendor performance, freight audits and payments, claims, charge-back notifications and other processes.

Managed expedite is facilitated by our proprietary web-based system that automates the procurement and tracking of time-critical freight. We have thousands of vetted ground carriers in our independent network, with vehicle types ranging from cargo vans to flatbeds, as well as domestic and international air options. Our dedicated managed transportation service is a turnkey solution we tailor for each customer: drivers, tractors, trailers, maintenance, management, fuel and KPI reporting.

In the UK, we recently signed the largest contract in the history of our European transportation business. This is a multi-year dedicated transportation agreement with British Gypsum valued at £55 million a year. We're partnering with British Gypsum to transform their UK supply chain into a single, digitally-managed transportation network.

Last Mile Logistics

Our last mile services are predominantly asset-light: we use independent contractors to perform transportation and over-the-threshold deliveries and installations. In North America, these services are supported by a network of 85 hubs that extend our last mile footprint to within 125 miles of approximately 90% of the US population.

XPO is the largest facilitator for the home delivery of heavy goods in North America, and yet we hold just 8% share of this sector in the US. Our last mile customers include big-box retailers that sell items such as appliances, furniture, exercise equipment and large electronics. There's an ongoing shift toward consumers buying large, bulky items online, and given our specialization in heavy goods, home delivery demand represents significant growth potential for us.

Last mile for heavy goods is a service-intensive business that we do very well. We have a cohesive network that we launched in 2013, when we bought the leading last mile company in North America; we then integrated three more highly regarded last mile providers over 18 months. Our customers benefit from the tens of millions of dollars we've invested in last mile technology, and they frequently tell us that XPO is by far number one in customer satisfaction.

In Europe, which is another fragmented last mile landscape, there's a large opportunity for us to apply our technology and best practices. We've established last mile operations for heavy goods in several European countries and won some sizable contracts. These are small but growing operations in a sector where our expertise is valued.

Intermodal

Intermodal involves the long-haul portion of containerized freight movements. This is an additional growth opportunity for us within our freight brokerage unit. Services include rail brokerage, local drayage performed by independent trucking contractors, and on-site operational services. XPO has one of the largest drayage networks in the US, with more than 2,400 independent owner-operators and access to over 25,000 drayage trucks.

The nature of intermodal is that demand is influenced by external factors, such as the availability of truck capacity. When truck capacity is relatively tight, that's good for intermodal — the same is true of high fuel prices. In general, intermodal can be a much less expensive mode for freight that is not time-sensitive. The main drivers of customer satisfaction are cost effectiveness, ready capacity and service performance.

Our proprietary Rail Optimizer technology is a growth engine and a competitive advantage for us in intermodal; it enables constant communication with the railroads and provides a high level of visibility into the door-to-door movements of long-haul freight. We use sensors on our containers that tell us where a container is located, whether it's full or empty, and whether the door is open. These are just some of the ways we add value for our intermodal customers.

Expedite

We offer expedited transportation, a non-asset business, as part of our freight brokerage operations in North America. Expedited shipments are time-critical goods or raw materials that have to get somewhere very quickly, typically on little notice.

We use a network of contracted owner-operators to handle expedited ground transportation, and an electronic bid platform to assign air charter loads. A large and separate component of our expedite operations is our proprietary transportation management platform, which awards loads electronically based on online carrier bids. These transactions primarily happen on a machine-to-machine basis. The technology initiates a new auction on the internet every few seconds, and we take a fee for facilitating the process.

One key driver of expedite demand is the trend toward just-in-time (JIT) urgent shipments. JIT is a supply chain strategy that requires 3PL support for both manufacturing production and inventory management. As the largest manager of expedited shipments in North America, we can act very quickly, often saving our customers from disastrous monetary loss.

Our expedite group serves XPO operations as well. For example, if a track repair stalls a rail container, we can off-load those goods to an expedite ground carrier in our network or put them on a chartered aircraft. This ability to find solutions to almost any challenge is a major advantage of using XPO.

Global Forwarding

We provide non-asset global forwarding services in a \$150 billion sector where shippers depend on our domestic, cross-border and international expertise. The freight we forward may have origins and destinations within the same country or move between countries or continents. Shipments may travel by ground, air, ocean or some combination of these modes.

XPO has a network of independent market experts and licensed customs brokers that provide local oversight in thousands of key trade areas worldwide, and we operate a subsidiary as a non-vessel operating common carrier (NVOCC). We have an opportunity to grow market share in freight forwarding through our forwarding offices on four continents.

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 approximately 100,000 extraordinary individuals who have great insights about our customers and our business.

In 2018, XPO management reviewed more than 32,000 employee survey responses and acted on countless suggestions; for example, the establishment of a permanent, US-based relief fund for colleagues in disaster areas. This powerful feedback loop is an important component of our culture, which seeks to engage our employees, customers, investors and the global community through open communication. The surveys are one way we encourage a sense of ownership in XPO throughout our organization.

Our culture is also about being safe, respectful, entrepreneurial, innovative and inclusive — it's about having compassion, being honest and respecting diverse points of view, while operating as a team. We reinforce our culture through diverse worksites, open-door management, the XPO University training curriculum, our Workplace virtual community and equal opportunity hiring policies. In addition, we have robust ethical guidelines that foster physical and emotional safety at work and clearly define prohibited behavior, such as harassment, dishonesty, discrimination, workplace violence, bullying, conflicts of interest, insider trading and human trafficking.

Our Pregnancy Care Policy, developed over the last year, 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 female employees can request pregnancy accommodations without fear of discrimination, including "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.

Sustainability is another priority for us. It's an area where XPO has already set an example in the industry, giving us an opportunity to build on that position. Our company has been named a Top 75 Green Supply Chain Partner by *Inbound Logistics* for four consecutive years, and in 2016 we were awarded the label "Objectif CO₂" for outstanding environmental performance of transport operations in Europe by the French Ministry of the Environment and the French Environment and Energy Agency.

The warehouse of the future that we're creating with Nestlé in the UK will be sited on man-made plateaus, with landscaping to minimize the visual impact to nearby settlements. Additional sustainability measures include environmentally friendly ammonia refrigeration systems, energy-saving LED lighting, air-source heat pumps for administration areas and rainwater harvesting.

A number of our logistics facilities are ISO14001-certified, which ensures environmental and other regulatory compliances. We monitor fuel emissions from forklifts in our warehouses, and we have 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 our reverse logistics operations, we recycle millions of electronic components and batteries each year.

In transportation, we've made substantial capex investments in fuel-efficient Freightliner Cascadia tractors in North America; these use EPA 2013-compliant and GHG14-compliant SCR technology. Our North American LTL locations have numerous energy-saving policies in place and are implementing a phased upgrade to LED lighting.

In Europe, we own one of the industry's most modern fleets: 98% compliant with Euro V, EEV and Euro VI standards, and with an average truck age of approximately three years. We also own a large fleet of natural gas trucks in Europe, and we have government-approved mega-trucks in Spain. These trucks can significantly reduce CO₂ emissions due to their larger carrying capacity. Recently, we began using nine electric vehicles for last mile deliveries in urban areas, reducing emissions to zero.

The development of our culture will continue to be a steady march forward, as it has since our founding in 2011. In April, we published our inaugural Sustainability Report, a global document that covers 2018 data and initiatives. We also publish a Corporate Social Responsibility Report for our European operations. Both documents can be found at <https://sustainability.xpo.com>.

Second Quarter 2019 Financial Highlights¹

We beat on EPS, adjusted EBITDA and free cash flow in the quarter, offsetting a softer operating environment with cost discipline and margin gains. Our adjusted EBITDA margin was a quarterly company record at 10.7%.

We reported the following results for the second quarter 2019, compared with the same period in 2018:

- \$4.24 billion of revenue², compared with \$4.36 billion
- 1.2% organic revenue growth³
- \$122 million of net income⁴, compared with \$138 million
- \$1.19 diluted earnings per share⁵, compared with \$1.03
- \$132 million of adjusted net income, compared with \$132 million
- \$1.28 adjusted diluted earnings per share, compared with \$0.98
- \$455 million of adjusted EBITDA, compared with \$437 million
- \$260 million of cash flow from operations, compared with \$267 million
- \$246 million of free cash flow, compared with \$193 million

\$2.5 Billion Share Repurchase Program

Our strong balance sheet gives us considerable flexibility in making the best capital allocations on behalf of our stockholders. We've raised, or refinanced at attractive terms, over \$3 billion of debt from public and private investors since December 2018, while extending our maturity profile. XPO has no significant debt maturing until June 2022.

When our share price dropped through year-end 2018, we paused M&A in favor of buying back our own stock — a rare opportunity to create compelling shareholder value. We're very good at M&A, and we'll return to acquisitions when the time is right.

From December 14, 2018, through June 30, 2019, we repurchased 35.2 million shares of XPO common stock at a \$53.42 average price per share, for a total cost of approximately \$1.9 billion.

The company is not obligated to repurchase any specific number of shares and can suspend or discontinue the program at any time.

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

² Revenue was adversely impacted by a reduction in business from the company's largest customer and unfavorable foreign currency exchange.

³ Commencing in the first quarter of 2019, the company excludes direct postal injection revenue in its last mile business from its calculation of organic revenue growth and continues to exclude fuel and foreign currency exchange. The company ceased offering its direct postal injection service in the first quarter of 2019.

^{4, 5} Net income attributable to common shareholders and diluted earnings per share were adversely impacted by: the reduction in revenue noted above and higher interest expense year-over-year, partially offset a reduction in cost of transportation and services. Diluted earnings per share was also impacted by the share repurchase activity.

2019 Financial Targets

Our full-year 2019 financial targets⁶ are:

- Revenue growth of (1%) to 1% year-over-year, which translates to organic revenue growth of 2.5% to 4.5%, reflecting the expected impact of lower truckload rates in freight brokerage and an unfavorable foreign currency exchange;
- Adjusted EBITDA in the range of \$1.675 billion to \$1.725 billion, or year-over-year growth of 7% to 10%;
- Free cash flow in the range of \$575 million to \$675 million;
- Net capital expenditures in the range of \$400 million to \$450 million;
- Depreciation and amortization in the range of \$765 million to \$785 million;
- Effective tax rate in the range of 25% to 28%; and
- Cash taxes in the range of \$130 million to \$150 million.

Our guidance provides visibility into our positive outlook on 2019. We've increased our free cash flow range by \$50 million and raised the low end of adjusted EBITDA by \$25 million, while expecting GAAP revenue to be flat year-over-year. We expect adjusted EBITDA growth to accelerate as we move from the third quarter into the fourth quarter. This outlook assumes continued macro growth in both North America and Europe, although at a slower pace than in 2018.

We anticipate financial benefits from the record number of logistics projects we started up throughout 2018, the expansion of our last mile hubs, our LTL optimization plan and the launch of our strategic accounts team in Europe. In addition, we should continue to see positive impacts from the workforce productivity initiatives we have underway, and we're getting good traction with XPO Direct™.

Clear Path for Continued Growth and Profitability

In summary, we're continuing to execute our growth strategy in the trillion-dollar addressable market where we operate. We see an opportunity to continue to further differentiate XPO on the basis of superior customer service. We ask ourselves: Is the customer thrilled to have chosen XPO? Are we constantly improving the value we deliver? There are always ways we can help our customers operate more efficiently and reduce their costs; that's the most sustainable path to shareholder value.

Our ability to drive efficiencies through technology in so many parts of the supply chain — from sourcing to final destination — clearly resonates with customers. Our partnership approach and our proprietary technology are major reasons why 69% of Fortune 100 companies use XPO.

⁶ As updated August 1, 2019.

When we receive awards for excellence from world-class companies, such as Boeing, Diebold, Ford, GM, Nissan, Nordstrom, Raytheon, The Home Depot and Whirlpool, we know we're doing our job. Last month, we were awarded a contract extension through 2024 as the official transportation partner of the Tour de France. This is the thirty-ninth consecutive year we've partnered with the renowned cycling event. We take great pride in supporting the Tour participants on the world stage, as we do with other global competitions: the Schneider Electric Paris Marathon, Tour Voile, Evian Gold Championship, Arctic Race of Norway, Freeride World Tour and Coupe de France.

In 2016, XPO made the Fortune 500 list for the first time, and one year later, we were 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 three consecutive years.

In Italy, we were awarded Logistics Company of the Year for innovation two years in a row. *Logistics Manager* named us 3PL of the Year. And in the UK, we were voted one of Glassdoor's top three Best Places to Work. *Forbes* ranked us as the top-performing US company on the Global 2000 and one of America's Best Employers. In March, *Forbes* named us one of the best companies to work for in Spain. We thank our employees for creating the culture that has led to these recognitions.

This year, *Fortune* once again named us one of the World's Most Admired Companies, and ranked us first in our category of trucking, transportation and logistics. Many of the criteria for Most Admired Companies mirror strengths of XPO: innovativeness, long-term investment value, financial soundness, wise use of corporate assets and effectiveness in conducting a global business.

Today, our company is more capable of creating significant shareholder value than at any time in its history. Our strong competitive moat includes leading positions in fast-growing areas of transportation and logistics, a broad range of integrated supply chain solutions, important advantages of scale, and differentiation through cutting-edge technology. We have seasoned operators in place, a motivated workforce and meticulous growth plans for each line of business. It's worth noting that about 19% of XPO's diluted outstanding shares are held by company executives and directors, which aligns their interests with those of our public shareholders.

We're confident that we'll once again grow adjusted EBITDA faster than revenue this year, improve free cash flow and gain share in our key lines of business. We're managing our costs and capital with discipline, while continuing to invest in technology that positions us for the future. Our greatest opportunities to serve the interests of our investors and our customers are still ahead.

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 for the quarter and six months ended June 30, 2019 used in this document include: earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted EBITDA margin on a consolidated basis; free cash flow; adjusted net income attributable to common shareholders and adjusted earnings per share (basic and diluted) ("adjusted EPS"); adjusted operating income and adjusted operating ratio for our North American less-than-truckload business; and organic revenue and organic revenue growth on a consolidated basis.

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, integration and rebranding costs as well as adjustments for restructuring costs. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition and include transaction costs, acquisition and integration consulting fees, 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. Rebranding adjustments primarily relate to the rebranding of the XPO Logistics name on our truck fleet and buildings. 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 adjusted net cash used in operating activities, less payment for purchases of property and equipment plus proceeds from sale of property and equipment, with adjusted net cash used in operating activities defined as net cash used in operating activities plus cash collected on deferred purchase price receivables. We believe that EBITDA and adjusted EBITDA 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 attached tables 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 attributable to common shareholders and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities. We believe that adjusted operating income and adjusted operating ratio 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 restructuring costs and amortization expenses and, (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables. We believe that organic revenue is an important measure because it excludes the impact of the following items: foreign currency exchange rate fluctuations, fuel surcharges and revenue associated with our direct postal injection service in last mile.

With respect to our 2019 financial targets for adjusted EBITDA, free cash flow and organic revenue growth, as well as our 2021 target for EBITDA in our North American less-than-truckload business, each of which is a non-GAAP measure, a reconciliation of the non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described below that we exclude from the non-GAAP target measure. 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 balance sheet, statement of income and statement of cash flow, 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 2019 financial targets for our consolidated revenue growth, organic revenue growth, adjusted EBITDA, free cash flow, net capital expenditures, depreciation and amortization, effective tax rate, cash taxes and the free cash flow benefit from our trade receivables programs, as well as our 2021 target for EBITDA in our North American less-than-truckload business, our revenue run rate target for XPO Direct by 2022 and our potential profit growth opportunity by 2022. 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; competition and pricing pressures; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; 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; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; fuel price and fuel surcharge changes; issues related to our intellectual property rights; governmental regulation, including trade compliance laws; and governmental or political actions, including the United Kingdom's likely exit from the European Union. All forward-looking statements set forth in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this document speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

AUGUST 2019

Investor Presentation

Disclaimers

NON-GAAP FINANCIAL MEASURES.

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This document contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA for the three- and six-month periods ended June 30, 2019 and 2018; EBITDA, adjusted EBITDA and adjusted EBITDA excluding truckload for the twelve-month periods ended December 31, 2018, 2017, 2016 and 2015; free cash flow for the three- and six-month periods ended June 30, 2019 and 2018, and the twelve-month periods ended December 31, 2018, 2017, 2016 and 2015; adjusted net income attributable to common shareholders and adjusted earnings per share (basic and diluted) ("adjusted EPS") for the three- and six-month periods ended June 30, 2019 and 2018; adjusted operating income and adjusted operating ratio for our North American less-than-truckload business for the three- and six-month periods ended June 30, 2019 and 2018; and organic revenue and organic revenue growth for the three- and six-month periods ended June 30, 2019 and 2018, on a consolidated basis and for our logistics business.

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, integration and rebranding costs, as well as adjustments for restructuring costs. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition and include transaction costs, acquisition and integration consulting fees, 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. Rebranding adjustments primarily relate to the rebranding of the XPO Logistics name on our truck fleet and buildings. 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.

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With respect to our 2019 financial target for adjusted EBITDA, free cash flow and organic revenue growth, as well as our 2021 target for EBITDA in our North American less-than-truckload business, each of which is a non-GAAP measure, a reconciliation of the non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described below that we exclude from the non-GAAP target measure. 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 balance sheet, statement of income and statement of cash flow, 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 2019 financial targets for our consolidated revenue and organic growth, adjusted EBITDA, free cash flow, net capital expenditures, depreciation and amortization, effective tax rate, cash taxes and the free cash flow benefit from our trade receivables programs and our expected future growth prospects, as well as our 2021 target for EBITDA in our North American less-than-truckload business, our revenue run rate target for XPO Direct by 2022 and our potential profit growth opportunity by 2022. 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.

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Investor highlights: Key factors driving growth and returns

1	Leading positions in the fastest growing sectors of transportation and logistics	<ul style="list-style-type: none"> • Top three industry positions across all major business units • Over 60% of XPO's revenues are in industry sectors that are growing at 2-5x GDP
2	Fast pace of technological innovation drives competitive advantage	<ul style="list-style-type: none"> • Proprietary technology optimizes talent and assets • Data-driven technology initiatives, including warehouse automation and digital freight marketplace
3	Strong, multimodal presence in high-growth e-commerce and omnichannel	<ul style="list-style-type: none"> • Largest e-fulfillment 3PL in Europe, leading provider of reverse logistics and largest last mile provider for heavy goods in North America • Combination of scale, expertise and proprietary technology drives high consumer satisfaction levels
4	Cost and revenue initiatives represent large pool of potential profit drivers	<ul style="list-style-type: none"> • ~\$700 million to \$1 billion of profit growth opportunity through company-specific endeavors • Major levers include: pricing / revenue analytics, XPO Connect™, XPO Smart™, XPO Direct™, supply chain automation, back office and procurement optimization
5	Share growth complements opportunities for further consolidation of fragmented markets	<ul style="list-style-type: none"> • Less than 2% share across key global markets • Differentiated ability to provide complex logistics solutions on a global scale
6	Substantial advantages of scale	<ul style="list-style-type: none"> • Platform propels operating leverage, purchasing power, cross-selling and capacity to innovate • Compelling ability to provide consistent, multinational solutions to global customers
7	Significant cash flow generation	<ul style="list-style-type: none"> • 70% of revenue is asset-light, 77% of cost basis is variable • Raised free cash flow target range for FY 2019 to \$575 to \$675 million, up from \$525 to \$625 million
8	Ability to outperform the macro in all parts of the cycle	<ul style="list-style-type: none"> • Deep expertise in diverse verticals with different economic cycles • High mix of contracted business (74% in 2018) adds resilience in economic downturns
9	Expectation of free cash flow acceleration in an economic downturn	<ul style="list-style-type: none"> • Ability to modulate capex with cyclical fluctuations; low maintenance capex • Working capital becomes source of cash in economic slowdowns
10	35 top leaders and 2,500 extraordinary engineers, operators and logisticians	<ul style="list-style-type: none"> • Irreplicable moat of astute talent with blue-chip industry experience • Results-oriented innovators driving differentiation in every line of business

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

Top three transportation and logistics player across all major business units

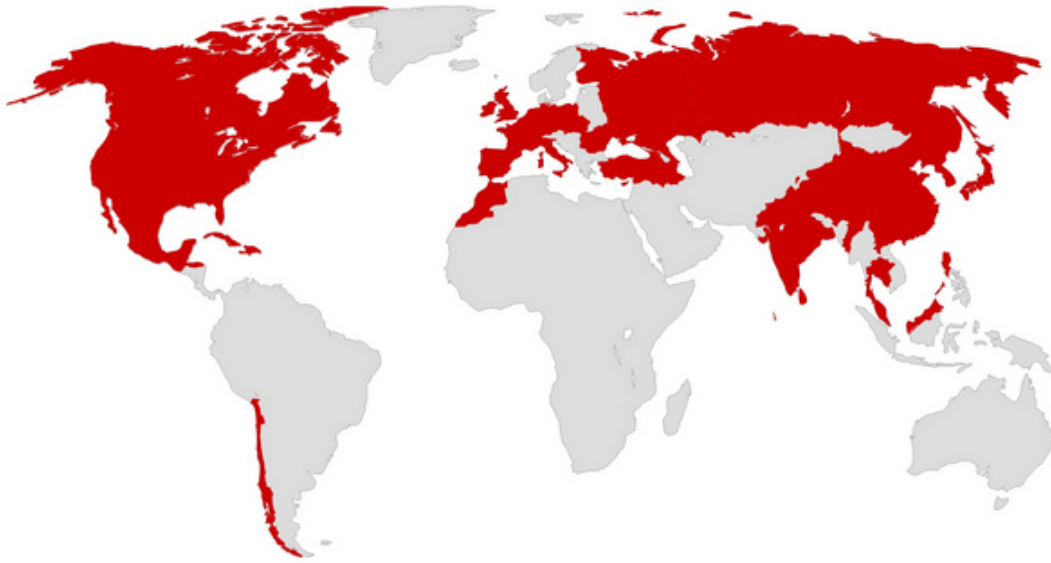
One company, one brand – innovative, global and growing

LOGISTICS 35% OF TOTAL REVENUE	TRANSPORTATION 65% OF TOTAL REVENUE			
<p>Contract Logistics</p> <ul style="list-style-type: none"> ▪ Highly engineered and customized solutions ▪ E-commerce fulfillment ▪ Reverse logistics ▪ High-value-add warehousing ▪ Factory and aftermarket support ▪ Integrated manufacturing and distribution ▪ XPO Direct™ shared distribution network 	<p>North American Less-Than-Truckload</p> <ul style="list-style-type: none"> ▪ Time-definite service ▪ Linehaul, pickup and delivery ▪ Primarily asset-based capacity ▪ National network of terminals 	<p>North American Transportation (Freight Brokerage)</p> <ul style="list-style-type: none"> ▪ Truck brokerage ▪ Intermodal / Drayage ▪ Expedite ▪ Managed Transportation ▪ Global Forwarding 	<p>North American Last Mile</p> <ul style="list-style-type: none"> ▪ Heavy goods and larger-than-parcel deliveries to the home ▪ Asset-light model utilizing independent contractors ▪ Dedicated network of last mile hubs 	<p>European Transportation</p> <ul style="list-style-type: none"> ▪ Primarily LTL, truck brokerage and dedicated transportation ▪ Top LTL provider in Western Europe ▪ Last Mile ▪ Managed Transportation

Significant advantages of scale, innovation and best practices

Note: Revenue data, excluding intersegment elimination, as reported for FY 2018

Global provider of significant capacity for customers

**GROUND TRANSPORTATION ASSETS**

16,000 tractors
40,000 trailers
9,500 53-ft. intermodal containers
5,000 chassis

NON-ASSET TRANSPORTATION NETWORK

10,000 trucks contracted via independent owner-operators
1,000,000+ brokered trucks

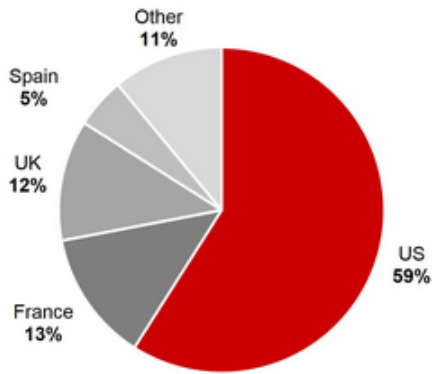
FACILITY ASSETS

472 cross-docks
801 contract logistics facilities
202 million sq. ft. warehouse space

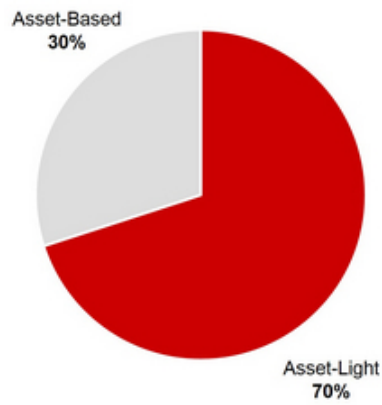
Source: Company information

Key metrics

REVENUE BY GEOGRAPHY¹



REVENUE BY MIX¹



Total Revenue 2018: \$17.3 billion

CUSTOMERS
Over 50,000

EMPLOYEES
~100,000

LOCATIONS
1,537

COUNTRIES OF OPERATION
30

Source: Company information

¹ Geographic and mix data as of FY2018; asset and key statistics as of June 30, 2019

Integrated, end-to-end supply chain solutions in massive addressable markets

Business unit	CONTRACT LOGISTICS	NORTH AMERICAN LESS-THAN-TRUCKLOAD (LTL)	EUROPEAN TRANSPORTATION	NORTH AMERICAN FREIGHT BROKERAGE/EXPEDITE	INTERMODAL/DRAYAGE	LAST MILE
Market size ¹	\$120 billion	\$43 billion	\$455 billion ²	\$375 billion	\$43 billion	\$13 billion
Market share ³	5%	9%	1%	1%	2%	8%
Market position	<ul style="list-style-type: none"> #2 largest global provider #1 largest outsourced e-fulfillment market share in Europe XPO Direct™ offers flexible shared distribution close to end-customers 	<ul style="list-style-type: none"> #3 largest LTL provider in North America More than 75,000 next-day and two-day lanes Customer base diversified across industries, regions and sizes 	<ul style="list-style-type: none"> Leading platform for truckload, LTL, truck brokerage and new last mile service #1 owned road fleet in Europe 	<ul style="list-style-type: none"> #2 largest freight brokerage player globally XPO Connect™ offers leading-edge digital marketplace, provides real-time visibility into freight market supply and demand 	<ul style="list-style-type: none"> #3 largest intermodal provider in North America 30+ years experience in cross-border Mexico freight movements by rail Dray capacity at every major port and ramp 	<ul style="list-style-type: none"> #1 North American last mile provider for heavy goods Expanded North American network hubs to 85 with 90% of the US's population within one-day range
% of 2018 gross revenue	35%	22%	16%	15%	6%	6%

¹ Includes only North American and European markets. Sources include: Armstrong and Associates, Norbridge, Inc., EVE Partners LLC, FTR Associates, SJ Consulting Group, Inc., Bureau of Economic Analysis, U.S. Department of Commerce, A.T. Kearney, Transport Intelligence, American Trucking Associations, Technavio, Bain and Company, Wall Street research and management estimates

² European transportation size only includes truckload and brokerage

³ Market share determined using business unit revenue, excluding intercompany eliminations

Superior platform to capitalize on high growth e-commerce tailwinds

WHAT E-COMMERCE SHIPPERS DEMAND

Expertise developing customized e-commerce solutions

WHAT XPO PROVIDES

- Unique provider of combined, customized solutions: warehouse management, carrier management and reverse logistics for e-commerce and omnichannel companies
- Largest e-fulfillment 3PL in Europe, with a strong position in North America
- Expertise managing peak demand periods (e.g. Black Friday/Cyber Monday)

Ability to manage complex returns and aftermarket services

- Omnichannel and reverse logistics leader in North America
- 170 million returns processed annually
- Extensive experience with product returns, testing, refurbishment, warranty management and other value-added services

Reliable last mile logistics service with high-density network

- Largest North American provider of last mile logistics for heavy goods, a growing category of online purchases, with service launched in Europe
- Industry-leading consumer satisfaction levels powered by scale and technology
- Over 10 million deliveries annually; revenue ~2x the next competitor

Lean inventory management with ability to move small shipments in shorter-haul networks

- XPO Direct™ shared-space distribution network gives customers time-definite, fast and affordable order fulfillment
- Companywide, tracking more than 7 billion units of inventory daily
- Approximately \$2.7 billion of freight under management

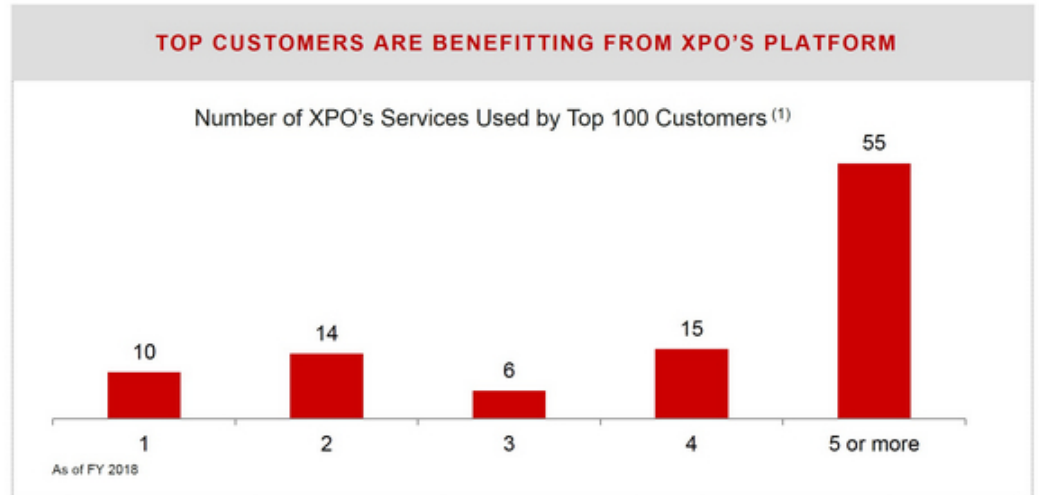
Sophisticated integration with customer technology infrastructures

- Customized logistics solutions, enabled by proprietary technology: predictive analytics, deployment of advanced warehouse automation and robotics
- Big data-driven analytics, customized dashboards, value-added pattern analysis and high-quality reporting

Less than 2% current share of \$1 trillion addressable opportunity

Strategic account teams in North America and Europe focus on winning large, incremental opportunities with new and existing customers

- 90 of XPO's top 100 customers use two or more service lines
- 69% of Fortune 100 companies trust XPO with their business



¹ Service categories are North American expedite, intermodal, last mile, brokerage, LTL and supply chain; European transport and supply chain; and global forwarding

~\$700 million – \$1 billion of potential profit growth opportunity by 2022

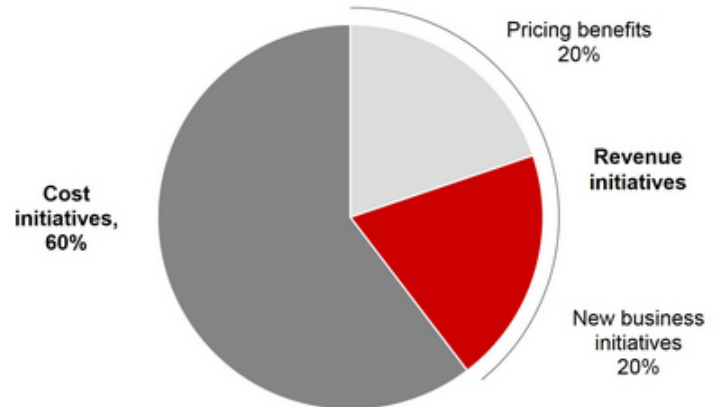
POOL OF COST OPPORTUNITIES

- XPO Smart™ workforce productivity
- LTL process improvements
- Contract logistics automation
- European logistics margin expansion
- Global procurement
- Further back-office optimization

POOL OF REVENUE OPPORTUNITIES

- Advanced pricing analytics and revenue management tools
- XPO Connect™ digital platform
- XPO Direct™ shared distribution network
- European cross-selling to strategic accounts

KEY INITIATIVES AS % OF TOTAL POTENTIAL



XPO carefully analyzes all opportunities to ensure that resources are focused on endeavors that potentially can return the most value in the form of profitable growth

Technology blueprint: Differentiation in four areas of innovation

Digital freight marketplace

- Automated capacity management
- Customer self-service, multimodal flexibility
- Connectivity through APIs

Automation and intelligent machines

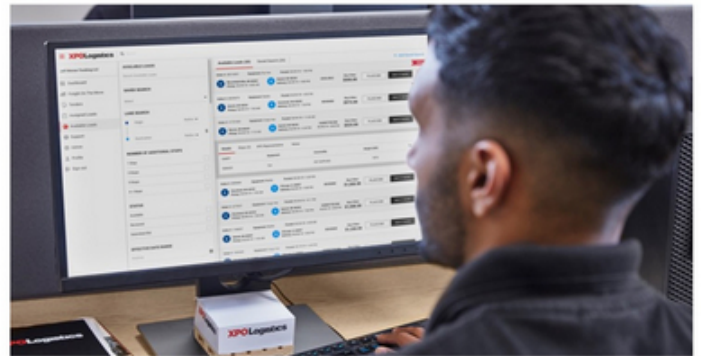
- Robots and cobots for picking and packing
- Goods-to-person autonomous robots, advanced sortation systems
- Warehouse AGVs (automated guided vehicles), augmented reality

Dynamic data science

- Artificial intelligence
- Predictive analytics
- Intelligent optimization, data visualization

Visibility and customer service

- Internet of Things
- Mobility
- Real-time tracking



~\$550 MILLION
annual investment
in technology

~1,800
technology professionals,
including over 100
data scientists

Singular technology platform propels customer and company efficiencies

Company-wide innovation drives comprehensive supply chain solutions

PERVASIVE FOCUS ON EFFICIENCY AND PRODUCTIVITY ACROSS BUSINESS UNITS

CONTRACT LOGISTICS

- XPO Smart™ warehouse suite manages operations, connects with customer systems and assimilates automation through advanced machine control
- Cloud-based solution speeds supply chain startups and robotics integration
- XPO Smart™ labor initiative offers visibility through real-time data, machine learning and predictive analytics on optimal staffing levels
- Integration of Last Mile with Contract Logistics via XPO Direct™ offers a powerful value proposition to retail, e-commerce and manufacturing customers across the supply chain

LTL

- Optimizes LTL pricing, load builds, deliveries and routes
- Feeds machine learning and data science through comprehensive data capture
- Improves linehaul load factor through machine learning and AI
- Facilitates selling LTL across more verticals to diversify base
- Provides full visibility of shipment status with end-to-end tracking
- Customer self-service for booking and managing freight

LAST MILE

- Customer self-service technology schedules deliveries efficiently
- XPO Connect LM platform with smart analytics automates route planning and more
- Digital management of the delivery process is seamless for consumers
- Real-time technology captures actionable feedback post-delivery
- Augmented reality improves satisfaction

FREIGHT BROKERAGE

- XPO Connect™ is radicalizing efficiency in digital freight transactions
- Fully automated and self-learning marketplace links shippers and carriers
- Recent launch of XPO Connect™ dynamic pricing tool for truckload improves carrier procurement behavior
- Pricing algorithms deployed through Freight Optimizer
- Automated carrier matching leverages machine learning

Customers trust us with 160,000 ground shipments and more than 7 billion inventory units daily

Cloud-based springboard for multiple profit improvements

Cohesive suite of proprietary technology products that focus on the most critical supply chain disciplines, leveraging machine learning to provide mode-agnostic, intelligent and adaptive solutions for customers

Direct by XPOLogistics

E-COMMERCE, RETAIL AND MANUFACTURING

- XPO Direct™ shared-space network of strategically placed stockholding sites, cross-docks and last mile hubs
- Connectivity between national footprint of dedicated contract logistics facilities, last mile hubs and brokerage network
- Real-time, end-to-end visibility via a single tracking number
- Integrated with postal services and other parcel carriers
- Expected to reach \$1 billion revenue run rate by 2022

Smart by XPOLogistics

LABOR AND CAPACITY OPTIMIZATION

- WMx deployment of advanced automation, faster startups and reduction in third-party technical support
- Focus on machine control and process optimization with real-time visibility
- Intelligent, predictive labor optimization in warehouse and LTL dock operations
- Supports implementation of centralized team deployed to key projects that create and retain value for the company

Connect by XPOLogistics

AUTOMATED SHIPPER-CARRIER CONNECTIVITY

- Fully automated and self-learning marketplace for transportation transactions
- Dynamic pricing optimizes margins and drives share
- Supports expansion of managed transportation
- Brokerage automation integrates Freight Optimizer and Drive XPO™ carrier app
- Intermodal automation integrates Rail Optimizer and supports drayage network
- Last mile automation integrates Connect LM and Ship XPO™

Holistic approach encourages customer use of multiple XPO services

XPO is at the forefront of supply chain innovation

INDUSTRY EVOLUTION	XPO'S ADVANTAGE
<p>Moving from relationship-based industry to automated, data-centric space</p>	<ul style="list-style-type: none"> ▪ XPO Connect™ leverages XPO's breadth of transportation services to offer a multimodal experience with zero-touch automation capability ▪ Proactive revenue generation gives smaller customers access to mode-agnostic transportation offerings and analytics previously available only to tier-one shippers
<p>Digital platforms provide access to capacity</p>	<ul style="list-style-type: none"> ▪ XPO Connect™ propels cross-selling of transportation solutions to enhance customer experience and service levels ▪ Differentiated platform with access to both significant capacity and shipping volume
<p>Price transparency – efficient connection to long tail of capacity to reduce shipping costs</p>	<ul style="list-style-type: none"> ▪ Ability for customers to integrate XPO's solutions directly into their own systems via pricing and order creation APIs, eliminating the need to access multiple systems ▪ XPO's managed transportation service offers customers the experience of a single system to manage their business with their transportation provider ▪ XPO Connect™ pricing tool enhances price discovery in an increasingly transparent market
<p>Monitor, track and optimize transportation spend</p>	<ul style="list-style-type: none"> ▪ Ability to provide customers with a holistic view of their transportation portfolios through XPO Connect™ for continuous optimization ▪ Unique customer interface includes self-service analytics, quote management and tracking management
<p>Carriers seeking loads and driver-friendly features</p>	<ul style="list-style-type: none"> ▪ XPO's proprietary technology connects large shipping volumes with multimode platform for service and capacity aggregation ▪ XPO Connect™ facilitates easy booking of loads that will fill downtime and reduce empty miles

Highly skilled management team

LEADERSHIP

Bradley Jacobs
Chief Executive Officer

Josephine Berisha
Senior Vice President, Global Compensation and Benefits

Tony Brooks
President, Less-Than-Truckload – North America

Erik Caldwell
Chief Operating Officer, Supply Chain – Americas and Asia Pacific

Richard Cawston
Managing Director, Supply Chain – Europe

Michele Chapman
Senior Vice President, Global Sales Operations

Ashfaque Chowdhury
President, Supply Chain – Americas and Asia Pacific

Troy Cooper
President

Matthew Fassler
Chief Strategy Officer

Sarah Glickman
Acting Chief Financial Officer; Senior Vice President, Corporate Finance

Luis-Angel Gómez Izaguirre
Managing Director, Transport – Europe

Mario Harik
Chief Information Officer

Note: Partial list in alphabetical order

PRIOR EXPERIENCE

United Rentals, United Waste

Morgan Stanley

Sysco, PepsiCo, Roadway

Hudson's Bay, Luxottica

Asda, Norbert Dentressangle

Amazon

New Breed

United Rentals, United Waste

Goldman Sachs

Novartis, Honeywell, Bristol-Myers Squibb

Norbert Dentressangle

Oakleaf Waste Management

Highly skilled management team (cont.)

LEADERSHIP

Tavio Headley
Senior Director, Investor Relations

Meghan Henson
Chief Human Resources Officer

Erin Kurtz
Senior Vice President, Communications

Katrina Liddell
Senior Vice President, Transportation Sales – North America

John Mitchell
Chief Information Officer, Supply Chain – Americas and Asia Pacific

Patrick Oestreich
Senior Vice President, Strategic Sales and Account Management

Emily Phillips
Senior Vice President, Advanced Solutions

Greg Ritter
Chief Customer Officer

Sanjib Sahoo
Chief Information Officer, Transport Solutions

Christopher Synek
President, Transportation – North America

Daniel Walsh
President, Last Mile

Malcolm Wilson
Chief Executive Officer, XPO Logistics Europe

PRIOR EXPERIENCE

Jefferies, American Trucking Associations

Chubb, PepsiCo

Thomson Reuters, AOL

Johnson Controls International

New Breed, Pep Boys, Lowe's

DB Schenker

Home Depot, JDA Software

Knight Transportation, C.H. Robinson

TradeMONSTER

Republic Services, Cintas

Brambles, CHEP

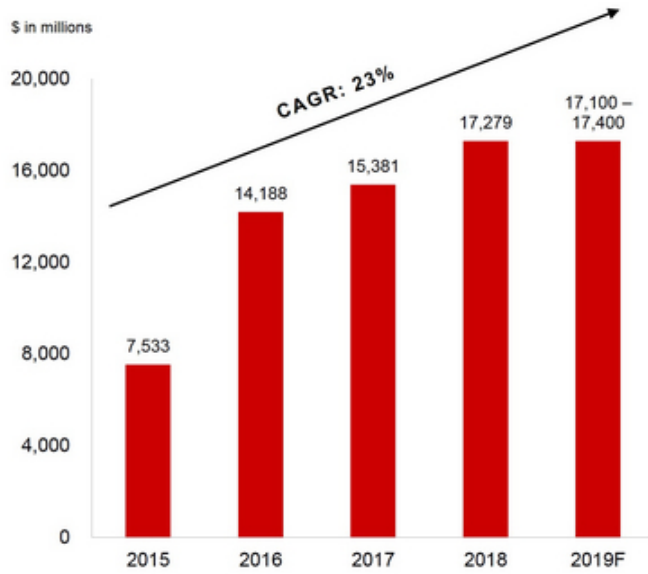
Norbert Dentressangle, NYK Logistics

Note: Partial list in alphabetical order

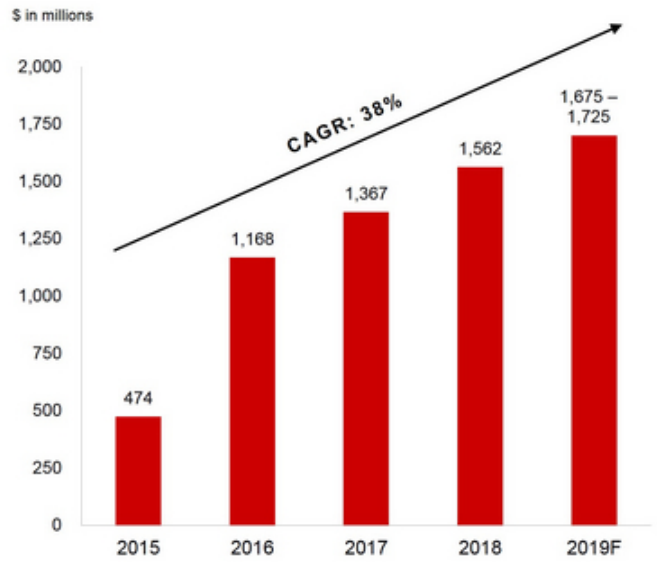
Financial highlights and key metrics

Industry-leading growth in revenue and adjusted EBITDA

REVENUE



ADJUSTED EBITDA

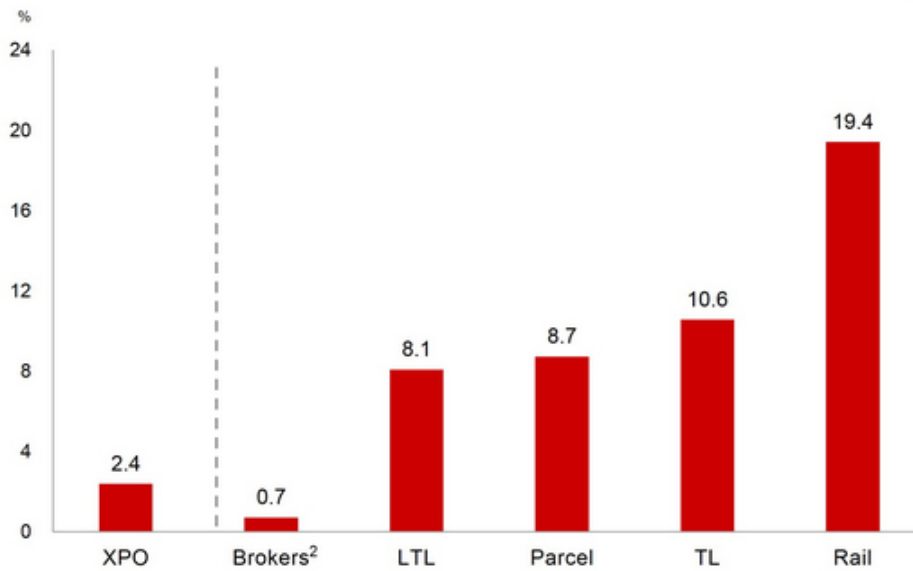


Note: Both charts exclude impact of divested North American truckload unit
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Optimal asset / non-asset business mix

Flexible business model enhances customer service and financial returns

2018: LOW NET CAPEX¹ AS % OF REVENUE VS. COMPETITOR GROUPS

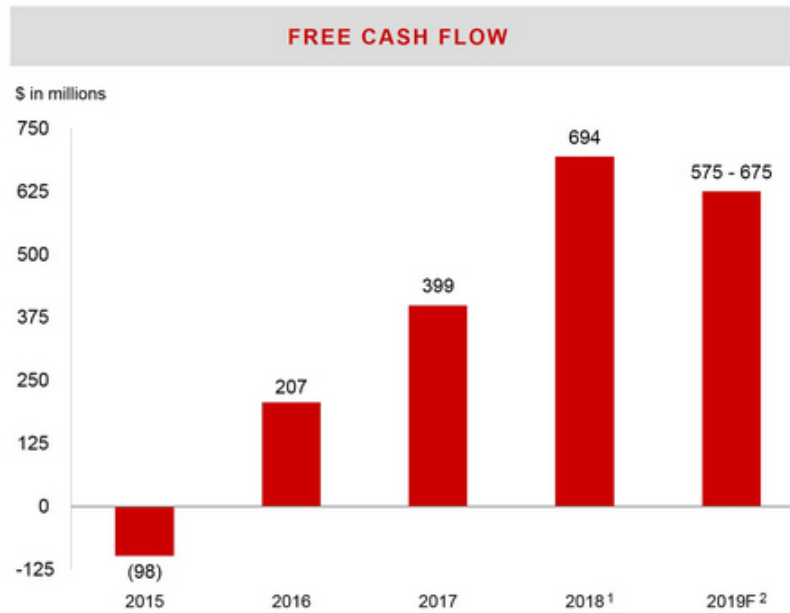


¹ Net capex is defined as payment for purchases of property and equipment less proceeds from sale of assets

² Brokers include CH Robinson, Echo Global Logistics and Expeditors International; LTL includes Old Dominion Freight Line, YRC Worldwide, ArcBest and Saia; Parcel includes FedEx and UPS; TL includes Werner Enterprises, Knight-Swift Transportation and Heartland Express; Rail includes CSX Rail Corp, Norfolk Southern, Union Pacific, Kansas City Southern, Canadian Pacific Railway and Canadian National Railway Company; figures calendarized to December 31 year end, with exception of Echo Global Logistics and Expeditors International calendarized to last twelve months as of September 30, 2018

Strong free cash flow generation

Our 2019 free cash flow guidance reflects lower cash interest and lower cash taxes, along with disciplined capital expenditures and strong working capital management



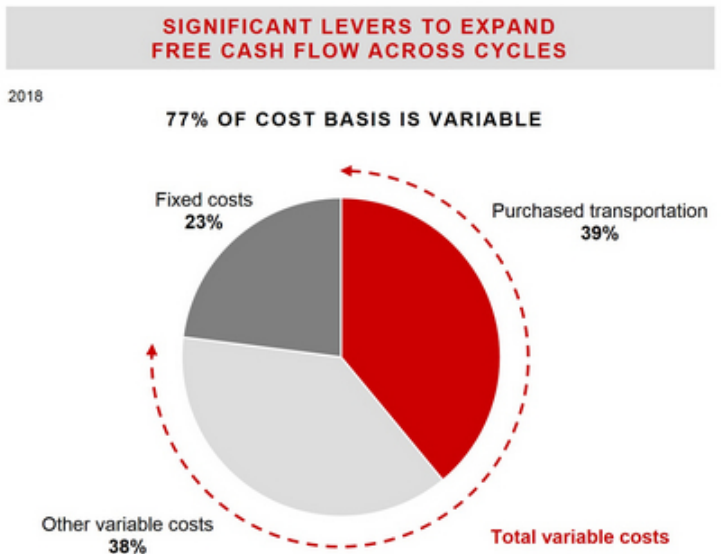
¹ 2018 free cash flow includes an incremental benefit of approximately \$200 million from trade receivables programs

² 2019F free cash flow reflects: 1) the company's adjusted EBITDA target of \$1.675 billion to \$1.725 billion; 2) the company's net capex target of \$400 million to \$450 million, including \$650 million of gross capex and \$200 million to \$250 million of asset sales; 3) anticipated cash interest expense of \$275 million to \$290 million; 4) a cash tax range of \$130 million to \$150 million, and 5) working capital as a use of cash, offset by an expected incremental benefit to free cash flow of \$125 million to \$150 million from trade receivables programs

Notes: 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

Operating flexibility across all economic environments

- Blended model of owned, contracted and brokered capacity for truck transportation
 - Non-asset portion is predominantly variable-cost and includes brokerage operations, as well as contracted capacity with independent providers
- Contracted businesses demonstrate greater resilience during an economic downturn
 - XPO's logistics relationships are characterized by long-term contractual agreements with an initial tenure of five years on average and historical renewal rates over 95%
 - Last mile core heavy goods business benefits from contracted revenue streams and non-asset model
- Potential volume declines in macro slowdown can be mitigated by margin expansion in brokerage and managed transportation as cost of capacity declines
- Ability to generate even stronger cash flows in economic downturns
 - Can flex capex with cyclical fluctuations; low growth and maintenance capex requirements
 - Working capital becomes source of cash
- Predecessor companies displayed strong resilience in last financial crisis
 - EBITDA minus capex as a % of revenue remained at ~5%¹ from 2007 through 2009



Source: Company estimates

¹ Includes financial performance of Con-way, Jacobson (excluding Jacobson forwarding business), Norbert Dentressangle (pro forma for acquisition of Christian Salvesen) and New Breed

Full-year 2019 financial targets

REVENUE GROWTH	Revenue growth of (1%) to 1% year-over-year, which translates to organic revenue growth of 2.5% to 4.5%
ADJUSTED EBITDA	Adjusted EBITDA in the range of \$1.675 billion to \$1.725 billion, or year-over-year growth of 7% to 10%
FREE CASH FLOW	Free cash flow in the range of \$575 million to \$675 million
NET CAPEX	Net capital expenditures in the range of \$400 million to \$450 million
DEPRECIATION AND AMORTIZATION	Depreciation and amortization in the range of \$765 million to \$785 million
EFFECTIVE TAX RATE	Effective tax rate in the range of 25% to 28%
CASH TAXES	Cash taxes in the range of \$130 million to \$150 million

Notes: Financial targets updated August 1, 2019; refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Q2 2019 results, compared with Q2 2018

REVENUE	\$4.24 billion of revenue, compared with \$4.36 billion
ORGANIC REVENUE GROWTH	1.2% organic revenue growth
NET INCOME	\$122 million of net income, compared with \$138 million
DILUTED EPS	\$1.19 diluted earnings per share, compared with \$1.03
ADJUSTED NET INCOME	\$132 million of adjusted net income, compared with \$132 million
ADJUSTED DILUTED EPS	\$1.28 adjusted diluted earnings per share, compared with \$0.98
ADJUSTED EBITDA	\$455 million of adjusted EBITDA, compared with \$437 million
CASH FLOW FROM OPERATIONS	\$260 million of cash flow from operations, compared with \$267 million
FREE CASH FLOW	\$246 million of free cash flow, compared with \$193 million

\$2.5 billion share repurchase program

As of June 30, 2019, XPO had approximately 92 million shares of common stock outstanding, compared with 127 million shares outstanding on September 30, 2018.

FROM DECEMBER 14, 2018 THROUGH JUNE 30, 2019, THE COMPANY REPURCHASED:

Number of shares	35.2 million shares of XPO common stock
Price per share	\$53.42 average price per share
Total cost	\$1.9 billion approximate total cost of repurchases

Our liquidity gives us considerable flexibility in making the best capital allocation decisions on behalf of our shareholders

The company is not obligated to repurchase any specific number of shares, and can suspend or discontinue the program at any time.

Business overview: Global logistics

Capitalizing on fast-growing areas of logistics through technology

Comprehensive, end-to-end service range with high-value-add solutions

- Diverse, customized logistics and distribution services, including highly engineered and tech-enabled solutions
- Full-service positioning has led to consistent market share gain over the last three years

Best-in-class e-commerce fulfillment platform with exposure to diverse end-markets

- Extensive reach and integrated transport network provide customers with the flexibility to manage production flows, growth initiatives and peak management
- Leading 3PL provider across retailing, consumer goods, technology, food and beverage, industrial and automotive¹

Global partner with scale, well-positioned to address complex supply chain needs

- XPO's global footprint and integrated transport network provide customers with the flexibility to manage production and changes in demand
- Industry-leading consumer satisfaction levels powered by scale and technology
- Top five industrial tenant in the world, with significant real estate expertise

Proprietary warehouse management technology with focus on automation and labor efficiency

- XPO Smart™ suite delivers labor efficiency through advanced analytics and machine learning
- Strategic investment in automation and robotics capabilities

XPO Direct™ offers compelling nationwide solutions for e-commerce and retail fulfillment

- Shared-space storage and distribution network positions company to capitalize on increasing demand for flexible, dynamic e-commerce fulfillment services
- Unique, bundled selling of contract logistics, last mile for heavy goods and other transportation solutions; 99% of US population served via two-day ground delivery

¹ Based on number of customer relationships, per Armstrong & Associates

Second largest provider of contract logistics worldwide

LEADING MARKET POSITION IN DIVERSE VERTICALS¹

VERTICAL	XPO POSITION
Chemicals	#1
Consumer goods	#1
Food and beverage	#1
Industrial	#1
Retail and e-commerce	#1
Automotive	#2
Technological	#2
Healthcare	#6

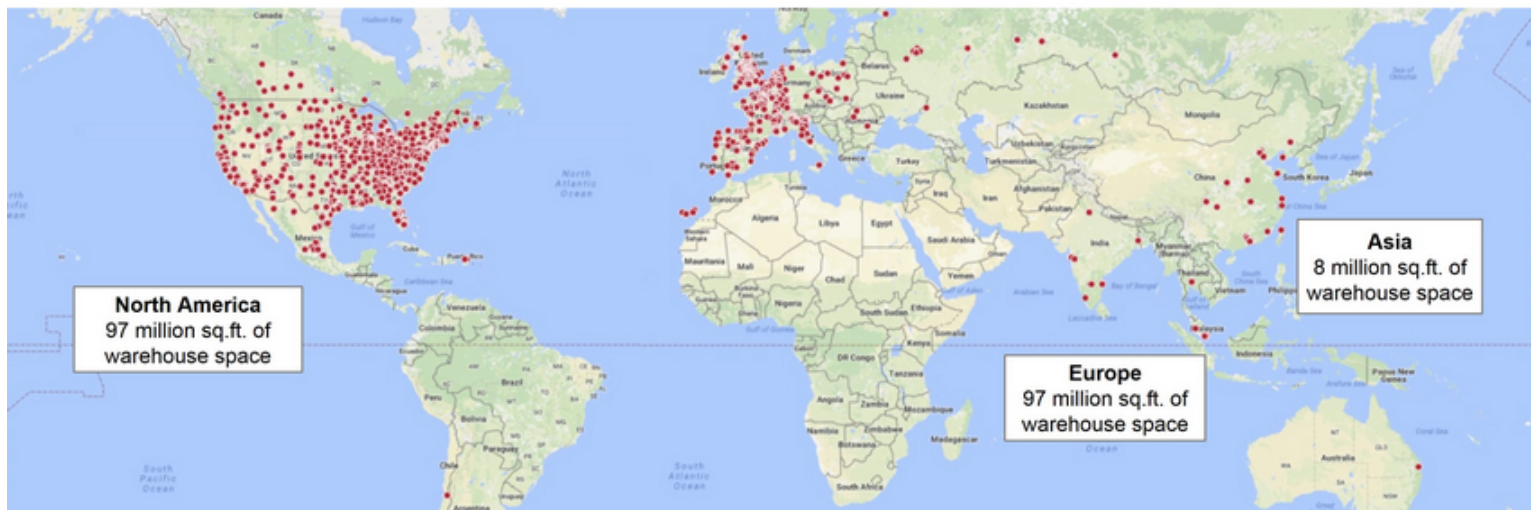
- ~\$120 billion global opportunity
- Enormous growth opportunity beyond current 5% market share
- Continue to capture market share and grow share of wallet with existing customers

KEY METRICS

Industry size	~\$120 billion
2018 revenue as % of total XPO revenue	35%
Locations	801
Facility space	202 million sq. ft. (97 million sq. ft. in North America)
Employees	~56,000
Average contract length	~5 years
Historical renewal rate	95%

Source: Company information, industry research, Armstrong & Associates, public company filings
¹ Based on number of global customer relationships

Strong value proposition of scale, technology and operational expertise



Expansive global footprint of contract logistics facilities

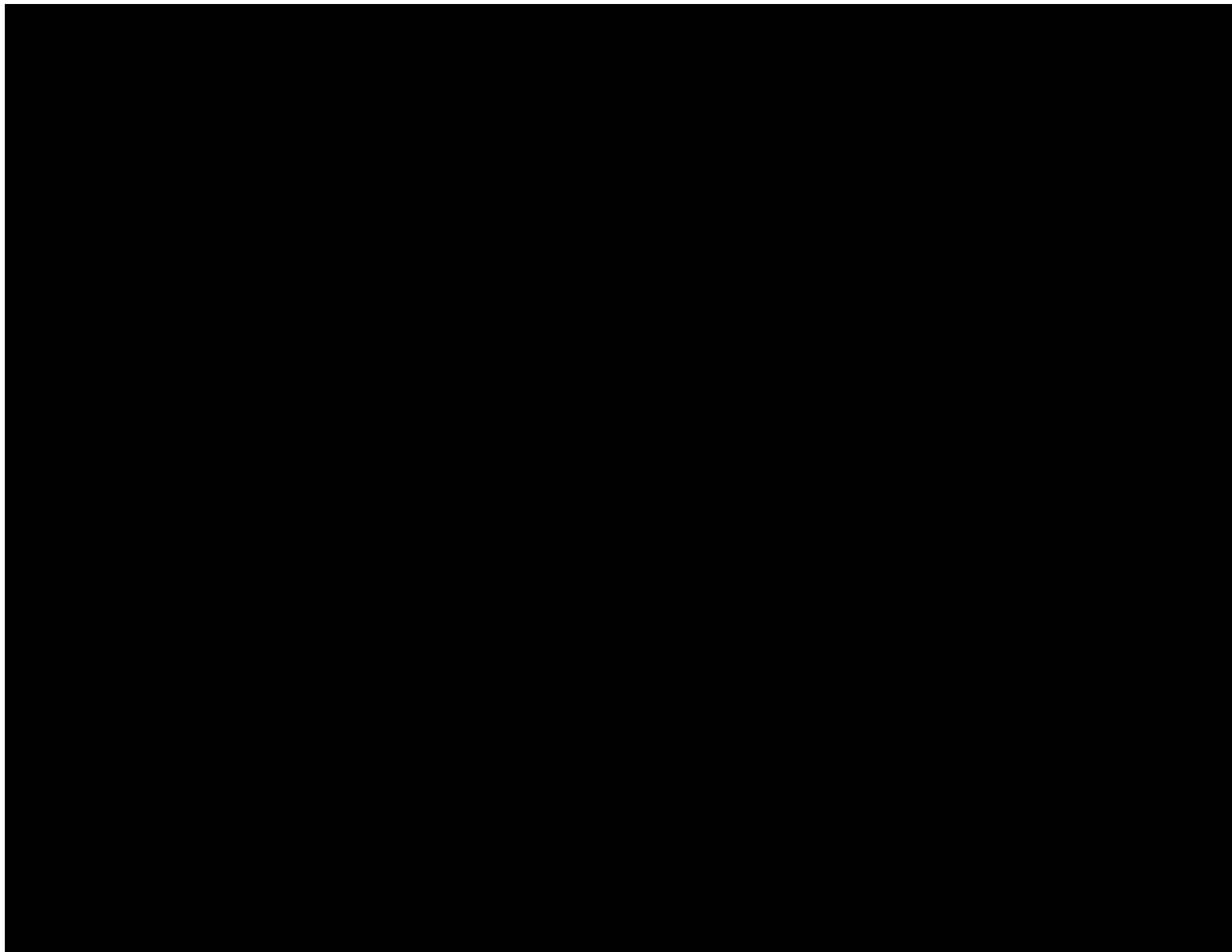
- Strong moat of blue-chip supply chain professionals
- Competitive cost structure: global top five industrial real estate tenant; top procurer of temporary labor, material handling equipment and packaging
- Proprietary technology for management of warehouse facilities, processes, automation, labor, demand and fulfilment
- Comprehensive R&D capability to assess, develop and deploy new technologies
- Extensive expertise in inventory and capacity management, forecasting, industrial engineering, LEAN operations, automation, security and safety

Source: Company information; warehouse square feet as of June 30, 2019

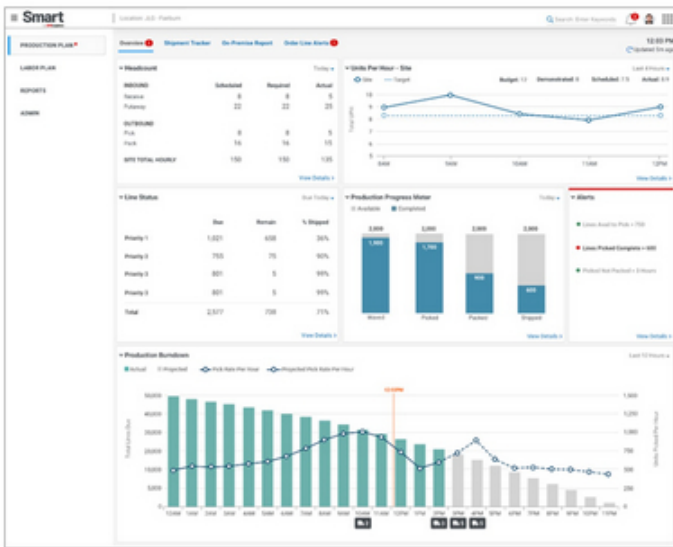
Sophisticated capabilities deeply integrated with customer supply chains

Comprehensive capabilities for e-commerce fulfillment, forecasting and returns protect customer brands and strengthen consumer loyalty

FULFILLMENT	INBOUND LOGISTICS AND MANUFACTURING SUPPORT	REVERSE LOGISTICS AND AFTERMARKET SUPPORT	VALUE-ADDED SERVICES	WAREHOUSING	SUPPLY CHAIN OPTIMIZATION
					
<ul style="list-style-type: none"> ▪ Multichannel services ▪ Pick, pack and dispatch services ▪ Inventory management with web portals ▪ Quality assurance ▪ Courier management ▪ Peak activity management 	<ul style="list-style-type: none"> ▪ Flow optimization ▪ Space maximization ▪ Replenishment automation ▪ Inventory regulation through a vendor-management model 	<ul style="list-style-type: none"> ▪ A leading reverse logistics provider in North America and Europe, and the UK market leader specializing in retail and grocery asset management ▪ Customized, analytics-driven return-to-retail, refurbishment and disposal services ▪ Aftermarket support for optimal service and stock 	<ul style="list-style-type: none"> ▪ Packaging ▪ Co-packing ▪ Kitting ▪ Bundling ▪ Collateral fulfillment ▪ Channel-specific boxing and labeling ▪ Retail compliance ▪ Customizations 	<ul style="list-style-type: none"> ▪ Offers customers the ability to shift between short-term and long-term needs and from fixed to variable costs with seasonal flexibility ▪ Agility supported by XPO's technology and experienced operators 	<ul style="list-style-type: none"> ▪ Cross-functional technology platform that analyzes inventory patterns ▪ Strategy formulation for speed-to-market and multichannel management ▪ Demand forecasting and planning



XPO Smart™: Proprietary, cutting-edge logistics management tools



- Labor planning and analytics, slotting, order analytics, forecasting and inventory control
- Business intelligence to drive productivity and operational effectiveness
- Online access from anywhere in the world via Office365 login
- Rapid and real-time information
- Overview screen displays in 60-90 seconds, showing of-the-moment productivity
- Granular-level detail in two to three clicks

- ADVANCED FEATURES**
- Labor management and planning
 - Attendance tracking
 - Production management, inbound and outbound
 - Productivity tracking
 - SKU velocity
 - Employee engagement
 - Controlled by centralized planning team

Interactive software manages all warehousing and distribution processes in unison

XPO Smart™: Productivity, visibility and control of warehouse operations

**WMx****Warehouse management**

Manages all distribution processes within the warehouse walls

OMx**Order management**

Centralizes customer order data, enables real-time visibility

CMx**Connection management**

Integrates customer systems with XPO product suite

WCx**Warehouse controls**

Provides control of automation and robotics fully integrated with warehouse management software

BAx**Business analytics**

XPO algorithms generate reports, insights and forecasts

Proprietary platform drives efficiency by providing high levels of visibility and control

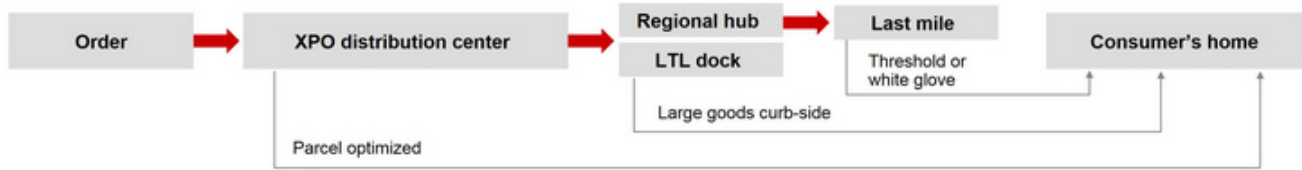
XPO Direct™: Unique, shared-space distribution model offers many benefits

- Flexible, variable-cost model solves challenges of seasonal peaks and fluidity
- B2C and B2B customers improve service to end-customers without making large capital investments with fixed costs
- Predictive XPO algorithms forecast optimal stock positioning for future dates, becoming continually smarter through machine learning
- Retailers, e-tailers and manufacturers effectively rent XPO's warehouse capacity, operations, technology, labor and transportation as needed
- National solution with critical mass



Network utilizes strategically placed XPO stockholding sites, cross-docks and last mile hubs

Compelling, nationwide solution for retail distribution



SPEED AND LOW COST

Scale and proximity Speeds up store replenishment and home delivery; reaches 99% of population with one- to two-day ground

Fully integrated Provides a single tracking number from supplier to consumer, through XPO's network

Shared space Allows retailers to position and reposition inventory based on consumer demand and seasonal patterns

All sizes fit Parcel delivery for small items and white-glove, inside-the-home delivery for big and bulky items

ONE TRACKING NUMBER END-TO-END

XPOLogistics

Saturday
DECEMBER 22

DELIVERED

Shipped 12/20/2018 In Transit Out for Delivery 12/22/2018 **Delivered** 12/22/2018

Shipment Origin: CAROLLE, PA 17015 | Shipment Destination: Day Minolta, AL 36587

CUSTOMER FEEDBACK

HOW ARE WE DOING?
☆☆☆☆☆

ORDER SUMMARY

Reference Numbers
XPO Shipment Number: 091000000010014
Booking ID: 14111111111111111111111111111111

TRACKING HISTORY

Delivered

Day Minolta, AL
12/22/2018 - 12:28 PM
Event status: Delivered
Event message: Delivered 12/22/2018 12:28 PM

In Transit

THEBORN, AL
12/22/2018 - 7:19 AM
Event status: Out for Delivery
Event message: On Public vehicle for delivery

THEBORN, AL
12/22/2018 - 7:01 AM
Event status: Arrived at Retailer/Partner Facility

Business overview: North American Transportation

- Less-than-truckload
 - Truck brokerage
 - Last mile
 - Intermodal and drayage
 - Managed transportation
 - Freight forwarding
-

Less-than-truckload: Clear path to at least \$1 billion EBITDA in 2021

Favorable long-term industry fundamentals

- Rational pricing dynamics
- Rapid growth of e-commerce driving retail shipments to LTL carriers

National coverage offers advantages of scale

- Natural competitive advantage over regional counterparts, due to scale and visibility of volume flows
- Growing lane density continues to contribute to margin uplift, given operating leverage

Proprietary network optimization software with technology-driven path to further profit improvement

- Network optimization via intelligent load-building, yard management, dynamic pricing and route optimization through machine learning and AI
- XPO Smart™ tools driving process improvements and labor productivity to significantly reduce labor-related expenses

Growing cross-selling opportunities

- Increasing base of LTL customers utilizes XPO's service platform for other logistics solutions
- XPO's footprints of LTL cross-docks and last mile hubs are strategically placed to capture share of wallet from customers looking for end-to-end services

Strategic focus on high-yielding freight

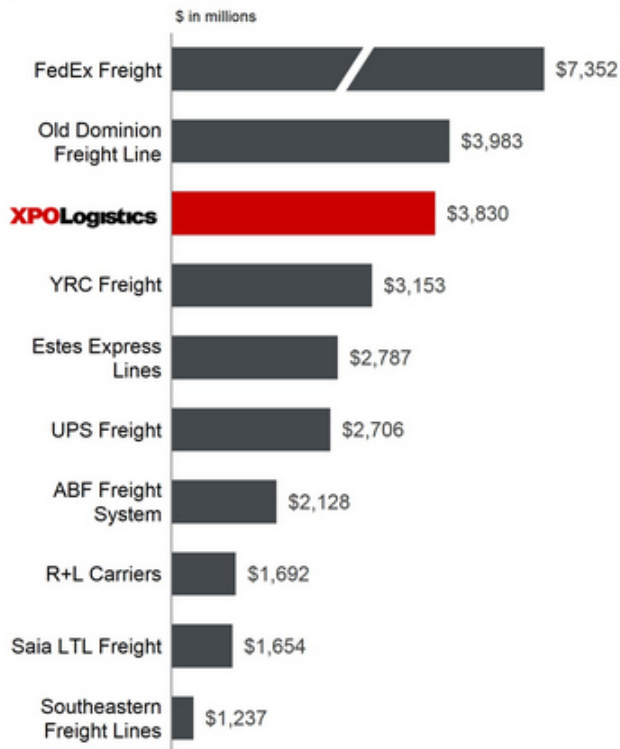
- Growing yields on both national accounts and local accounts, aided by dynamic pricing algorithms
- Diversified, high-yield customer base across industries, regions and types

Track record of growth and margin expansion with significant upside

- Resilient cash flow generation across freight cycle due to disciplined yield performance, working capital and ability to flex capex

LTL: Top three provider in North America

TOP LTL PROVIDERS BY REVENUE 2018¹



Source: SJ Consulting Group
¹ Includes fuel surcharge

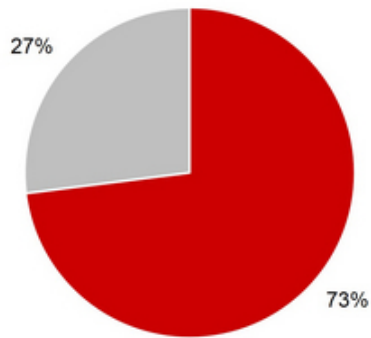
XPO KEY METRICS

Industry size	~\$43 billion
2018 revenue as % of total XPO revenue	22%
Employees	~21,000
Cross-dock facilities	290
Number of tractors / trailers	~8,300 / 25,000
Average length of haul	803.8 miles
Average tractor fleet age	5.54 years

LTL: Opportunity to serve customers with additional XPO services

LTL CUSTOMERS LEVERAGE MULTIPLE XPO SERVICES¹

LTM MAY 2019

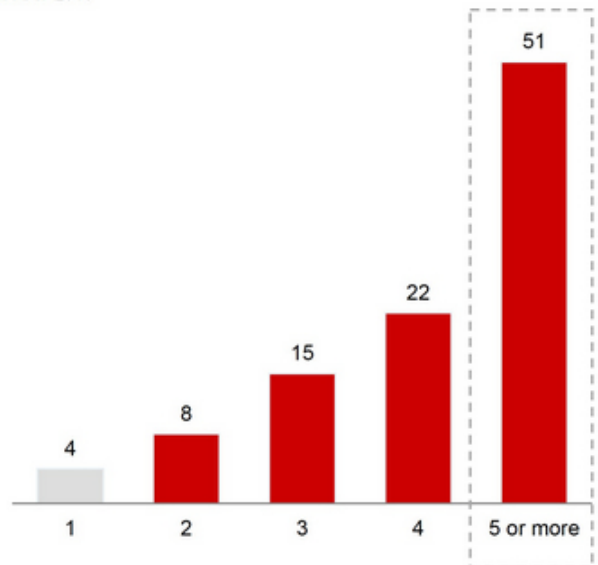


Top 1,000 LTL customers

■ LTL customers that use more than one XPO service globally
 ■ LTL-only customers

NUMBER OF XPO SERVICES USED BY TOP 100 LTL CUSTOMERS

LTM MAY 2019



¹ Service categories are North American Expedite, Intermodal, Last Mile, Brokerage, LTL and Supply Chain, European Transportation and Supply Chain and Global Forwarding;

LTL: National coverage is a major advantage over regional players

DELIVERS MORE VALUE FOR CUSTOMERS THAN REGIONAL LTL PROVIDERS

- Comprehensive services for customers with delivery needs in multiple markets
- Diverse end market, broad geographical exposure and larger customer base
- Longer routes with better pricing dynamics
- Greater access to information and technology to generate insights to maintain competitiveness

PROPRIETARY TECHNOLOGY PROPELS FUTURE UPSIDE

- Dynamic route optimization
- Intelligent load-building
- Advanced pricing algorithms
- Cross-selling opportunities with other business units



XPO'S NATIONAL LTL NETWORK

LTL: Targeting three areas of continuous network improvement operations

DYNAMIC ROUTE OPTIMIZATION

Intelligent routing guidance and robust real-time visibility improve customer experience, efficiency of planning and dispatch functions:

- Reduces pickup and delivery miles per stop and cost per stop
- Increases pickup and delivery pounds per man-hour, stops per hour and weight per trip
- Improves service levels through better delivery-time route sequencing and exceptional management

INTELLIGENT LOAD-BUILDING

Proprietary technology leverages machine learning and AI to automate load-building and optimize linehaul network flows:

- Real-time monitoring of compliance maximizes trailer utilization
- Bypass algorithm reduces multiple stops for trucks dedicated to direct movements
- Shipment dimensioning app in beta-test enhances linehaul optimization algorithms

ADVANCED PRICING OPTIMIZATION

Proprietary algorithms automate pricing for small to mid-sized accounts to help optimize mix:

- Speeds onboarding of more profitable local accounts
- Provides real-time cost visibility at the shipment level to help maximize account profitability
- Dynamic pricing balances the network, reducing cost and utilization inefficiencies, such as empty miles
- Elasticity models help inform pricing decisions for large accounts

Proprietary technology becomes continually smarter at automating LTL operations for optimal results

XPO Smart™: Workforce productivity to drive profit improvement

- Averaging 5%+ reduction in labor cost in logistics sites, with some sites much higher
- Analytics provide deep visibility into scheduled versus active workers by role in real time
- Analyzes facility, teams and individuals
- Right-sizes shift scheduling and perm/temp labor mix, taking turnover and training time into account
- Piloting XPO Smart™ for dock operations in LTL service centers ahead of planned roll-out nationally to all 290 LTL service centers by the end of this year



Truck brokerage: Broad opportunity to cross-sell vast carrier capacity

Competitive advantage: extensive capacity, significant freight volumes and proprietary digital marketplace

- Non-asset business places shippers' freight with an established network of independent brokered carriers
 - XPO offers contracted, pre-determined rates for specific origin and destination pairs
 - Extensive carrier network enables access to competitive spot pricing
- Differentiated technology and superior customer service through XPO Connect™ digital freight marketplace, Drive XPO™ app and proprietary Freight Optimizer system
- #1 provider of expedited solutions in North America
- Proprietary Dynamic Max Pay pricing algorithm allows XPO to procure transportation consistently below market rates

KEY METRICS	
Industry size ¹	~\$375 billion
2018 revenue as % of total XPO revenue ²	11%
Locations	19
Employees	~1,300
Carrier relationships	38,000
Accessible trucks	Over 1,000,000

SERVICE OFFERINGS	
▪ Refrigerated	▪ Heavy haul
▪ Expedite	▪ High value, high security
▪ Full truckload, domestic and cross-border	▪ Specialized equipment

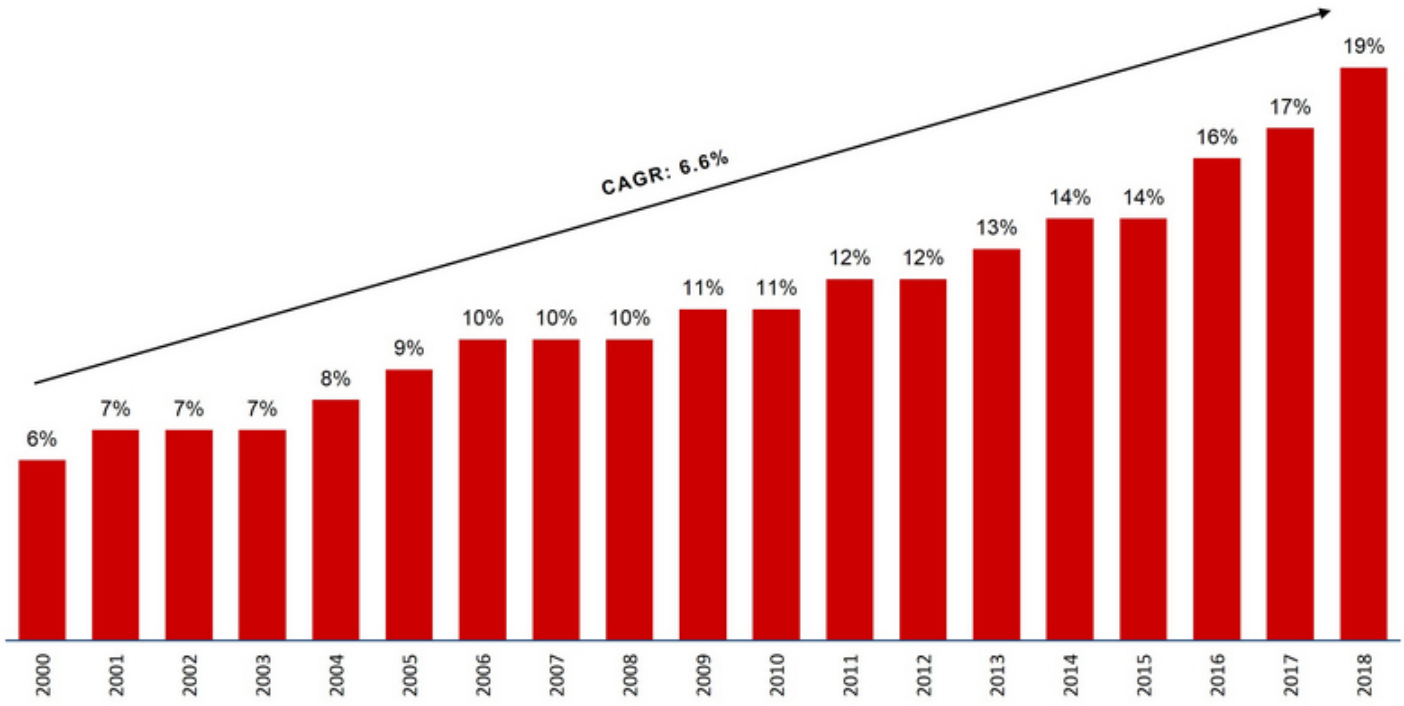
Source: Company information; Armstrong & Associates

¹ Total truckload industry size, including brokerage component

² Includes truck brokerage and expedite, excluding intercompany eliminations

Steady increase in industry penetration across cycles

US FREIGHT BROKERAGE INDUSTRY PENETRATION OF TOTAL FREIGHT MARKET (%)



Source: Armstrong & Associates; Industry research

XPO Connect™ platform drives efficiency, volume and margin expansion

MODE-AGNOSTIC

Show shippers and carriers supply and demand in real time across truck, rail and ocean

OPERATIONAL SYNERGIES

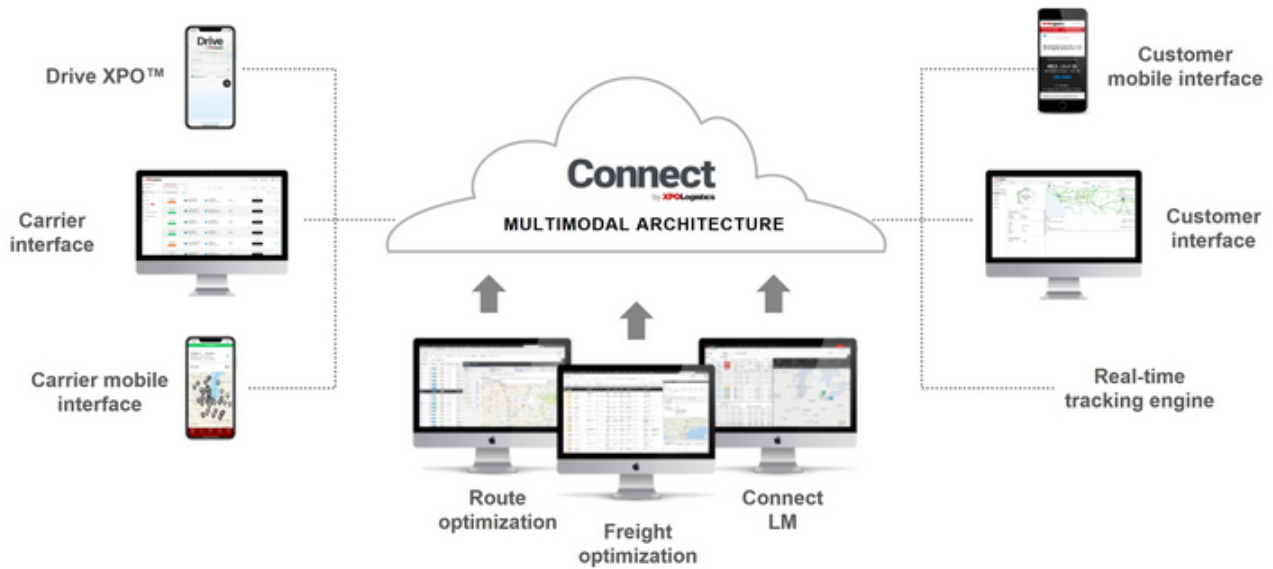
Full visibility of customer relationship to drive up-sell and cross-sell

CAPACITY OPTIMIZATION

Connect with any TMS as a leading source for carriers and cross-capacity integration

ZERO-TOUCH AUTOMATION

Shippers can track, analyze, rate and buy transportation services online



Over 30,000 registered US truck carriers on XPO Connect™

Drivers access platform with Drive XPO™ app

- Single, digital solution for carriers to locate loads that match their capacity and routes
- Optimize network capacity via proprietary freight matching for active and available drivers
- Increase service levels to customers by providing real-time location, arrival and departure information

COMPREHENSIVE FUNCTIONALITY FROM THE ROAD



CAPACITY POSTING

Request loads for a specific lane and date and get notified when matching loads become available



FREIGHT MANAGEMENT

Access details about assigned loads, automatically track and clear stops, and submit paperwork to get paid faster



DRIVER ENGAGEMENT AND RECRUITMENT

Preview XPO's freight opportunities using the guest access feature and sign up to start booking



LOAD BOOKING

Search for available loads, place bids and immediately purchase loads to keep moving

Last mile: Superior service and national brand protection

VALUE PROPOSITION FOR CUSTOMERS

- National footprint provides one- and two-day delivery to 95% of the United States, combined with middle-mile services through XPO Direct™
- Superior execution by expert operators and consistently high consumer satisfaction reinforced by proprietary technology developed for last mile
- Ability to flex carrier base between dedicated customers and network of 85 last mile hubs to flawlessly execute during peak season
- Real-time business intelligence helps customers manage big data, facilitates faster, more accurate routing and forward capacity planning, and manages on-site inventory
- Custom white glove and threshold delivery coupled with leading position in complex installations garner premium pricing
- Large, longstanding customer base values brand protection

KEY METRICS

Industry size	~\$13 billion
2018 revenue as % of total XPO revenue ¹	6%
Locations	85
Employees	~2,200
Annual deliveries	Over 10 million
Average tenure of top five customers	15 years

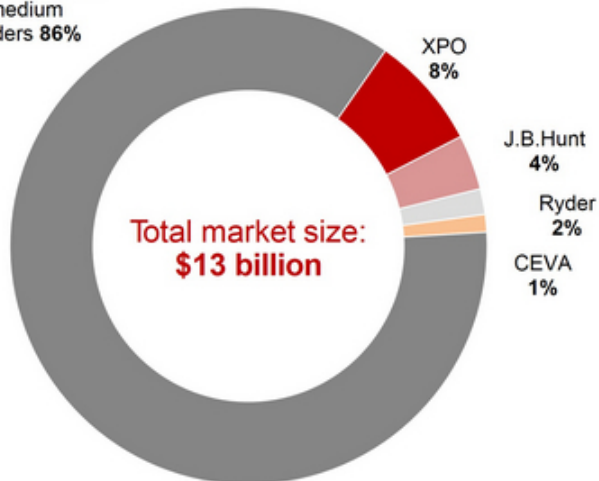
Uniquely positioned to capitalize on e-commerce trend of oversized goods purchased online

¹Excludes discontinued postal injection business

Last mile: Best-in-class performance supported by decades of experience

LAST MILE HEAVY GOODS MARKET SHARE, 2018

Insourced, small
and medium
providers **86%**



LAST MILE CHALLENGES FOR RETAILERS

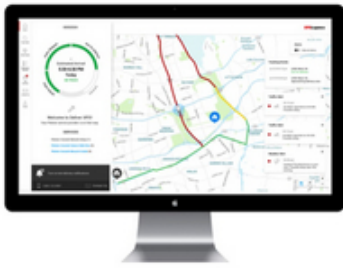
- Asymmetric risk/reward for performance on punctuality, damages
- Specialized services garner a premium price but service complexity represents a significant barrier to entry
- Retail marketing expertise may not translate to in-home delivery and installation capabilities
- Sub-par scale and route density limit ability to secure top carriers and realize acceptable economics
- Major parcel carriers typically avoid delivering large items

Source: Company estimates

INVESTOR PRESENTATION AUGUST 2019

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Last mile: XPO's technology personalizes the consumer experience



- Connect LM, XPO's last mile-specific technology, manages key levers that enhance the consumer experience:
 - 50% of eligible orders now consumer self-scheduled via the web, Alexa or automated call
 - 30% reduction in calls per delivery driven by automation and improved customer satisfaction
 - All data regarding shipment visible in single platform
- Internet of Things: full integration with home digital assistants
- Real-time tracking: on-demand ETA updates and rescheduling
- Augmented reality capability creates virtual image of how an item will look in a room, reducing likelihood of return
- Flexible route re-sequencing
- Customized notifications
- Constant stack-ranking of carriers based on KPIs rewards good service, prunes underperformers
- Provides flexibility to serve customers of all sizes to best suit their requirements
- Efficient feedback loop identifies issues for quick resolution

Last mile: End-to-end visibility ties directly to consumer satisfaction

- XPO Connect™ provides one last mile tracking number and one tracking portal, providing customers with total visibility from order to delivery
- Point-of-sale appointment engine enables delivery and install scheduling at customer check-out
- Capacity management tools allow adjustments to available capacity, balancing route efficiency with customer availability
- Route planning and management tools transform operational visibility
- Open integration platform enables API connections with retail customers and expedites onboarding
- Next-generation order management capabilities support diversified business growth

SERVICES PROVIDED	XPO CONNECT™	TRADITIONAL CARRIERS
Ease of integration	✓	—
End-to-end “parcel-like” visibility and tracking	✓	—
Consistent customer experience	✓	—
Multi service level delivery	✓	—
Multimodal: Parcel / LTL / In-home	✓	—
Final mile experience: Uber-like visuals, text messaging, smart speaker enabled	✓	—

Intermodal: Third largest provider in North America

Competitive advantage: 30-year rail partners, national drayage and technology

- Contracts with railroads to provide the long-haul portion of the shipment of containerized freight
- Provides container capacity, rail brokerage, local drayage, on-site operational services and door-to-door shipment management
- A US drayage leader: national network of terminals provide container storage and service to and from all major ports and ramps
- 2,400 owner-operators with access to over 25,000 additional drayage trucks
- Near-shoring of manufacturing in Mexico creates strong cross-border tailwind
- Proprietary technology has reduced costs by improving empty miles and enhancing customer satisfaction through on-time performance

KEY METRICS	
Industry size	~\$43 billion
2018 revenue as % of total XPO revenue	6%
Locations	37 terminals
Employees	~370
Number of 53-ft. containers / chassis	9,500 / 5,000
Drayage trucks under contract	Over 25,000

Intermodal: Superior value proposition enabled by proprietary technology



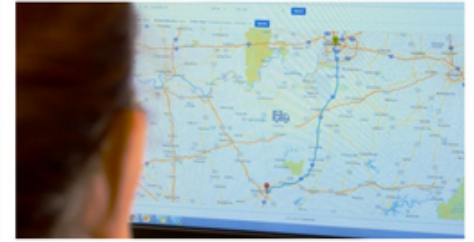
SERVICE CAPABILITIES

- Coverage at every key ramp and port
- Intermodal rail ramp drayage, TWIC-compliant port drayage
- Ocean drayage management services



CROSS-BORDER MEXICO SERVICE

- Decades of experience managing cross-border freight, with an extensive organization in both Mexico and US
- Longstanding relationships with the railroads, ramp operators and drayage drivers on both sides of the border
- Expedited, brokerage and global forwarding teams react quickly to help customers navigate accidental delays



RAIL OPTIMIZER PROPRIETARY INTERMODAL MANAGEMENT SYSTEM

- Tracks door-to-door movements of long-haul freight with GPS on containers
- Communicates constantly with railroads to proactively identify any delays
- Fosters driver communication during drayage legs
- Monitors whether containers are full or empty, doors are open or closed
- Keeps shippers informed through EDI integration and an online, self-service portal

Managed transportation: Optimized solutions and capacity procurement

BUSINESS OVERVIEW

- Top five global provider based on value of freight under management
- Services include freight handling, labor planning, facilitation of inbound and outbound shipments, cross-border customs management and documentation, claims processing and third-party logistics supplier management

VALUE PROPOSITION

Leading integrated technology platform

- Commercially developed TMS
- Proprietary tracking and visibility tool
- Worry-free set-up and disaster recovery

Onsite control tower

- Account management
- Carrier / supplier management
- Freight planning
- Business intelligence

Business intelligence and actionable reporting

- Tech tools collect and decipher big data and turn it into actionable information for performance improvement

Low-risk transition / comprehensive integration

- Successful deployment of complex solutions for large customers ramped up in the past two years

SERVICE OFFERINGS TO CUSTOMERS

Control Tower Solutions

- \$2.7 billion of freight under management
- Global network of control towers provides door-to-door visibility into order status and freight tracking

Managed Expedite

- Industry-leading expedite web technology automates procurement and tracking of time-critical freight
- Fulfillment averages 16 minutes from time of request

Dedicated Transportation

- Tailored fleet solutions help customers optimize routes and lower costs
- Detailed reports help customers gauge success and strategize for the future

Freight forwarding: Worldwide network of local market experts

BUSINESS OVERVIEW

- Non-asset freight management solution for domestic, cross-border and international shipments
- Experienced team guides freight through customs points, providing local oversight at thousands of destinations in Asia, Europe and the UK
- Less than 1% share of \$150 billion industry
- Opportunity to grow share through network of dedicated offices on four continents

VALUE PROPOSITION

Strong technology capabilities

Integration with XPO Connect™ enhances visibility and efficiency

Centralized control

Global reach for customers, with rigorous oversight of pickup, delivery and freight in transit

Intra-company support

Provides valuable support to other XPO operations serving multinational and cross-border customers

SERVICE OFFERINGS TO CUSTOMERS

Cross-border services

- Any size, weight or mode, including out-of-gauge cargo
- Export and import services, domestic-to-foreign and foreign-to-foreign
- Large carrier network provides service to and from the US, Mexico and Canada
- More than 30 years' experience in Mexico

High-value-add services

- Customs clearances, customs filings, ISF filings and facilitation of bonds, duties and taxes
- Operates subsidiary as a non-vessel operating common carrier (NVOCC)
- Documentation management: letters of credit, sight drafts and certificates of origin
- Asset value protection coverage available

Domestic services in North America

- Time-critical, time-sensitive, cost-sensitive and special handling
- Air charter, next-flight-out, deferred, ground expedite, truckload, LTL and intermodal
- Flexible options: next-day, two business days or three business days: morning or afternoon arrival

Business overview: European transportation

Large opportunity to cross-sell to multinational customers in Europe

Strong positions in key European transportation markets

- Leading provider of LTL and truck brokerage services in Western Europe
- Network of over 100 locations in Europe serving countries inside and outside the eurozone

Limited customer concentration, with established long-term relationships

- Top 20 customers account for only ~27% of total revenue
- 50% of all XPO customers in Europe have used XPO for 10 years or more

Full-service platform with a large opportunity to cross-sell

- 48% of top 100 customers in Europe use at least three transportation services
- Six of top 10 logistics customers in Europe are also transportation customers
- European footprint captures business from regional customers with international supply chains that can be served by XPO's global network

Significant benefits of proprietary technology deployed through global development

- Rolled out Drive XPO™ and Freight Optimizer technologies, giving carriers increased visibility and the ability to interact with XPO Connect™
- Deploying XPO Connect™ platform across Europe in 2019

Strong runway for top-line growth and margin expansion

- Substantial opportunities for expansion across the service range, particularly truck brokerage and last mile
- Profit initiatives imported from North American LTL underway to drive earnings growth in European LTL

Note: Customer data as of December 31, 2018

Leading provider of truck brokerage and LTL transportation in Europe

COMPETITIVE ADVANTAGES: EXTENSIVE CAPACITY, TECHNOLOGY AND MULTINATIONAL SERVICES

- Balanced non-asset and asset-based model, with one of Europe's largest ground transportation networks
- Largest owned road fleet in Europe
- Green transport leader in Europe, with LNG fleet, electric last mile vehicles, mega-trucks and multimodal solutions
- Leader in safety and training

KEY SERVICE OFFERINGS

- Leading less-than-truckload provider in the UK, France, Spain and Portugal, with daily service to 30 countries
- Dedicated truckload offering is a key differentiator in European markets
- Leading truck broker in Europe
- Fragmented last mile landscape with regional providers represents a large opportunity for XPO

KEY METRICS

Industry size	~\$455 billion ¹
2018 revenue as % of total XPO revenue	17%
Locations	194
Employees	~15,000
Trucks	~8,000
European countries served	14

¹ Includes truckload and brokerage

Broad network coverage across Europe

- Over 100 locations serving countries inside and outside the eurozone
- Transportation capabilities from a single pallet to full truckloads
- 50,000 pallets delivered daily over domestic networks
- 9,800 pallets delivered daily over international networks
- Rapid response to emergency requests

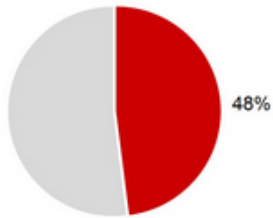


- International Hub XPO
- International Hub Partner
- Platform XPO
- Platform Partner

Business strategy tailored for key markets

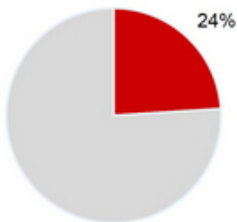
% OF 2018 EUROPEAN TRANSPORTATION REVENUE

FRANCE



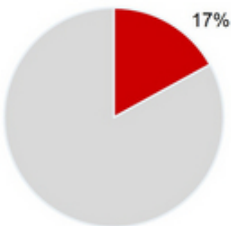
- Uses blended model of XPO-owned trucks and contracted independent carriers for less-than-truckload
- Established last mile as a subcontracted model
- Non-dedicated truckload business being phased out and replaced by truck brokerage, which is demonstrating strong growth

UNITED KINGDOM AND IRELAND



- XPO-owned trucks and employee drivers
- Established last mile business
- Overnight distribution service to auto dealer networks
- Rapid growth of dedicated truckload being driven by increasing business from large contracts

SPAIN AND PORTUGAL



- Independent carrier contractors utilize XPO-branded equipment
- Established last mile as a subcontracted model
- LTL and brokerage model in strong deployment

Strategic plan to grow European revenue and expand margin

EXPAND EXISTING PLATFORM



- Take advantage of fragmented market to drive outsized growth
- Increase scale in last mile and brokerage businesses
- Grow share of wallet with key customers

COLLABORATE ACROSS NETWORK



- Increase cross-selling of European transportation and contract logistics services
- Leverage worldwide network to attract and retain large customers with global supply chain needs

INCREASE PRODUCTIVITY



- Utilize XPO's technology platform to continuously improve efficiency and reduce costs
- Focus on cost controls to drive operating leverage and expand margins

BUILD STRONG CUSTOMER RELATIONSHIPS



- Develop unique solutions to customer challenges
- Embed XPO solutions in customer supply chain operations

Sharing growth drivers between North America and Europe

NORTH AMERICAN TECHNOLOGY DEPLOYED IN EUROPE

- **XPO Connect™**
 - Successfully implemented customer portal across Europe in 2019
- **Drive XPO™**
 - App currently in roll-out in Europe, enables carriers to interact with XPO Connect™ from the road
- **Freight Optimizer**
 - Imported XPO's brokerage system, with robust pricing tools, market analytics and carrier management engine

EUROPEAN BEST PRACTICES DEPLOYED IN NORTH AMERICA

- **Example: cold-chain logistics**
 - Utilizing European expertise to help build out cold-chain franchise in North America
 - North American operations gain exposure to less-cyclical verticals, such as food and beverage

Cohesive integration of global operations enables cross-pollination

Summary of key factors driving growth and returns

1	Leading positions in the fastest growing sectors of transportation and logistics	<ul style="list-style-type: none"> • Top three industry positions across all major business units • Over 60% of XPO's revenues are in industry sectors that are growing at 2-5x GDP
2	Fast pace of technological innovation drives competitive advantage	<ul style="list-style-type: none"> • Proprietary technology optimizes talent and assets • Data-driven technology initiatives, including warehouse automation and digital freight marketplace
3	Strong, multimodal presence in high-growth e-commerce and omnichannel	<ul style="list-style-type: none"> • Largest e-fulfillment 3PL in Europe, leading provider of reverse logistics and largest last mile provider for heavy goods in North America • Combination of scale, expertise and proprietary technology drives high consumer satisfaction levels
4	Cost and revenue initiatives represent large pool of potential profit drivers	<ul style="list-style-type: none"> • ~\$700 million to \$1 billion of profit growth opportunity through company-specific endeavors • Major levers include: pricing / revenue analytics, XPO Connect™, XPO Smart™, XPO Direct™, supply chain automation, back office and procurement optimization
5	Share growth complements opportunities for further consolidation of fragmented markets	<ul style="list-style-type: none"> • Less than 2% share across key global markets • Differentiated ability to provide complex logistics solutions on a global scale
6	Substantial advantages of scale	<ul style="list-style-type: none"> • Platform propels operating leverage, purchasing power, cross-selling and capacity to innovate • Compelling ability to provide consistent, multinational solutions to global customers
7	Significant cash flow generation	<ul style="list-style-type: none"> • 70% of revenue is asset-light, 77% of cost basis is variable • Raised free cash flow target range for FY 2019 to \$575 to \$675 million, up from \$525 to \$625 million
8	Ability to outperform the macro in all parts of the cycle	<ul style="list-style-type: none"> • Deep expertise in diverse verticals with different economic cycles • High mix of contracted business (74% in 2018) adds resilience in economic downturns
9	Expectation of free cash flow acceleration in an economic downturn	<ul style="list-style-type: none"> • Ability to modulate capex with cyclical fluctuations; low maintenance capex • Working capital becomes source of cash in economic slowdowns
10	35 top leaders and 2,500 extraordinary engineers, operators and logisticians	<ul style="list-style-type: none"> • Irreplicable moat of astute talent with blue-chip industry experience • Results-oriented innovators driving differentiation in every line of business

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

Supplemental materials

XPO Is widely recognized for performance and culture

- Named one of the World's Most Admired Companies by Fortune, 2018, 2019
- Recognized by Ford Motor Company with World Excellence Award for expedite innovation, 2019
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2018, 2019
- Named one of Spain's Best Companies to Work For by Forbes, 2019
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution, 2019
- Recognized by Raytheon Company with Supplier Excellence Award for on-time delivery, 2019
- Named to the Fortune Future 50 list of US companies best positioned for breakout growth, 2018
- Ranked #7 of the Glassdoor Top 20 UK companies with the best leadership and culture, 2018
- Recognized by Boeing Company with Performance Excellence Award, 2018
- Ranked #67 of Largest US Employers by Fortune, 2018
- CEO Jacobs ranked #10 on Barron's list of World's Best CEOs, 2018
- Awarded Company of the Year for innovation by Assologica (Italy), 2017, 2018
- Named a top-performing US company on the Global 2000 by Forbes, 201
- Named one of America's Best Employers by Forbes, 2017
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019

Highlights of XPO's inaugural sustainability report

IN 2018:

- US warehouse employees received an average annual wage increase of 8%, with over 30% receiving an increase of 10% or more
- XPO partnered with a leading healthcare network for women and families to offer supplemental health services from over 1,400 practitioners in 20 specialties through a virtual clinic
- XPO drivers worldwide travelled more than 1.4 billion accident-free miles
- Road to Zero safety program reduced US distracted driving by 37% from 2018 through LTL in-truck technology and driver coaching
- 1.7 million training hours were invested in employee development worldwide
- 30% of all global hires were women
- Tuition reimbursement of up to \$5,250 annually paid toward an employee's cost of continuing education

Download the report at: sustainability.xpo.com

Highlights of XPO's inaugural sustainability report (cont.)

XPO'S PREGNANCY CARE AND FAMILY BONDING BENEFITS ARE PROGRESSIVE IN ANY INDUSTRY

- Any XPO employee, male or female, receives up to six weeks of 100% paid postnatal leave as the infant's primary caregiver
- Women receive up to 20 days of 100% paid prenatal leave for health and wellness
- "Automatic yes" pregnancy accommodations are granted on request: changes to work schedules, the timing or frequency of breaks, and assistance with certain tasks
- More extensive accommodations are easily arranged with input from a doctor
- XPO guarantees that a woman will continue to be paid her regular base wage rate while her pregnancy accommodations are in effect
- XPO guarantees that a woman will remain eligible for wage increases while her pregnancy accommodations are in effect
- All enhancements provided at no additional cost to employees

In total, more than 30 quality benefits are available to XPO women and families in the US

Strongly committed to sustainability in transportation and logistics

TRANSPORTATION

- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018
- Honored for excellence in environmental improvement by SmartWay®
- Awarded the label "Objectif CO₂" for outstanding environmental performance of transport operations by the French Ministry of the Environment and the French Environment and Energy Agency
- Large capex investment in fuel-efficient Freightliner Cascadia tractors in North America (EPA 2013-compliant and GHG14-compliant SCR technology)
- One of the most modern fleets in Europe: 98% compliant with Euro V, EEV and Euro VI standards, with an average truck age of approximately three years in 2018
- Large fleet of natural gas trucks in Europe, pioneered LNG-powered tractors in the Paris suburban area
- Government-approved mega-trucks in Spain can reduce CO₂ emissions up to 20%
- Drivers train in responsible eco-driving and fuel usage reduction techniques
- North American LTL operations have energy-saving policies in place and are implementing a phased upgrade to LED lighting
- Experimenting with diesel alternatives such as diesel-electric hybrids
- Introduced nine zero-emission electric vans in Europe for last mile service

CarbonNET, our proprietary, cloud-based calculator, helps our operations document emission sources, activity data and CO₂ calculations

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

LOGISTICS

- Numerous XPO facilities are ISO14001-certified to high standards for environmental management
- Nestlé's warehouse of the future in the UK will be sited on man-made plateaus, with environmentally friendly ammonia refrigeration systems, LED lighting, air-source heat pumps for administration areas and rainwater harvesting
- Waste mitigation measures, such as electronic waybills and documentation, are instilled in daily operations to reduce paper and other waste products
- Energy efficiency evaluations are performed prior to selecting warehouses to lease, and energy efficient equipment is purchased when feasible
- 79% of material handling devices used in our logistics sites operate on battery power instead of fuel
- Millions of electronic components and batteries are recycled annually as a byproduct of reverse logistics operations
- Packaging engineers ensure that the optimal carton size is used for each product slated for distribution
- Recycled packaging is purchased when feasible
- Reusable kitting tools are utilized for the installation of parts in customer operations, manufactured by XPO

We operate our business with high regard for the environment and our stakeholders

Business glossary

- **Contract Logistics:** An asset-light, technology-enabled business characterized by long-term contractual relationships with high renewal rates, low cyclicalities and a high-value-add component that minimizes commoditization. Contracts are typically structured as either fixed-variable, cost-plus or gain-share. XPO services include highly engineered solutions, e-fulfillment, reverse logistics, packaging, factory support, aftermarket support, warehousing and distribution for customers in aerospace, manufacturing, retail, life sciences, chemicals, food and beverage, and cold chain. Reverse logistics, also known as returns management, refers to processes associated with managing the flow of returned goods back through contract logistics facilities: for example, unwanted e-commerce purchases, food transport equipment or defective goods. Reverse logistics services can include cleaning, inspection, refurbishment, restocking, warranty processing and other lifecycle services.
- **Expedite:** A non-asset business that facilitates time-critical, high-value or high-security shipments, usually on very short notice. Revenue is either contractual or transactional, primarily driven by unforeseen supply chain disruptions or just-in-time inventory demand for raw materials, parts or goods. XPO provides three types of expedite service: ground transportation via a network of independent contract carriers; air charter transportation facilitated by proprietary, a web-based technology that solicits bids and assigns loads to aircraft; and a transportation management system (TMS) network that is the largest web-based expedite management system in North America.
- **Freight Brokerage:** A variable cost business that facilitates the trucking of freight by procuring carriers through the use of proprietary technology. Freight brokerage net revenue is the spread between the price to the shipper and the cost of purchased transportation. In North America, XPO has a non-asset freight brokerage business, with a network of 38,000 independent carriers. In Europe, XPO generates over €1 billion in freight brokerage revenue annually, with capacity provided by an asset-light mix of owned fleet and independent carriers.
- **Global Forwarding:** A non-asset business that facilitates freight shipments by ground, air and ocean. Shipments may have origins and destinations within North America, to or from North America, or between foreign locations. Services are provided through a network of market experts who provide local oversight in thousands of key trade areas worldwide. XPO's global forwarding service can arrange shipments with no restrictions as to size, weight or mode, and is OTI and NVOCC licensed.

Business glossary (cont.)

- **Intermodal:** An asset-light business that facilitates the movement of long-haul, containerized freight by rail, often with a drayage (trucking) component at either end. Intermodal is a variable cost business, with revenue generated by a mix of contractual and spot market transactions. Net revenue equates to the spread between the price to the shipper and the cost of purchasing rail and truck transportation. Two factors are driving growth in intermodal in North America: rail transportation is less expensive and more fuel efficient per mile than long-haul trucking, and rail is a key mode of transportation in and out of Mexico, where the manufacturing base is booming due to a trend toward near-shoring.
- **Last Mile:** An asset-light business that facilitates the delivery of goods to their final destination, most often to consumer households. XPO specializes in two areas of last mile service: arranging the delivery and installation of heavy goods such as appliances, furniture and electronics, often with a white glove component; and providing logistics solutions to retailers and distributors to support their e-commerce supply chains and omnichannel distribution strategies. Capacity is sourced from a network of independent contract carriers and technicians.
- **Less-Than-Truckload (LTL):** 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 (which is generally determined by its cube/weight ratio and the description of the 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.
- **Managed Transportation:** A service provided to shippers who want to outsource some or all of their transportation modes, together with associated activities. This can include freight handling such as consolidation and deconsolidation, labor planning, inbound and outbound shipment facilitation, documentation and customs management, claims processing, and 3PL supplier management, among other things.
- **Truckload:** The ground transportation of cargo provided by a single shipper in an amount that requires the full limit of the trailer, either by dimension or weight. Cargo typically remains on a single vehicle from the point of origin to the destination and is not handled en route. See Freight Brokerage on the prior page for additional details.

Business glossary (cont.)

- **XPO Connect™**: XPO's fully automated, self-learning digital freight marketplace connects shippers and carriers directly, as well as through company operations. XPO Connect™ gives customers comprehensive visibility across multiple transportation modes in real time, including fluctuations in capacity, spot rates by geography and digital negotiating through an automated counteroffer feature. Shippers can assign loads to carriers and track the freight through one, secure login. Carriers use the Drive XPO™ app from the road to interact with shippers and with XPO. The app also serves as a geo-locator and supports voice-to-text communications. XPO has deployed XPO Connect™ in North America and Europe for truckload freight, with additional capabilities for last mile customers and independent contractors engaged in the home delivery of heavy goods.
- **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. Transportation needs are supported by XPO's brokered, contracted and owned capacity. B2C and B2B customers essentially rent XPO's capacity for contract logistics, last mile, LTL, labor, technology, transportation and storage. They can position inventories fluidly across markets without the capital investment of adding distribution centers, while XPO uses its existing assets and supplier relationships as growth levers. The XPO Direct™ network encompasses over 90 facilities in North America.
- **XPO Smart™**: XPO's technology suite of optimization tools improve labor productivity, intelligent warehouse management and demand forecasting in the company's logistics and transportation operations. XPO Smart labor productivity tools interface with the company's proprietary warehouse management system to forecast optimal staffing levels day-by-day and shift-by-shift. In addition, the warehouse management system facilitates the integration of robotics and other advanced automation, enabling XPO to start up customer logistics projects or expand existing implementations with a high degree of efficiency. The integrated technology provides an intelligent, single solution that combines key supply chain applications, including unified order management and intuitive dashboard tools that analyze trends and guide decision-making.

Financial reconciliations

The following table reconciles XPO's net income attributable to common shareholders for the periods ended June 30, 2019 and 2018 to EBITDA and adjusted EBITDA for the same periods.

Reconciliation of Non-GAAP Measures XPO Logistics, Inc. Consolidated Reconciliation of Net Income to Adjusted EBITDA (Unaudited) (In millions)								
	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	\$ Variance	Change %	2019	2018	\$ Variance	Change %
Net income attributable to common shareholders	\$ 122	\$ 138	\$ (16)	-11.6%	\$ 165	\$ 205	\$ (40)	-19.5%
Distributed and undistributed net income	13	11	2	18.2%	17	17	-	0.0%
Net income attributable to noncontrolling interests	10	10	-	0.0%	15	16	(1)	-6.3%
Net income	145	159	(14)	-8.8%	197	238	(41)	-17.2%
Debt extinguishment loss	-	-	-	0.0%	5	10	(5)	-50.0%
Interest expense	72	55	17	30.9%	143	114	29	25.4%
Income tax provision	46	54	(8)	-14.8%	65	54	11	20.4%
Depreciation and amortization expense	180	177	3	1.7%	360	348	12	3.4%
Unrealized loss (gain) on foreign currency option and forward contracts	7	(16)	23	-143.8%	9	(12)	21	-175.0%
EBITDA	\$ 450	\$ 429	\$ 21	4.9%	\$ 779	\$ 752	\$ 27	3.6%
Transaction, integration and rebranding costs	1	8	(7)	-87.5%	2	15	(13)	-86.7%
Restructuring costs	4	-	4	100.0%	17	-	17	100.0%
Adjusted EBITDA	\$ 455	\$ 437	\$ 18	4.1%	\$ 798	\$ 767	\$ 31	4.0%
Revenue	4,238	4,363	(125)	-2.9%	8,358	8,555	(197)	-2.3%
Adjusted EBITDA margin ⁽¹⁾	10.7%	10.0%			9.5%	9.0%		

⁽¹⁾ Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue.

Notes: The sum of quarterly net income attributable to common shareholders and distributed and undistributed net income may not equal year-to-date amounts due to the impact of the two-class method of calculating earnings per share
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

Financial reconciliations (cont.)

The table reconciles XPO's net income attributable to common shareholders for the periods ended June 30, 2019 and 2018 to adjusted net income attributable to common shareholders for the same periods.

Reconciliation of Non-GAAP Measures XPO Logistics, Inc. Consolidated Reconciliation of GAAP Net Income and Net Income Per Share to Adjusted Net Income and Adjusted Net Income Per Share (Unaudited) (In millions, except per share data)				
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
GAAP net income attributable to common shareholders	\$ 122	\$ 138	\$ 165	\$ 205
Debt extinguishment loss	-	-	5	10
Unrealized loss (gain) on foreign currency option and forward contracts	7	(16)	9	(12)
Impairment of customer relationship intangibles	-	-	6	-
Transaction, integration and rebranding costs	1	8	2	15
Restructuring costs	4	-	17	-
Income tax associated with the adjustments above	(2)	2	(10)	(4)
Impact of noncontrolling interests on above adjustments	-	-	(1)	-
Allocation of undistributed earnings	-	-	(2)	(1)
Adjusted net income attributable to common shareholders	\$ 132	\$ 132	\$ 191	\$ 213
Adjusted basic earnings per share	\$ 1.41	\$ 1.09	\$ 1.92	\$ 1.77
Adjusted diluted earnings per share	\$ 1.28	\$ 0.98	\$ 1.74	\$ 1.59
Weighted-average common shares outstanding				
Basic weighted-average common shares outstanding	92	121	100	120
Diluted weighted-average common shares outstanding	102	134	110	134

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

Financial reconciliations (cont.)

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

Reconciliation of Non-GAAP Measures XPO Logistics, Inc. Reconciliation of Cash Flows From Operating Activities to Free Cash Flow (Unaudited) (In millions)								
	Three Months Ended		Six Months Ended		Years Ended			
	June 30,		June 30,		December 31,			
	2019	2018	2019	2018	2018	2017	2016	2015
Net cash provided by operating activities	\$ 260	\$ 267	\$ 164	\$ 248	\$ 1,102	\$ 785	\$ 622	\$ 91
Cash collected on deferred purchase price receivable	66	-	137	-	-	-	-	-
Adjusted net cash provided by operating activities	326	267	301	248	1,102	785	622	91
Payment for purchases of property and equipment	(118)	(126)	(236)	(268)	(551)	(504)	(483)	(249)
Proceeds from sales of property and equipment	38	52	85	62	143	118	69	60
Free Cash Flow	\$ 246	\$ 193	\$ 150	\$ 42	\$ 694	\$ 399	\$ 208	\$ (98)

Notes: 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 revenue attributable to its North American less-than-truckload business for the three and six months ended June 30, 2019 and 2018 to adjusted operating income and adjusted operating ratio for the same periods.

XPO Logistics North American Less-Than-Truckload Adjusted Operating Ratio (Unaudited) (In millions)									
	Three Months Ended June 30,				Six Months Ended June 30,				
	2019	2018	\$ Variance	Change %	2019	2018	\$ Variance	Change %	
Revenue (excluding fuel surcharge revenue)	\$ 857	\$ 834	\$ 23	2.8%	\$ 1,643	\$ 1,613	\$ 30	1.9%	
Fuel surcharge revenue	142	143	(1)	-0.7%	289	271	(2)	-0.7%	
Revenue	<u>999</u>	<u>977</u>	<u>22</u>	<u>2.3%</u>	<u>1,912</u>	<u>1,884</u>	<u>28</u>	<u>1.5%</u>	
Salaries, wages and employee benefits	451	441	10	2.3%	896	870	26	3.0%	
Purchased transportation	108	99	9	9.1%	208	196	12	6.1%	
Fuel and fuel-related taxes	70	75	(5)	-6.7%	140	143	(3)	-2.1%	
Depreciation and amortization	54	62	(8)	-12.9%	112	121	(9)	-7.4%	
Other operating expenses	93	123	(30)	-24.4%	195	242	(47)	-19.4%	
Maintenance	27	25	2	8.0%	54	51	3	5.9%	
Rents and leases	12	11	1	9.1%	24	22	2	9.1%	
Purchased labor	2	3	(1)	-33.3%	4	6	(2)	-33.3%	
Operating income	<u>182</u>	<u>138</u>	<u>44</u>	<u>31.9%</u>	<u>279</u>	<u>233</u>	<u>46</u>	<u>19.7%</u>	
Operating ratio ⁽¹⁾	<u>81.8%</u>	<u>85.9%</u>			<u>85.4%</u>	<u>87.7%</u>			
Restructuring costs	-	-	-	0.0%	2	-	2	100.0%	
Amortization expense	9	8	1	12.5%	17	17	-	0.0%	
Other income ⁽²⁾	5	7	(2)	-28.6%	11	14	(3)	-21.4%	
Adjusted operating income	<u>\$ 196</u>	<u>\$ 153</u>	<u>\$ 43</u>	<u>28.1%</u>	<u>\$ 309</u>	<u>\$ 264</u>	<u>\$ 45</u>	<u>17.0%</u>	
Adjusted operating ratio ⁽³⁾	<u>80.3%</u>	<u>84.3%</u>			<u>83.8%</u>	<u>86.0%</u>			

⁽¹⁾ Operating ratio is calculated as $(1 - (\text{Operating income} / \text{Revenue}))$.

⁽²⁾ Other income primarily consists of pension income and is included in Other expense (income) on the Condensed Consolidated Statement of Income.

⁽³⁾ Adjusted operating ratio is calculated as $(1 - (\text{Adjusted operating income} / \text{Revenue}))$.

Note: 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, 2018, 2017, 2016 and 2015 to EBITDA, adjusted EBITDA, and adjusted EBITDA excluding the North American truckload business divested in 2016.

Reconciliation of Non-GAAP Measures XPO Logistics, Inc. Consolidated Reconciliation of Net Income (Loss) to Adjusted EBITDA excluding Truckload (Unaudited) (In millions)				
	Years Ended December 31,			
	2018	2017	2016	2015
Net income (loss) attributable to common shareholders	\$ 390	\$ 312	\$ 63	\$ (246)
Preferred stock beneficial conversion charge	-	-	-	52
Distributed and undistributed net income	32	28	6	3
Net income (loss) attributable to noncontrolling interests	22	20	16	(1)
Net income (loss)	444	360	85	(192)
Debt commitment fees	-	-	-	20
Debt extinguishment loss	27	36	70	-
Other interest expense	217	284	361	187
Loss on conversion of convertible senior notes	-	1	-	10
Income tax provision (benefit)	122	(99)	22	(91)
Accelerated amortization of trade names	-	-	-	2
Depreciation and amortization expense	716	658	643	363
Unrealized (gain) loss on foreign currency option and forward contracts	(20)	49	(36)	3
EBITDA	\$ 1,506	\$ 1,289	\$ 1,145	\$ 302
Transaction, integration and rebranding costs	33	78	103	201
Restructuring costs	21	-	-	-
Litigation costs	26	-	-	-
Gain on sale of equity investment	(24)	-	-	-
Gain on sale of intermodal equipment	-	-	-	(10)
Adjusted EBITDA	\$ 1,562	\$ 1,367	\$ 1,248	\$ 493
Adjusted EBITDA divested NA Truckload business	-	-	80	19
Adjusted EBITDA excluding Truckload	\$ 1,562	\$ 1,367	\$ 1,168	\$ 474

Notes: 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

Financial reconciliations (cont.)

The following table reconciles XPO's GAAP revenue to organic revenue and organic revenue growth for the three months ended June 30, 2019 and 2018 for the consolidated company and the logistics segment.

Reconciliation of Non-GAAP Measures XPO Logistics, Inc. Reconciliation of GAAP Revenue to Organic Revenue (Unaudited) (In millions)				
	Logistics		Consolidated	
	Three Months Ended June 30,			
	2019	2018	2019	2018
Revenue	\$ 1,526	\$ 1,508	\$ 4,238	\$ 4,363
Fuel	-	-	(428)	(447)
Direct postal injection revenue	-	-	-	(54)
Foreign exchange rates	54	-	99	-
Organic Revenue	\$ 1,580	\$ 1,508	\$ 3,909	\$ 3,862
Organic Revenue Growth ⁽¹⁾	4.8%		1.2%	

⁽¹⁾ Organic revenue growth is calculated as the relative change in year-over-year organic revenue, expressed as a percentage of 2018 organic revenue.

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