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): October 31, 2018

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

Delaware	001-32172	03-0450326
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

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

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

N/A
(Former name or former address, if changed since last report)

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))

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 October 31, 2018, 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 script and slide presentation should be read together and with the Company's filings with the Securities and Exchange Commission, including the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018.

The information furnished in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates any such information by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Investor Presentation Script, dated October 31, 2018
99.2	Investor Presentation, dated October 31, 2018

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: October 31, 2018	XPO LOGISTICS, INC.
	By: /s/ Karlis P. Kirsis
	Karlis P. Kirsis
	Senior Vice President, Corporate Counsel

October 31, 2018

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 our value propositions for customers and investors. We'll discuss our operations in depth, including our ability to outperform the market in any macro environment. And we'll talk about our financial performance, including third quarter records for revenue, net income, EPS and adjusted EBITDA. Our organic revenue growth was a robust 10.5% for the quarter, and once again we grew profitability faster than revenue.

XPO is a top ten global logistics company with over $15 billion of revenue, operating as a highly integrated network of people, technology and physical assets. We use our network to help our customers manage their goods most efficiently throughout their supply chains. We run our business under the single brand of XPO Logistics.

As context, we have two reporting segments: transportation and logistics. Approximately 63% of our revenue comes from transportation. The other 37% 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 are in 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 60% 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 4% of revenue. In total, we operate in 32 countries with 1,529 locations and over 98,000 employees.

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

- Our strategy of investing in secular drivers of outsized organic growth
- XPO's leadership in fast-growing areas of transportation and logistics
- Our strong position in the e-commerce sector
- A $1 trillion addressable opportunity, of which we hold less than 2% market share
- Cutting-edge technology that differentiates XPO in every line of business
- Numerous company-specific margin improvement initiatives
- Low maintenance capex requirements
- Our longstanding track record of creating substantial value through M&A integrations
- Our world-class operators, who are laser-focused on driving results

We have an additional opportunity to increase our profitability through the cross-fertilization of best practices. This is already paying dividends, given the caliber of our operations on both sides of the Atlantic. 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, warehouse management, cross-dock operations, equipment maintenance, training and HR. The veteran operators who lead our business units are adept at integrating these practices into daily operations.

Our sales strategy is two-fold: 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. In the third quarter, we closed $918 million of new business — up 43% from a year ago — part of the record $3 billion of new business we won in the first nine months. We entered October with a companywide pipeline of $3.7 billion, a substantial increase of $400 million from the same point last year.

The sizable investments we've made in our sales organization are getting us in front of high-potential customers that can benefit from our capabilities. These customers are typically national and multinational companies. We've more than tripled the number of strategic account managers over the last two years, and in Europe, we've deepened our bench of senior-level sales talent, beefed up sales support, raised incentive compensation and invested in new training and analytics to drive cross-selling.

The one exception, in terms of customer size, is in less-than-truckload, where there's also a significant opportunity with smaller, local accounts. We've hired over 200 sales associates and sales support personnel for our North American LTL organization, including 150 in the first six months of this year. These new hires have been trained in our LTL business and understand our optimal freight profile. We're seeing positive impacts on our revenue and margin — our tonnage with higher-margin local accounts increased 3% in the quarter from a year ago.

We expect to deliver a robust 16% increase in adjusted EBITDA this year, compared with 2017. It helps to have a favorable macro environment, as has been the case in 2018, but importantly, we're also making significant investments to drive organic growth. The vast majority of the benefit from these investments will come after 2018.

In addition to the expansion of our LTL sales organization, we completed the build-out of our last mile network to 85 North American hubs in September, one month ahead of schedule. This included our first hub in Canada. These are strategically located facilities that support pure-play last mile customers and XPO Direct fulfillment.

XPO Direct is our shared-space distribution network that serves omnichannel, e-commerce and manufacturing customers — we expanded it from 75 to 94 facilities in the third quarter, with at least two more sites opening this quarter. In addition, we're expanding our contract logistics infrastructure with warehouse management software, automation and data-driven workforce planning tools. As we continue to develop our proprietary technology, our emphasis is on differentiation in the e-commerce, consumerization and digitalization spaces.

Company Overview

We've meticulously built XPO to provide exceptional value for customers while generating high returns for our shareholders. At the top of our value proposition is an intense customer service culture and a highly engaged employee base, led by best-in-class operators.

We offer an unmatched range of solutions for the efficient management of goods throughout the supply chain. Our business model is asset-light overall, with assets accounting for just under a third of revenue. Our estimated net capex for 2018 is 2.6% of revenue.

The assets we own or lease are critical components of the customer services we provide:

- 813 contract logistics facilities
- 475 cross-docks
- Truck transportation assets of 16,000 tractors and 39,000 trailers
- Intermodal transportation assets of 9,500 53-ft. boxes and 5,000 chassis

Our industry is large, growing and fragmented, with underpenetrated market sectors and trends toward outsourcing. Many companies are seeking to consolidate their supply chain relationships. This is particularly true of large companies with multiple end-markets or multinational footprints.

All of these industry attributes play directly to our strengths of scale, density, service range and technology. We offer not only the convenience of a single source, but also the strength and stability of a global leader. XPO is the:

- Largest last mile logistics provider for heavy goods in North America, a more than $13 billion sector that's estimated to be growing at five to six times GDP
- Largest manager of expedited shipments in North America by ground, air and our automated transportation management system (TMS) technology
- Second largest contract logistics provider worldwide, and the largest outsourced e-fulfillment provider in Europe
- Second largest provider of less-than-truckload transportation in North America, and a leading LTL provider in Western Europe
- Second largest freight broker worldwide, with the largest owned road fleet in Europe
- Third largest provider of intermodal in North America

In addition, we're a global provider of managed transportation, and a global freight forwarder with an integrated network of ocean, air, ground and cross-border services.

Looking solely at the spaces where we already operate, we have a total addressable opportunity of $1 trillion or more. Now let's take a deeper look into XPO, starting with our technology.

Transformative Technology

XPO empowers its employees to deliver world-class service through technology. We place massive importance on innovation because we believe that great technology in the hands of well-trained employees, propelled by scale, is the ultimate competitive moat in our industry. Our technology is purpose-built to continuously improve customer service, control costs and leverage our scale. This is a major reason why customers trust us with 160,000 ground shipments and more than 7 billion inventory units each day.

We spend more than $450 million a year on technology. We've built a highly scalable, cloud-based platform to speed innovation companywide, with a global team of over 1,700 technology professionals, including more than 100 data scientists. Our efforts are concentrated in four areas: automation and intelligent machines, dynamic data science, the digital freight marketplace, and visibility and customer service, specifically in the e-commerce supply chain.

The significant investments we're making in technology are funding exciting developments. In October, we announced plans to deploy 5,000 additional robots throughout our logistics sites in North America and Europe. These are intelligent robots that collaborate with humans, designed to supplement our existing workforce and support future growth. Earlier this year, we launched a proprietary, cloud-based warehouse management platform that integrates robotics and other advanced automation very rapidly into our operations. It's much more efficient than traditional warehouse management systems, particularly in multi-site and multi-channel environments. We've been able to accelerate ramp-up time on new projects for our customers.

In June, 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 and will feature advanced sorting systems and robotics alongside state-of-the-art automation, with a digital ecosystem that integrates predictive data and intelligent machines. It will house an XPO technology laboratory and operate as both a think tank and a launch pad for our innovations.

More broadly, in logistics, our warehouses are becoming high-tech hubs with collaborative robots, drones for inventory management and sophisticated analytics for demand forecasting. Our algorithms can predict the flow of goods and future returns, helping our e-commerce customers plan for peak inventory, capacity and labor levels. We recently started using dynamic analytics in our warehouses to optimize workforce productivity day by day and shift by shift. Our proprietary technology facilitates omnichannel distribution, lean manufacturing support, aftermarket support, supply chain optimization and transportation management.

In transportation, our XPO Connect digital freight marketplace is a landmark introduction. XPO Connect is a fully automated, self-learning and dynamic marketplace that connects shippers and carriers directly, as well as through XPO. It gives our customers direct access to our transportation network and the predictive data that powers it. The platform is designed to provide shippers with a single point of entry for visibility across multiple transportation modes in real time — they can see fluctuations in capacity, look at the spot rates by geography and post loads. Then they can also assign loads and track freight movements through one, secure login.

Carrier signups for XPO Connect went from zero to 6,000 in the first three months after the April launch. Now, six months in, we have more than 13,000 carriers on XPO Connect, and we expect the count to keep climbing fast. These are quality operators in our core network who are opting in through our Drive XPO mobile app. They can bid on loads and reduce empty miles, which increases the capacity available to our customers. Drive XPO also serves as a geo-locator and supports voice-to-text communications. We're rolling it out to our European brokerage network to deliver the same benefits to our customers there.

In last mile, our technology delivers a consistent consumer experience with superior satisfaction levels. The system gathers actionable, real-time feedback post-delivery to help our customers build loyalty. This protects the brands of our e-tail and retail customers.

A consumer who buys a large product from one of our customers online can track that order in real time using our web tools, Google Home or Amazon Echo. They can also request personalized alerts and reschedule delivery times electronically. We're able to offer a tight delivery window, which is especially important with heavy goods, and our technology is geared to facilitate the most complex home installations. Later this quarter, we expect to roll out augmented reality functionality. It gives consumers the ability to create a virtual image of how an item will look in a given room prior to delivery. This makes the last mile process more efficient and decreases the likelihood of returns.

In LTL, we launched a next-generation web integration that gives shippers access to more capabilities without custom programming: delivery and pickup management tools, pricing and planning tools, and electronic document handling. This follows the deployment of 14,000 handhelds and inspection tablets for drivers and dockworkers to enhance productivity and revenue collection from accessorials and ancillary services. We also developed new RFP and pricing systems for LTL, with robust algorithms and profitability monitoring. Overall, we've improved the business intelligence we use internally for LTL pricing, workforce planning and network optimization.

Our most recent introduction is XPO Direct, a shared-space distribution network of warehouses and last mile hubs that gives our customers flexible capacity and helps them accelerate order fulfillment and time in transit. Our 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 our brokered, contracted and owned capacity.

XPO Direct gives companies a way to manage B2C and B2B fulfillment using our scale and capacity, without the capital investment of adding distribution centers. Our North American footprint positions goods within one and two-day ground transportation range of 90% of the US population and in close proximity to retail stores for inventory replenishment. We expect to have close to 100 facilities in our XPO Direct network by year-end. XPO technology links these sites and can predict where stock should be positioned for the greatest efficiency.

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

Logistics Operations

Contract Logistics

Contract logistics is an asset-light business characterized by long-term contractual relationships, low cyclicality 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 logistics provider worldwide, we're at the forefront of a $120 billion sector that's estimated to grow at two to three times GDP. Our facility space has increased by 12% globally from this time last year. Our logistics footprint stands at a record 185 million square feet, making us particularly attractive to multinational customers. These large customers 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 over 95%. These relationships can lead to cross-selling and a wider use of our services, such as inbound and outbound logistics.

Our logistics teams provide a range of services to customers, including e-fulfillment and other types of contract logistics, highly engineered solutions and high-value-add services, such as order personalization and refurbishment. We also perform reverse logistics management, packaging and labeling, recycling, warranty management and distribution, and we collaborate with our larger customers to forecast demand and optimize production flows.

Our competitive positioning in logistics is as a technology leader. We're innovative, fast-moving, and we can handle very complex, large contract logistics implementations. With robotics, for instance, we work with 29 of the top robotics companies in the world, culled from hundreds of suppliers we looked at.

Reverse logistics is a fast-growing area of contract logistics, and one where we have a high profile as a quality provider: we manage over 170 million returned units annually. It's a complex service, requiring inspections, repackaging, refurbishment, resale or disposal, refunds and warranty management. Our technology is a major differentiator in this space. We've developed predictive analytics that use machine learning to forecast the future rate of returns by SKU number. That's a high-value service for e-tailers, because consumers are increasingly test-driving the products they buy online.

Our biggest contract logistics win to date is an omnichannel reverse logistics facility we began ramping up in the second quarter. We've partnered with a large footwear and apparel customer to implement a 1.1 million square foot returns processing center in the US. The site has been custom-designed to drastically 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. What used to take three to six months to turn around now takes five days, or just 24 hours for digital products. We've created the capacity to process 63 million returned units annually.

Many of our logistics customers are 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, which is opening new doors for us overseas.

We’ve built a global logistics pipeline of approximately $1.5 billion of active bids. A number of the wins we had in late 2017 began ramping up this year, along with some 2018 wins. We’ve implemented a record 90 customer contracts year-to-date through September: 46 in Europe and 44 in North America. The vast majority of these are front-loaded investments in long-term contractual relationships.

A large lever for cost savings in our warehouse operations is workforce productivity. Our operations performance team collaborates between North America and Europe to optimize our warehouses. The team is helping management at every site understand the gaps between average performance and great performance, and devise action plans for improvements. Our deployment of dynamic planning tools in our logistics sites is a good example of how we’re applying technology in this regard.

Transportation Operations

Our other segment — transportation — includes our lines for truck brokerage and transportation, LTL, last mile, intermodal, expedite and global forwarding.

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.

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.

We’ve built a powerful truckload management system called Freight Optimizer that drives our brokerage operations in both North America and Europe. Our Drive XPO mobile app gives truck drivers a way to interact with Freight Optimizer from the road, locating loads and bidding to fill empty miles. The app also interacts with XPO Connect, our digital freight marketplace.

In North America, our brokerage network includes approximately 38,000 independent carriers representing over a million trucks. That’s critically important to shippers — they value our ability to find them capacity under all kinds of market conditions. When the truckload market is tight, as it has been for a while now, shippers are looking to guarantee capacity.

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

Less-Than-Truckload (LTL)

LTL is a major success story for us in both North America and Europe. 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 network of terminals. In Western Europe, where we're a leading LTL provider, we use the optimal capacity 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. We use a blended model in France. The independent carrier relationships are supported by our terminals and staff.

Our LTL team is laser-focused on on-time, damage-free performance. We have the second largest LTL network in the US, covering 99% of all zip codes, and one of the industry's most modern fleets, delivering approximately 20 billion pounds of freight a year. We have approximately 20,000 LTL customers, and we've significantly increased the number of salespeople dedicated to serving and growing this base.

In North American LTL, in the third quarter, we realized an improvement of 220 basis points in adjusted operating ratio to 85.4%, versus 87.6% in 2017. We expect to comfortably meet our target range of 150 to 200 basis points of improvement for full year 2018. We've brought our LTL operation a long way forward since we acquired the business in late October 2015. When you compare the 12 months of 2015 with the trailing 12 months through September 30, 2018, we've more than doubled the LTL adjusted operating income in 35 months of ownership. The business is on track to generate over $1 billion of EBITDA within three years.

The $15 million we've invested in our LTL sales organization in North America is geared to accelerate growth in our local customer base and optimize our freight mix. We're focused on profitable freight that matches our network for the long-term. As a result, we expect to see a meaningful ramp up in operating income growth this quarter. We also have initiatives underway to improve trailer utilization and become even more cost efficient at serving our LTL customers.

The next big efficiency for us in LTL is workforce utilization aligned with engineered standards. Our transformation and big data teams are using labor analytics to model an optimal solution for any given day based on the amount of work forecasted. They look at things like pick-up and delivery hours, dock hours, overtime, part-time labor and full-time labor. This is being executed in our European transport operations as well.

Last Mile Logistics

Last mile is an asset-light operation, and an exciting component of our service offering. We manage the final delivery of goods to homes using a network of contract carriers and white glove technicians for assembly and installation.

XPO is by far the largest facilitator for the home delivery of heavy goods in North America. Our last mile customers include most of the big-box retailers who sell heavy goods — items such as appliances, furniture, exercise equipment and large electronics. We expect to facilitate about 14 million last mile deliveries, assemblies and installations this year, and yet we hold just 7% share in the US last mile space.

Our last mile business is a powerful combination of expertise, technology and scale that generates industry-leading consumer satisfaction ratings. We use our proprietary, state-of-the-art technology to enable real-time performance monitoring: consumers are surveyed within minutes of delivery to capture feedback and escalate any issues for prompt resolution.

Our technology gives consumers a choice of self-service options while goods are in transit, including web-based tools and voice-activated connectivity with Google and Amazon intelligent assistants. The consumer can self-monitor an order and receive automated appointment verifications by phone, email or text. Our last mile contract carriers are now using our XPO Connect platform to communicate with our last mile team, adding a new layer of efficiency. The result is a consistently best-in-class home delivery experience at a national level.

E-commerce is an immense tailwind for last mile, and one that's predicted to grow globally at double-digit rates through at least 2025. Within e-commerce, there's an ongoing shift toward customers buying large, heavy items online. Given our specialization in heavy goods, this represents tremendous growth potential for us now and over the long term.

We're staying on top of that opportunity by deploying new technology tools for route planning to increase efficiency as our network grows in scale. We began 2018 with a plan to add 30 last mile hubs in North America, growing the network to 85 hubs. Now, all of these facilities are in place and operating. This positions our last mile footprint within 125 miles of approximately 90% of the US population. We estimate that the addition of those 30 hubs will lower our average cost of delivery by as much as 30% by reducing the length of transit.

In Europe, which is another fragmented last mile landscape, there's a large opportunity for us to further apply our last mile technology and best practices. We've established last mile operations for heavy goods in several European countries and won some sizable contracts. It's a small but growing presence 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. 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 2,300 independent owner-operators and access to another 25,000 drayage trucks.

The nature of intermodal is that demand is influenced by external factors, such as the availability of truck capacity. Right now, truck capacity is still relatively tight and fuel prices are creeping up again, both of which are good for intermodal. 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. This helps us reduce empty miles and otherwise add value for customers. Rail Optimizer helped us win the largest contract in XPO's history last year.

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 carriers' online bids. These transactions primarily happen on a machine-to-machine basis. Our technology initiates a new auction on the internet every few seconds, and we take a fee for facilitating the entire 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 pivot very quickly, often saving our customers from disastrous monetary loss.

Our expedite group serves our other service lines 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 our integrated organization.

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, together with 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.

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. It 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 forwarding through our network of dedicated offices on four continents.

Service-Driven, Results-Oriented Culture

The common denominator across all areas of transportation and logistics is that customers want results. A zero-fail mindset is part of our DNA, dating back a quarter century to our roots in expedite. Anything less than stellar service is not an option for us.

Transportation customers want on-time pickup and delivery. Contract logistics customers want their goods to flow smoothly through the supply chain. All customers want visibility into flows, accurate documentation and damage-free handling. If a disruption does occur, customers expect to know about it right away and hear a solution. And increasingly, customers want real-time insights into supply chain activities, which is why we invest heavily in developing mobile applications, end-to-end visibility, predictive analytics and the digital freight marketplace.

We see an opportunity to continue to further differentiate XPO on the basis of phenomenal customer service in each of our service offerings. The litmus test is always our customer. Is the customer thrilled to have chosen XPO? Are we constantly improving the value we deliver?

When we receive awards for operational excellence and performance from world-class companies such as Boeing, Nissan, Diebold, Navistar, Nordstrom, The Home Depot and Whirlpool, we know we're doing our job.

Sustainability is another big focus 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 three consecutive years, and in 2016 was awarded the label "Objectif CO_2" for outstanding environmental performance of transport operations in Europe by the French Ministry of the Environment and the French Environment and Energy Agency.

The UK warehouse of the future that we're creating with Nestlé 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.

Many 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 2.5 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 CO_2 emissions through increased carrying capacity.

That sums up our many drivers of profitable growth. We've purpose-built XPO to generate high value for our customers and high returns for our shareholders, with a massive addressable market opportunity.

Financial Highlights[1]

Our strong momentum in 2018 continued in the third quarter. Highlights of our financial results include:

- $4.34 billion of revenue
- 10.5% organic revenue growth
- $100.8 million of net income attributable to common shareholders; $0.74 per diluted share
- $121.3 million of adjusted net income attributable to common shareholders; $0.89 per diluted share
- $414.9 million of adjusted EBITDA

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

Cash flow from operations was $288.2 million, and free cash flow was $173.0 million. We expect to generate approximately $625 million of free cash flow for the full year.

We've updated our full-year 2018 target for adjusted EBITDA to approximately $1.585 billion, from at least $1.6 billion. The decrease in adjusted EBITDA primarily reflects the impact of a customer bankruptcy in the third quarter. Our cash flow target remains unchanged; we've reaffirmed our 2017–2018 target for cumulative free cash flow of approximately $1 billion.

Approximately 14% of XPO's diluted outstanding shares are held by company executives and directors, strongly aligning their interests with those of our public shareholders.

High Growth and High Returns

In summary, we're continuing to execute for high growth and high returns from a position of considerable operational and financial strength. Our company is on a positive trajectory heading into 2019. We'll continue to build on our leading positions in high-growth sectors, to gain increasing share in the trillion-dollar market where we operate.

XPO is on the radar in every industry that requires transportation or logistics. Our ability to drive efficiencies through technology in so many parts of the supply chain clearly resonates with customers. While this is particularly true with e-commerce, we work closely with all types of companies to look at the entire supply chain, from sourcing to the end-customer. Our collaborative approach and our proprietary technology are major reasons why 67% of Fortune 100 companies use XPO.

The disciplined investments we've made in the business this year — in technology, sales, workforce productivity, logistics infrastructure, XPO Direct and other areas — are designed to propel growth and returns in any macro environment. There are always ways we can help our customers operate more efficiently and reduce their costs; that's the sustainable path to shareholder value. Underlying our strategy is a deep bench of seasoned operators who know how to achieve results.

Looking forward, we expect our growth to continue to outperform the market. We closed a record $3 billion of new business in the first nine months, and our sales pipeline stands at a robust $3.7 billion. In addition, we have initiatives underway around the globe to continuously improve our cost structure. Our first full year of benefit from our 2018 growth investments will come in 2019.

Two years ago, we made the Fortune 500 list for the first time. In 2017, we were ranked as the fastest-growing transportation company on the list. This year, *Fortune* named XPO one of the world's most admired companies. *Forbes* has ranked us as the top-performing US company on the Global 2000 and one of America's best employers. In Italy, we were awarded Logistics Company of the Year for innovation two years in a row.

Our most recent recognition may be the most telling in terms of our ability to achieve phenomenal long-term growth. Fortune has named XPO to the Fortune Future 50 list of US public companies best positioned for breakout growth. The criteria that Fortune set for this list include many vital attributes, such as clarity of vision, agility and investments in technology. These are core strengths of XPO.

We grew XPO into a global leader in four years, primarily through acquisitions, then took the time to ensure that we have the best operators in place, with a motivated workforce, a collaborative culture and meticulous growth plans for each line of business. As we continue to execute our strategy, we have a thirst to create even more value for our customers and shareholders. Now we're looking at M&A as a way to augment our trajectory and gain an increasing share of the vast opportunity 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. This document contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA for the three and nine-month periods ended September 30, 2018 and 2017; EBITDA, adjusted EBITDA and adjusted EBITDA excluding truckload for the twelve-month periods ended December 31, 2017, 2016 and 2015; free cash flow for the three and nine-month periods ended September 30, 2018 and 2017, and the twelve-month periods ended December 31, 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 nine-month periods ended September 30, 2018 and 2017; adjusted operating income and adjusted operating ratio for our North American less-than-truckload business for the three and nine month periods ended September 30, 2018 and 2017, and adjusted operating income for our North American less-than-truckload business for the twelve-month periods ended December 31, 2017 and 2015, and the trailing twelve-month period ended September 30, 2018; and organic revenue growth for the three-month periods ended September 30, 2018 and 2017, 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. Items excluded from such non-GAAP financial measures are significant and necessary components of the operations of our business, and, therefore, such 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 restructuring costs. Transaction, integration and restructuring adjustments are generally incremental costs that result from actual or planned acquisitions or divestitures (i.e., transaction costs, integration costs, consulting fees and internal salaries to the extent that individuals are assigned full-time to integration and transformation activities), as well as restructuring costs, such as severance, related to ongoing business optimization activities plans. Rebranding adjustments relate primarily to the rebranding of the XPO Logistics name on our truck fleet and buildings. 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 believe that EBITDA, adjusted EBITDA and adjusted EBITDA excluding truckload improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables that management has determined are not reflective of normalized operating activities. 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 for our North American less-than-truckload business improves the comparability of our operating results from period to period by (i) removing the impact of certain transaction, integration, restructuring and rebranding 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 total organic revenue is an important measure because it excludes the impact of the following items: foreign currency exchange rate fluctuations and fuel surcharges.

With respect to our 2018 financial targets of adjusted EBITDA and our 2017-2018 cumulative target for free cash flow 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 financial targets for our consolidated adjusted EBITDA and free cash flow, our expected future growth prospects and our exploration of acquisition opportunities. 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; 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; our ability to execute our growth strategy through acquisitions; 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.*

Exhibit 99.2

XPO Logistics

Investor Presentation

October 2018

Disclaimers

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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 financial targets. 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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Key Factors Driving High Growth and High Returns

- Strategy of investing in secular drivers of outsized organic growth
- Leadership in fast-growing areas of transportation and logistics
- Strong position in the e-commerce sector
- $1 trillion addressable opportunity, of which we hold less than 2% market share
- Cutting-edge technology that differentiates XPO in every line of business
- Numerous company-specific margin improvement initiatives
- Low maintenance capex requirements
- Longstanding track record of creating value through M&A integration
- World-class operators who are laser-focused on driving results

Fortune named XPO to its 2018 Fortune Future 50 list of US companies best positioned for breakout growth

Top 10 Global Provider of Supply Chain Services

We use our highly integrated network of people, technology and assets to help customers manage their goods most efficiently throughout their supply chains

TRANSPORTATION
63% of Revenue

Move all types of freight using optimal mode or combination of modes

- Full truckload via brokered, contracted and owned truck capacity
- Less-than-truckload
- Last mile delivery, assembly and installation of heavy goods via contracted capacity
- Intermodal rail

LOGISTICS
37% of Revenue

Solve complex supply chain requirements for all types of goods

- High-value-add warehousing, fulfillment, distribution and inventory management
- Innovative solutions using advanced automation, proprietary analytics and other XPO technology
- E-Commerce and omnichannel specialization
- Returns management (reverse logistics)

Ability to outperform the market in any macro environment

Note: Revenue data as reported for FY 2017

Global Scale with Well-Diversified Business Mix

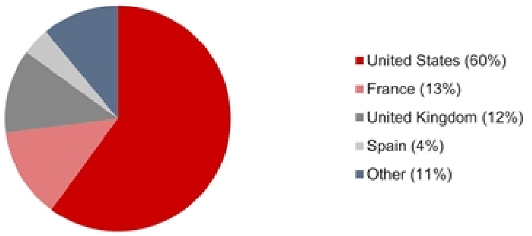
Key Metrics

Customers	Over 50,000
Employees	Over 98,000
Locations	1,529
Countries of Operation	32
Contract Logistics Facilities	185 million sq. feet (17 million sq. meters)

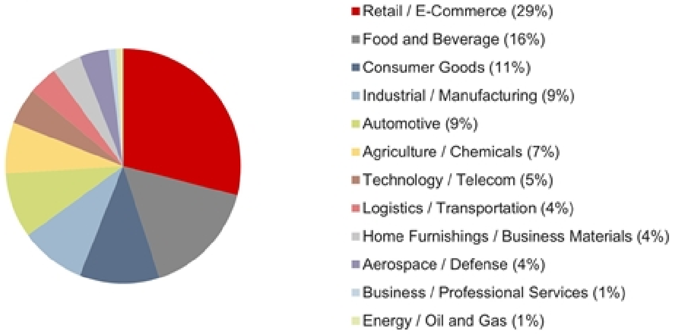
Note: Gross revenue profile reflects FY 2017 total revenue
Note: Revenue split by customer vertical is based on the company's top 200 customers, which represent approximately 57% of total revenue

Gross Revenue Profile

By Country of Operation

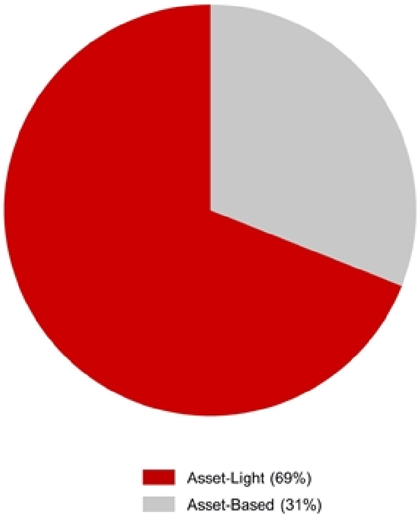


By Customer Vertical



Network Composition Creates Value

Attractive Revenue Mix



- **Ground transportation assets:**
  16,000 owned tractors; 39,000 trailers; 9,500 53-ft. intermodal boxes; and 5,000 chassis

- **Non-asset transportation network**:
  12,000 trucks contracted via independent owner-operators; and more than 1 million brokered trucks

- **Facilities:**
  475 cross-docks; and 813 contract logistics facilities

Global network with optimal mix of non-asset and asset capabilities enhances customer service while generating high returns for shareholders

Note: Revenue mix for FY 2017

Fast Pace of Innovation

$450+ million annual investment in technology is a key competitive advantage

- Global technology team of more than 1,700 professionals
- Over 100 data scientists focused on predictive analytics and machine learning
- XPO Connect digital freight marketplace gives shippers and carriers real-time visibility into supply and demand by geography and automates load matching
- Drive XPO mobile app helps carriers reduce empty miles and improve productivity
- Last mile consumerization includes voice-enabled tracking and augmented reality
- 5,000 new collaborative robots will dramatically improve speed, accuracy and safe handling of logistics fulfillment
- Proprietary warehouse technology accelerates integration of automated solutions
- C3XPO security robots enhance facility safety and lower customer costs

Our technology is a major reason why customers trust us each day with 160,000 ground shipments and more than 7 billion inventory units

Highly Skilled Management Team

	Prior Experience
Bradley Jacobs *Chief Executive Officer*	United Rentals, United Waste
Josephine Berisha *Senior Vice President, Global Compensation and Benefits*	Morgan Stanley
Erik Caldwell *Chief Operating Officer, Supply Chain–Americas and Asia Pacific*	Hudson's Bay Company, Luxottica
Richard Cawston *Managing Director, Supply Chain–Europe*	Asda, Norbert Dentressangle
Michele Chapman *Senior Vice President, Global Sales Operations*	Amazon
Ashfaque Chowdhury *President, Supply Chain–Americas and Asia Pacific*	New Breed
Troy Cooper *President*	United Rentals, United Waste
Sarah Glickman *Acting Chief Financial Officer; Senior Vice President, Corporate Finance*	Novartis, Honeywell, Bristol-Myers Squibb
Luis Angel Gómez *Managing Director, Transport–Europe*	Norbert Dentressangle
Mario Harik *Chief Information Officer*	Oakleaf Waste Management
Christophe Haviland *Senior Vice President, Transport Sales–Europe*	DHL, American Express, Staples
Meghan Henson *Chief Human Resources Officer*	Chubb, PepsiCo

Note: Partial list in alphabetical order

Highly Skilled Management Team (Cont'd)

	Prior Experience
Julie Katigan *Senior Vice President, Human Resources, Supply Chain–North America*	Electrolux, Mead Johnson Nutrition
Erin Kurtz *Senior Vice President, Communications*	Thomson Reuters, AOL
Katrina Liddell *Senior Vice President, Transportation Sales–North America*	Johnson Controls International
Scott Malat *Chief Strategy Officer*	Goldman Sachs, UBS, JPMorgan Chase
John Mitchell *Chief Information Officer, Supply Chain–Americas and Asia Pacific*	New Breed, Pep Boys, Lowe's
Emily Phillips *Senior Vice President, Advanced Solutions*	Home Depot, JDA Software
Greg Ritter *Chief Customer Officer*	Knight Transportation, C.H. Robinson
Sanjib Sahoo *Chief Information Officer, Transport Solutions*	tradeMONSTER
Christopher Synek *President, Transportation–North America*	Republic Services, Cintas
Kenneth Wagers *Chief Operating Officer; Interim President, LTL–North America*	Amazon, Dr Pepper Snapple, UPS
Daniel Walsh *President, Last Mile*	IFCO, Brambles, CHEP
Malcolm Wilson *Chief Executive Officer, XPO Logistics Europe*	Norbert Dentressangle, NYK Logistics

Note: Partial list in alphabetical order

< 2% Current Share of $1 Trillion Addressable Opportunity

Industry Sector Size in Billions (1)

Ordered by Share of XPO's Revenue

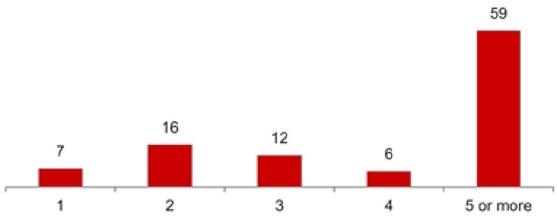
Contract Logistics	~$120
North American Less-Than-Truckload	~$35
European Transport (2)	~$455
North American Truckload and Expedite	~$375
North American Intermodal and Drayage	~$22
North American Last Mile	~$13

Larger Salesforce Closed a Record $3 Billion of Sales YTD through 9/30/18

- More than tripled the number of strategic account managers over last two years
- In Europe, deepened bench strength of senior-level sales talent in both logistics and transportation
- Beefed up sales support; raised incentive compensation, invested in new training and analytics to drive cross-selling across XPO's offerings

Top Customers Are Benefitting from XPO's Platform

Number of XPO's Services Used by Top 100 Customers (3)



As of FY 2017

- 93 of XPO's top 100 customers use two or more service lines
- 67% of Fortune 100 companies trust XPO with their business

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

(2) European transport includes truckload and brokerage

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

XPO Logistics

Leading Positions in Fast-Growing Industry Sectors

		As Percent of XPO's Gross Revenue (1)	Projected Industry Growth Rate vs. GDP (2)
Contract Logistics	▪ Second largest provider of contract logistics globally ▪ Largest outsourced e-fulfillment provider in Europe	37%	2 – 3x
North American Less-Than-Truckload	▪ Second largest LTL provider in North America ▪ More than 75,000 next-day and two-day lanes	24%	1 – 1.5x
European Transport	▪ Largest provider of truck brokerage and largest owned fleet in Europe ▪ Leading provider of LTL in Western Europe	16%	1 – 1.5x
Truck Brokerage, Expedite, Forwarding	▪ Second largest freight brokerage firm globally ▪ Largest manager of expedited shipments in North America, with largest web-based auction TMS for expedite	11%	2 – 4x
Intermodal and Drayage	▪ Third largest intermodal provider in North America and a drayage leader ▪ 30+ years experience with cross-border Mexico freight movements by rail	6%	3 – 5x
Last Mile Logistics	▪ Largest last mile logistics provider for heavy goods in North America ▪ Expanded North American network to 85 hubs	6%	5 – 6x

(1) Revenue mix for FY 2017
(2) Sources: Armstrong & Associates, Norbridge, Inc., EVE Partners LLC, FTR Associates, SJ Consulting Group, Inc., Bureau of Economic Analysis, US Department of Commerce, A.T. Kearney, Transport Intelligence, American Trucking Associations, Technavio, Wall Street Research and management estimates

Expanding Share of High-Growth E-Commerce Market

- Largest e-fulfillment 3PL in Europe, with a strong position in North America
- Omnichannel and reverse logistics/returns management leader in North America
- Customers include pure-play e-commerce companies and omnichannel retail giants
- Logistics experience with fast-growing categories such as mobile electronics facilitates returns, testing, refurbishment, warranty management and other value-added services
- Proprietary technology for advanced warehouse automation, robots, drones and other innovations enable customized logistics solutions
- XPO Direct shared-space distribution network gives customers time-definite, fast and affordable order fulfillment
- Largest North American provider of last mile logistics for heavy goods
  - Industry-leading consumer satisfaction levels powered by scale and technology
  - Grew North American last mile revenue by 12% in Q3 2018 year-over-year
  - Service rolled out in Europe

2018 Investments Drive Long-Term Growth

Benefits propelled by scale

- Expanding contract logistics infrastructure: warehouse management software, automation and robotic solutions, and data-driven workforce planning tools
- Completed expansion of last mile network to 85 North American hubs in September, strategically located for pure-play last mile customers and XPO Direct fulfillment
- Growing XPO Direct network to serve omnichannel, e-commerce and manufacturing customers – expanded from 75 to 94 facilities in third quarter
- Accelerating less-than-truckload sales with over 200 recently hired sales associates and support personnel
- Deepening competitive moat of proprietary technology, with an emphasis on differentiation in the e-commerce, consumerization and digitalization spaces

Targeting ~$1.585 Billion of Adjusted EBITDA in 2018

Expecting 16% adjusted EBITDA growth this year, due to numerous drivers

- Investments in salesforce expansion and effectiveness
- Execution of pricing initiatives
- Continued improvement in overtime and temporary labor management through workforce planning
- Implementation of advanced robotics and other innovations, and process improvements
- Further improvement of LTL business mix and network efficiency
- Ongoing cross-fertilization of best practices
- Automation of select customer-related and carrier-facing operations
- Ongoing optimization of shared services such as HR, IT and Finance
- Centralized procurement and other economies of scale

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

Opportunity to Create Substantial Value through M&A

- **Exploring acquisitions that are strategically and financially compelling**
  - Mainly interested in existing or complementary lines of business, where revenue is derived from long-term, contractual relationships with customers
  - Primarily focused on businesses headquartered in North America and Europe
- **Potential opportunities to improve the profitability of acquired businesses include:**
  - Cross-selling multiple services to existing and new customers
  - Global procurement savings
  - Operational efficiencies through best practices and, where applicable, cost-out initiatives
  - Optimizing organizational structure
  - Broad application of technology, including utilization of labor and capacity

Strong Track Record of Optimizing Acquired Operations

- **October 2015 acquisition of Con-way**
  - Instilled a culture of accountability by focusing employees on results that matter
  - Invested in sales force recruitment and training to optimize business mix
  - Realized approximately $200 million of cost improvements
  - More than doubled adjusted operating income from FY 2015 to TTM 9/30/18
- **June 2015 acquisition of Norbert Dentressangle**
  - Improved margins by cross-fertilizing best practices and addressing loss makers
  - Transformed sales organization to collaborate on strategic opportunities across countries and integrated service lines
  - Achieved record revenue and profits in both transport and logistics post-acquisition
  - Closed $990 million of new business TTM 9/30/18

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

XPO Logistics

Key Lines of Business

Contract Logistics
Competitive Position as Technology Leader

Asset-light business characterized by long-term, recurring contractual relationships, low cyclicality and a high-value-add component that minimizes commoditization

- Deep expertise in high-growth sectors that trend toward outsourcing: retail, e-commerce, industrial, high tech, aerospace, telecom, food and beverage, healthcare and agriculture
- Largest provider of outsourced e-fulfillment in Europe
- Advanced warehouse robotics and automation
- Low maintenance capex requirements
- Five-year average contract tenure with a historical renewal rate of over 95%
- Global sales pipeline of approximately $1.5 billion

Global Footprint

XPOLogistics

Truck Brokerage

Broad Opportunity to Cross-Sell Massive Capacity

Non-asset business that matches shippers' freight with an established network of over 38,000 pre-qualified trucking carriers

- Continuously improving productivity through proprietary Freight Optimizer technology
- Drive XPO mobile app and XPO Connect network strengthen relationships with carriers
- Proprietary algorithms use machine learning to enhance pricing accuracy
- High free cash flow conversion and minimal capex
- Variable cost model performs well through cycles
- Fragmented market with opportunity to expand
- Outsourcing trends drive industry growth

Global Footprint

Last Mile
Demand Propelled by E-Commerce and Omnichannel

Asset-light business that arranges the final stage of heavy goods deliveries from distribution centers, cross-docks or retail stores to consumers' homes

- Customers include nearly all of the top 30 big-box retailers and e-tailers in the US
- On track to facilitate approximately 14 million deliveries this year
- Best-in-class proprietary customer experience technology for deliveries and in-home installations
- Integrated with contract logistics and LTL networks to create a powerful value proposition for retail and e-commerce customers
- Rolled out last mile service in Europe

Global Footprint

XPO Logistics

North American Less-Than-Truckload
Second Largest LTL Carrier in North America

Asset-based business utilizing employee drivers, fleet of tractors and trailers for line-haul, pick-up and delivery of pallets, and network of terminals

- Covers 99% of all US zip codes
- Laser focused on on-time, damage-free performance
- One of the industry's most modern fleets, delivering approximately 20 billion pounds of freight a year
- Top 25 LTL accounts using an average of six different XPO services each
- Improved Q3 2018 adjusted operating income ratio to 85.4%, the best third quarter ratio in 30 years

North American Footprint

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

XPO Logistics

Intermodal Rail

Long-term Sales Potential for Truck-to-Rail Conversion

Asset-light business that arranges the long-haul portion of containerized freight, including rail brokerage, local drayage and on-site operational services

- Third largest intermodal provider
- 9,500 53-ft. intermodal boxes and 5,000 chassis
- Leading U.S. drayage capacity of 2,300 independent owner-operators, with access to over 25,000 additional drayage trucks
- Proprietary Rail Optimizer technology is a competitive advantage: enables constant communication with railroads for door-to-door movements of long-haul freight with high visibility
- High levels of customer satisfaction driven by cost effectiveness, ready capacity and service performance

North American Footprint

XPOLogistics

European Transport
Cross-Fertilizing Best Practices with North America

Leading platform for dedicated and non-dedicated truckload, less-than-truckload, truck brokerage, and new last mile service

- LTL, truck brokerage and dedicated transport combined account for about 80% of European transport EBITDA
- A leading LTL provider in Western Europe
  - Similar profit initiatives as North American LTL, sharing best practices
- Large and growing brokerage business draws on carrier network and XPO-owned capacity
  - Launched Freight Optimizer system to increase visibility across Europe
  - Rolled out Drive XPO app for carriers
- High-return dedicated transport business utilizes assets for long-term contracts

European Transport Footprint

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

XPO Logistics

Global Forwarding
Integrated Global Network

Non-asset logistics solution for domestic, cross-border and international shipments, including customs brokerage

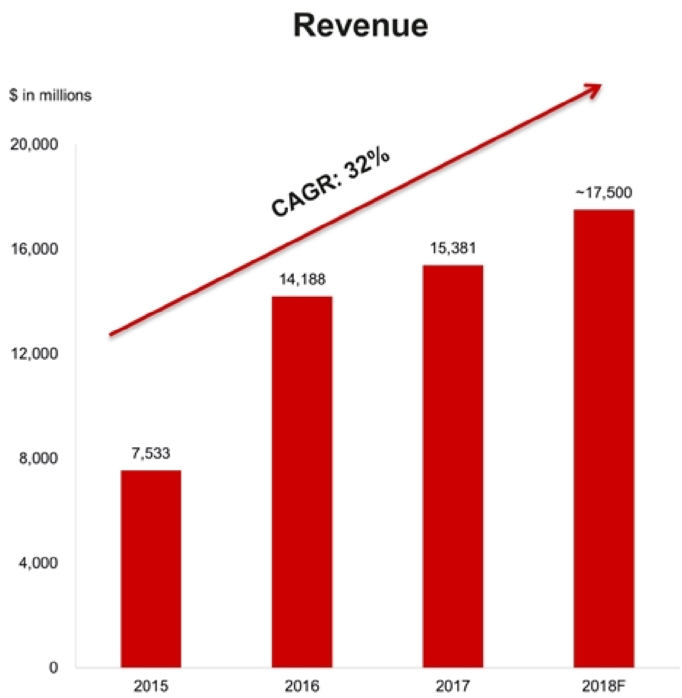
- Freight forwarding is a $150 billion industry, of which XPO has less than a 1% share
- Ability to leverage ground, air and ocean carrier relationships to provide differentiated services for domestic, international and cross-border freight
- Operates a subsidiary as a non-vessel operating common carrier (“NVOCC”)
- Opportunity to grow market share through network of dedicated offices on four continents

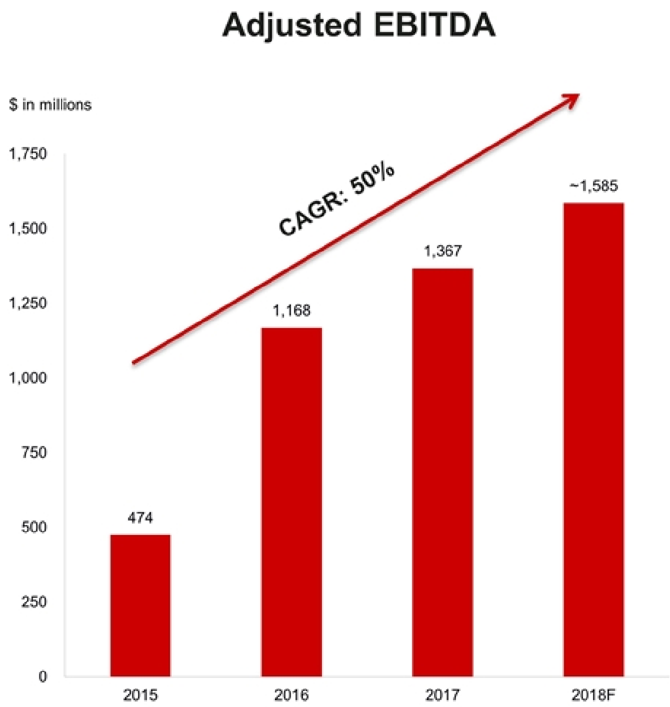
Global Footprint

XPO Logistics

Financial Performance

Industry-Leading Growth in Revenue and EBITDA





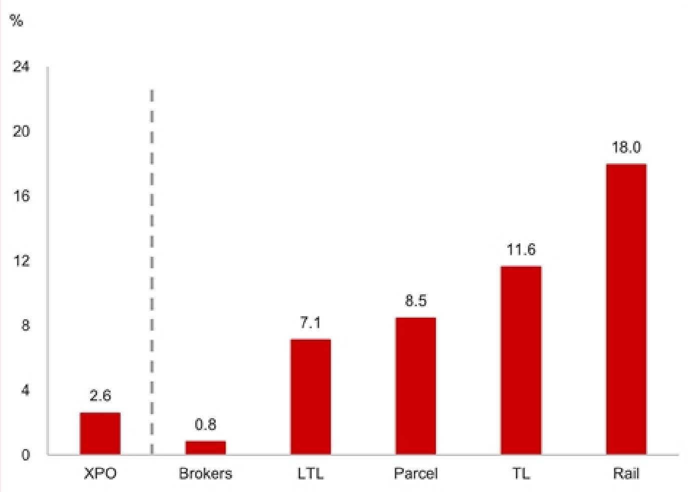
Note: Excludes impact of divested North American truckload unit
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPOLogistics

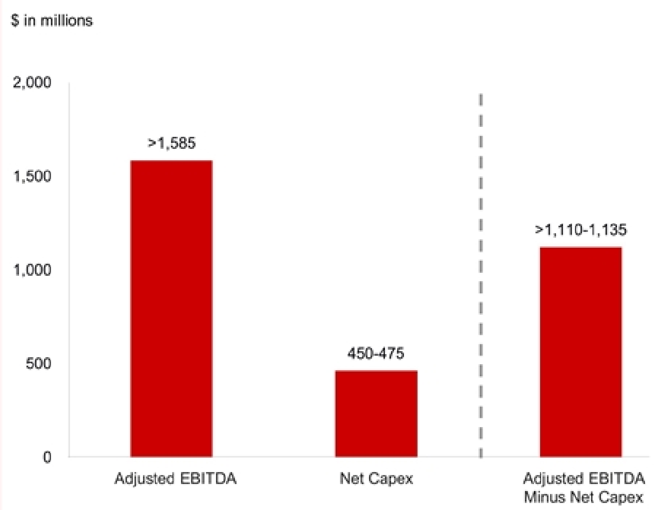
Flexible Asset / Non-Asset Business Mix

Business model enhances customer service and financial returns

2018: Low Net Capex as % of Revenue vs. Competitor Groups



2018 Targets

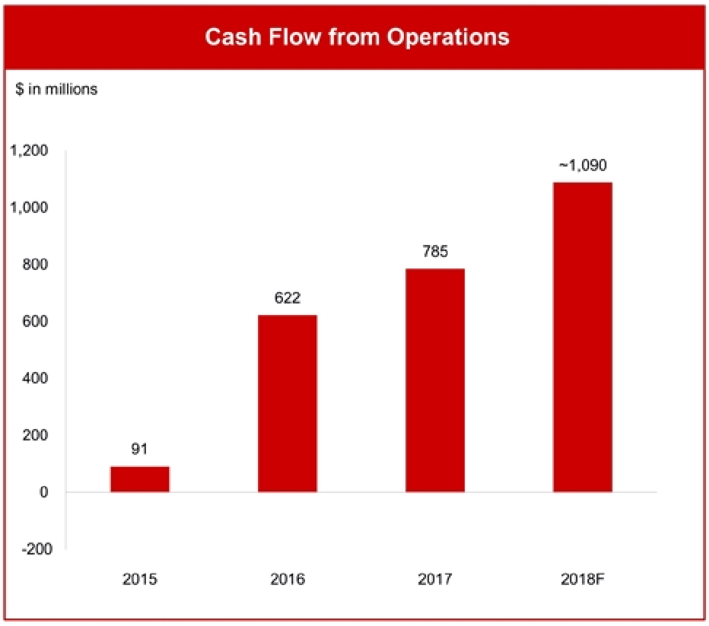


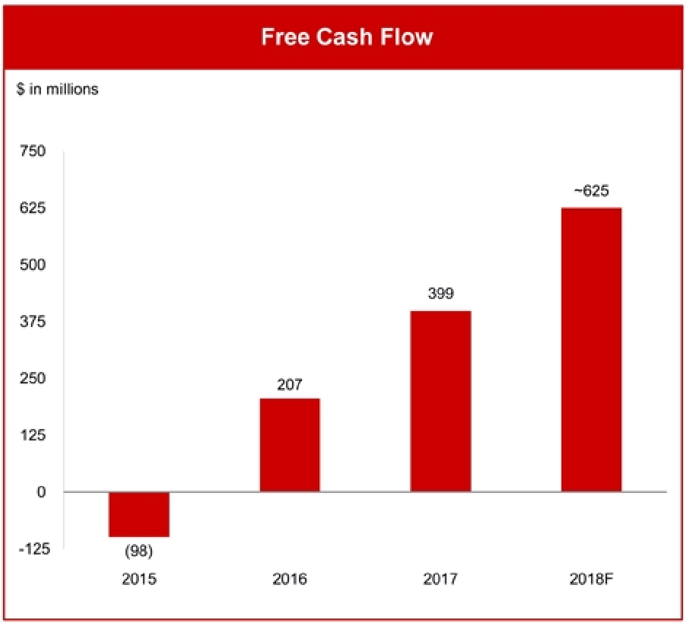
Note: Brokers include CH Robinson, Echo Global Logistics and Expeditors International; Parcel includes FedEx and UPS; LTL includes Old Dominion Freight Line, YRC Worldwide, ArcBest and Saia; TL includes Werner Enterprises, Knight-Swift Transportation and Heartland Express; Rail includes CSX Rail Corp, Norfolk Southern, Union Pacific, Kansas City Southern, Canadian Pacific Railway and Canadian National Railway Company
Note: Net capex is defined as payment for purchases of property and equipment less proceeds from sale of assets
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPO Logistics

Strong Free Cash Flow Generation

2018 free cash flow expected to be driven by EBITDA growth, lower interest expense and lower integration and rebranding costs





Note: 2018F is based on the company's target for free cash flow and the mid-point of an expected net capex spend of $450 million to $475 million
Note: 2016 and 2017 data have been recast to reflect the impact of Accounting Standards Update 2016-18
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

XPOLogistics

Third Quarter 2018 Results

- $4.34 billion of revenue
- 10.5% organic revenue growth
- $100.8 million of net income; $0.74 per diluted share
- $121.3 million of adjusted net income; $0.89 per diluted share
- $414.9 million of adjusted EBITDA
- $288.2 million of cash flow from operations
- $173.0 million of free cash flow

Note: Net income is attributable to common shareholders
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial Targets

On October 31, 2018

- Updated full year 2018 adjusted EBITDA to approximately $1.585 billion, from at least $1.6 billion
  - Revised target primarily reflects the $16 million impact of a customer bankruptcy in the third quarter
- Reaffirmed 2017–2018 cumulative free cash flow of approximately $1 billion, including approximately $625 million of free cash flow in 2018

Anticipates year-over-year adjusted EBITDA growth of 16%

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

Fundamentals Established for Value Creation

- Leading positions in fast-growing areas of transportation and logistics
- Unique ability to help large customers realize efficiencies across the supply chain
- Leading-edge technology for operations, customers, carriers and consumers
- Strong position in rapidly expanding e-commerce sector
- Robust top line expansion, with adjusted EBITDA growing faster than revenue
- Company-specific initiatives for margin improvement
- Strong generation of cash from operations and free cash flow
- Highly integrated organization with culture of collaboration
- Insiders own 14% of diluted outstanding XPO shares, interests are strongly aligned with those of public shareholders
- Upside from future acquisitions

XPOLogistics

Supplemental Materials

XPO Is Widely Recognized for Performance and Culture

- Named to the Fortune Future 50 list of US companies best positioned for breakout growth by Fortune, 2018
- Named one of the World's Most Admired Companies by Fortune and ranked #4 in the transportation category, 2018
- Ranked #7 of the CMI/Glassdoor Top 20 UK companies with the best leadership and culture at work, as voted by employees, 2018
- Ranked #67 of Largest US Employers by Fortune, 2018
- Jacobs ranked #10 on Barron's list of World's Best CEOs, 2018
- Awarded Company of the Year for innovation by Assologistica (Italy), 2018 and 2017
- Recognized by Nissan (Europe) for logistics excellence, 2018, 2017, 2016, 2015
- Named a top-performing US company on the Global 2000 by Forbes, 2017
- Named one of America's Best Employers by Forbes, 2017
- Named a Worldwide Leader in the Magic Quadrant for Third-Party Logistics Providers by Gartner, 2018

Strongly Committed to Sustainability

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 CO_2" 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 2.5 years
- Large fleet of natural gas trucks in Europe, pioneered LNG-powered tractors in the Paris suburban area
- Government-approved mega-trucks in Spain reduce road miles, CO_2 emissions

Strongly Committed to Sustainability (Cont'd)

- On track to reduce French fleet emissions by 6% by year-end 2018 vs. 2015
- North American LTL operations have energy-saving policies in place and are implementing a phased upgrade to LED lighting
- Drivers train in responsible eco-driving and fuel usage reduction techniques
- Waste mitigation measures are instilled in daily operations to reduce paper, such as electronic waybills and documentation, and other waste products
- Experimenting with diesel alternatives such as diesel-electric hybrids

Logistics

- Many 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

Strongly Committed to Sustainability (Cont'd)

- Energy efficiency evaluations are performed prior to selecting warehouses to lease, and energy efficient equipment is purchased when feasible
- Fuel emissions from forklifts are monitored at logistics sites, with protocols in place to take immediate corrective action if needed
- 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 are committed to operating our business in a way that demonstrates a high regard for the environment and all our stakeholders

Business Glossary

- **Contract Logistics:** An asset-light, technology-enabled business characterized by long-term contractual relationships with high renewal rates, low cyclicality 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'd)

- **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:** A non-asset 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 omni-channel 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.

Financial Reconciliations

The following table reconciles XPO's net income attributable to common shareholders for the periods ended September 30, 2018 and 2017 to 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 September 30,				Nine Months Ended September 30,			
	2018	**2017**	**$ Variance**	**Change %**	**2018**	**2017**	**$ Variance**	**Change %**
Net income attributable to common shareholders	$ 100.8	$ 57.5	$ 43.3	75.3%	$ 305.2	$ 124.5	$ 180.7	145.1%
Distributed and undistributed net income	8.2	5.0	3.2	64.0%	25.4	11.2	14.2	126.8%
Net income attributable to noncontrolling interests	6.2	8.5	(2.3)	-27.1%	22.8	17.4	5.4	31.0%
Net income	115.2	71.0	44.2	62.3%	353.4	153.1	200.3	130.8%
Loss on conversion of convertible senior notes	-	0.1	(0.1)	-100.0%	-	0.5	(0.5)	-100.0%
Debt extinguishment loss	16.8	4.6	12.2	265.2%	27.1	13.6	13.5	99.3%
Other Interest expense	51.0	72.4	(21.4)	-29.6%	165.3	221.9	(56.6)	-25.5%
Income tax provision	41.0	30.4	10.6	34.9%	95.0	48.4	46.6	96.3%
Depreciation and amortization expense	179.9	167.3	12.6	7.5%	527.2	489.1	38.1	7.8%
Unrealized (gain) loss on foreign currency option and forward contracts	(0.7)	9.6	(10.3)	-107.3%	(12.9)	48.7	(61.6)	-126.5%
EBITDA	$ 403.2	$ 355.4	$ 47.8	13.4%	$ 1,155.1	$ 975.3	$ 179.8	18.4%
Transaction, integration and restructuring costs	10.3	13.4	(3.1)	-23.1%	22.9	37.3	(14.4)	-38.6%
Rebranding costs	1.4	0.8	0.6	75.0%	3.8	17.8	(14.0)	-78.7%
Adjusted EBITDA	$ 414.9	$ 369.6	$ 45.3	12.3%	$ 1,181.8	$ 1,030.4	$ 151.4	14.7%

Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document
Note: 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
Note: Adjusted EBITDA was prepared assuming 100% ownership of XPO Logistics Europe

Financial Reconciliations (Cont'd)

The table reconciles XPO's GAAP net income attributable to common shareholders for the periods ended September 30, 2018 and 2017 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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
GAAP net income attributable to common shareholders	$ 100.8	$ 57.5	$ 305.2	$ 124.5
Loss on conversion of convertible senior notes	-	0.1	-	0.5
Debt extinguishment loss	16.8	4.6	27.1	13.6
Unrealized (gain) loss on foreign currency option and forward contracts	(0.7)	9.6	(12.9)	48.7
Transaction, integration and restructuring costs	10.3	13.4	22.9	37.3
Rebranding costs	1.4	0.8	3.8	17.8
Income tax associated with the adjustments above	(5.2)	(7.1)	(8.8)	(39.4)
Discrete and other tax-related adjustments	-	-	-	(5.8)
Impact of noncontrolling interests on above adjustments	(0.4)	(0.5)	(0.9)	(2.0)
Allocation of undistributed earnings	(1.7)	(1.7)	(2.4)	(5.9)
Adjusted net income attributable to common shareholders	$ 121.3	$ 76.7	$ 334.0	$ 189.3
Adjusted basic earnings per share	$ 0.97	$ 0.65	$ 2.74	$ 1.67
Adjusted diluted earnings per share	$ 0.89	$ 0.59	$ 2.48	$ 1.50
Weighted-average common shares outstanding				
Basic weighted-average common shares outstanding	125.2	117.5	122.1	113.5
Diluted weighted-average common shares outstanding	136.6	129.8	134.8	126.2

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

XPO Logistics

Financial Reconciliations (Cont'd)

The following table reconciles XPO's cash flows provided by operating activities for the three and nine months ended September 30, 2018 and 2017, and the 12 months ended December 31, 2017, 2016 and 2015, to free cash flow for the same periods.

XPO Logistics, Inc.
Reconciliation of Cash Flows From Operating Activities to Free Cash Flow
(Unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,		
	2018	2017	2018	2017	2017	2016	2015
Cash flows provided by operating activities	$ 288.2	$ 293.6	$ 536.2	$ 519.5	$ 784.8	$ 621.6	$ 90.8
Payment for purchases of property and equipment	(145.4)	(127.9)	(413.1)	(389.9)	(503.8)	(483.4)	(249.0)
Proceeds from sales of assets	30.2	17.4	91.7	59.6	118.0	68.9	60.3
Free Cash Flow	$ 173.0	$ 183.1	$ 214.8	$ 189.2	$ 399.0	$ 207.1	$ (97.9)

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

XPO Logistics

Financial Reconciliations (Cont'd)

The following table reconciles XPO's operating income attributable to its North American less-than-truckload business for the trailing twelve months ended September 30, 2018, nine months ended September 30, 2018 and 2017, and years ended December 31, 2017 and 2015, to adjusted operating income for the same periods.

XPO Logistics North American Less-Than-Truckload
Reconciliation of Adjusted Operating Income
(Unaudited)
(In millions)

	Trailing Twelve Months Ended September 30, 2018	Nine Months Ended September 30, 2018	Twelve Months Ended December 31, 2017	Nine Months Ended September 30, 2017	Twelve Months Ended December 31, 2015
Operating income	$ 434.2	$ 358.2	$ 377.2	$ 301.2	$ 202.7
Transaction, integration, restructuring and rebranding costs	1.1	-	19.2	18.1	20.4
Amortization expense	33.8	25.3	33.8	25.3	10.0
Other income (expense)	25.0	22.0	12.0	9.0	(0.3)
Adjusted operating income	$ 494.1	$ 405.5	$ 442.2	$ 353.6	$ 232.8

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

Financial Reconciliations (Cont'd)

The following table reconciles XPO's revenue attributable to its North American less-than-truckload business for the periods ended September 30, 2018 and 2017 to adjusted operating ratio for the same periods.

XPO Logistics North American Less-Than-Truckload
Adjusted Operating Ratio
(Unaudited)
(In millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018	2017	$ Variance	Change %	2018	2017	$ Variance	Change %
Revenue (excluding fuel surcharge revenue)	$ 826.5	$ 800.9	$ 25.6	3.2%	$ 2,439.0	$ 2,384.9	$ 54.1	2.3%
Fuel surcharge revenue	142.7	115.2	27.5	23.9%	413.9	334.5	79.4	23.7%
Revenue	969.2	916.1	53.1	5.8%	2,852.9	2,719.4	133.5	4.9%
Salaries, wages and employee benefits	442.6	429.1	13.5	3.1%	1,312.3	1,275.1	37.2	2.9%
Purchased transportation	103.7	114.0	(10.3)	-9.0%	299.9	330.0	(30.1)	-9.1%
Fuel and fuel-related taxes	74.6	56.7	17.9	31.6%	217.2	170.0	47.2	27.8%
Depreciation and amortization	62.3	59.6	2.7	4.5%	182.9	176.9	6.0	3.4%
Other operating expenses	120.8	118.5	2.3	1.9%	362.8	342.4	20.4	6.0%
Maintenance	26.2	25.8	0.4	1.6%	77.4	82.4	(5.0)	-6.1%
Rents and leases	10.4	10.4	-	0.0%	32.8	31.5	1.3	4.1%
Purchased labor	3.0	3.8	(0.8)	-21.1%	9.4	9.9	(0.5)	-5.1%
Operating income	125.6	98.2	27.4	27.9%	358.2	301.2	57.0	18.9%
Operating ratio [a]	87.0%	89.3%			87.4%	88.9%		
Transaction, integration, restructuring and rebranding costs	-	4.2	(4.2)	-100.0%	-	18.1	(18.1)	-100.0%
Amortization expense	8.4	8.4	-	0.0%	25.3	25.3	-	0.0%
Other income	7.3	3.0	4.3	143.3%	22.0	9.0	13.0	144.4%
Adjusted operating income	$ 141.3	$ 113.8	$ 27.5	24.2%	$ 405.5	$ 353.6	$ 51.9	14.7%
Adjusted operating ratio [b]	85.4%	87.6%			85.8%	87.0%		

[a] Operating ratio is calculated as (1 - (Operating income divided by Revenue)).
[b] Adjusted operating ratio is calculated as (1 - (Adjusted operating income divided by Revenue)).

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

Financial Reconciliations (Cont'd)

The following table reconciles XPO's net income (loss) attributable to common shareholders for the years ended December 31, 2017, 2016 and 2015 to 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 ex. Truckload
(Unaudited)
(In millions)

	Twelve Months Ended December 31,		
	2017	2016	2015
Net income (loss) attributable to common shareholders	$ 312.4	$ 63.1	$ (245.9)
Preferred stock beneficial conversion charge	-	-	(52.0)
Distributed and undistributed net income	(27.8)	(5.9)	(2.8)
Net (income) loss attributable to noncontrolling interests	(20.0)	(15.5)	0.5
Net income (loss)	360.2	84.5	(191.6)
Debt commitment fees	-	-	19.7
Loss on conversion of convertible senior notes	0.5	0.2	10.0
Debt extinguishment loss	36.0	69.7	-
Other interest expense	283.8	360.9	187.0
Income tax (benefit) provision	(99.5)	22.3	(90.9)
Accelerated amortization of trade names	-	-	2.4
Depreciation and amortization expense	658.4	643.4	362.5
Unrealized loss (gain) on foreign currency option and forward contracts	49.4	(36.0)	2.5
EBITDA	$ 1,288.8	$ 1,145.0	$ 301.6
Transaction, integration and restructuring costs	59.9	73.1	188.6
Rebranding costs	18.4	30.1	12.4
Gain on sale of intermodal equipment	-	-	(9.5)
Adjusted EBITDA	$ 1,367.1	$ 1,248.2	$ 493.1
Adjusted EBITDA divested NA Truckload business	-	80.1	18.8
Adjusted EBITDA ex. Truckload	$ 1,367.1	$ 1,168.1	$ 474.3

Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document
Note: Adjusted EBITDA was prepared assuming 100% ownership of XPO Logistics Europe

Financial Reconciliations (Cont'd)

The following table reconciles XPO's GAAP revenue to organic revenue for the three months ended September 30, 2018 and 2017.

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

	Consolidated	
	Three Months Ended September 30,	
	2018	2017
Revenue	$ 4,335.1	$ 3,887.1
Fuel	(452.3)	(358.6)
Foreign Exchange Rates	15.6	-
Organic Revenue	$ 3,898.4	$ 3,528.5
Organic Revenue Growth [a]	10.5%	

[a] Organic revenue growth is calculated as the relative change in year-over-year organic revenue, expressed as a percentage of 2017 organic revenue.

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

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