XPO Logistics

FEBRUARY 2021

Investor Presentation

Disclaimers

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 presentation to the most directly comparable measure under GAAP, which are set forth in the financial tables attached to this document.

This document contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted EBITDA and adjusted EBITDA margin for the three and twelve-month periods ended December 31, 2020 and 2019 on a consolidated basis; EBITDA, adjusted EBITDA, adjusted EBITDA excluding truckload and adjusted EBITDA for our North American less-than-truckload business for the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; free cash flow for the three period ended December 31, 2020 and 2019, and the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; adjusted net income attributable to common shareholders and adjusted earnings per share (basic and diluted) (“adjusted EPS”) for the three and twelve-month periods ended December 31, 2020 and 2019; adjusted operating income and adjusted operating ratio for our North American less-than-truckload business for the three and twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; and net debt and net leverage as of December 31, 2020.

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

Adjusted EBITDA, adjusted net income attributable to common shareholders and adjusted EPS include adjustments for transaction and integration, as well as restructuring costs and other adjustments as set forth in the attached tables. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition, divestiture or spin-off and may include transaction costs, consulting fees, retention awards, and internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and converging IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating XPO's and each business segment's ongoing performance.

We believe that free cash flow is an important measure of our ability to repay maturing debt or fund other uses of capital that we believe will enhance stockholder value. We calculate free cash flow as adjusted net cash provided by operating activities, less payment for purchases of property and equipment plus proceeds from sale of property and equipment, with adjusted net cash provided by operating activities defined as net cash provided by operating activities plus cash collected on deferred purchase price receivables. We believe that EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA excluding truckload improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income attributable to common shareholders and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities. We believe that adjusted operating income and adjusted operating ratio for our North American less-than-truckload business improve the comparability of our operating results from period to period by (i) removing the impact of certain transaction, integration and restructuring costs, amortization expenses as well as real estate gains and (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables. We believe that net debt and net leverage is an important measure of our overall liquidity position and is calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our last twelve-month reported adjusted EBITDA.

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

FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the potential timing and expected benefits of the proposed spin-off of our logistics segment, including final approval for the proposed spin-off and the risk that the spin-off may not be completed on the terms or timeline currently contemplated, if at all; the impact of the proposed spin-off on the size and business diversity of our company; the ability of the proposed spin-off to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; and governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures.

All forward-looking statements set forth in this deck 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 deck 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.

Table of contents

Investor highlights: Key factors driving growth and returns

Leading positions in fast-growing sectors	A leader in logistics, less-than-truckload (LTL) transportation and truck brokerage
Numerous opportunities for top-line growth	Proven ability to capture organic share through price and volume, and expand through accretive M&A
Strong presence in e-commerce and omnichannel retail	Largest outsourced e-commerce logistics platform in Europe, with expansive capabilities in North America
Fast pace of technological innovation	Proprietary technology for warehouse automation, LTL optimization and digital brokerage services
Substantial advantages of scale	Mission-critical ability to serve large customers; operating leverage; data leverage; purchasing power
Nimble capital allocation focused on returns	Strong track record of creating substantial shareholder value; disciplined, ROI-based capital allocation
~$700 million to $1 billion of potential incremental profit opportunity	XPO-specific cost and revenue initiatives underway, with the majority driven by proprietary technology
Ability to outperform the macro	Proven resilience due to durable demand in key verticals, flexible business models and low concentration risk
Significant cash generation through cycles	Low maintenance capex; working capital becomes a source of cash in downturns
Wide moat of results-oriented innovators	35 most senior executives and ~2,500 professionals at the next level with blue-chip industry experience

Business overview

Serving over 50,000 customers in 30 countries

LOGISTICS SEGMENT

38% OF 2020 REVENUE[1]

XPO is the second largest contract logistics provider globally, with a leading e-commerce platform

Revenue	$6.2 billion
Locations[2]	890
Countries of operation	27
Employees[2]	~67,000

TRANSPORTATION SEGMENT

62% OF 2020 REVENUE[1]

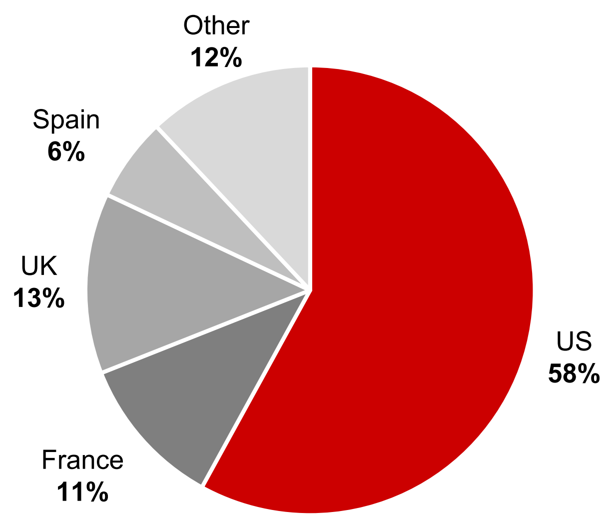
XPO is a leading global provider of truck brokerage services and less-than-truckload (LTL) transportation[1]

Revenue	$10.2 billion
Locations	730
Countries of operation	18
Employees	~39,000

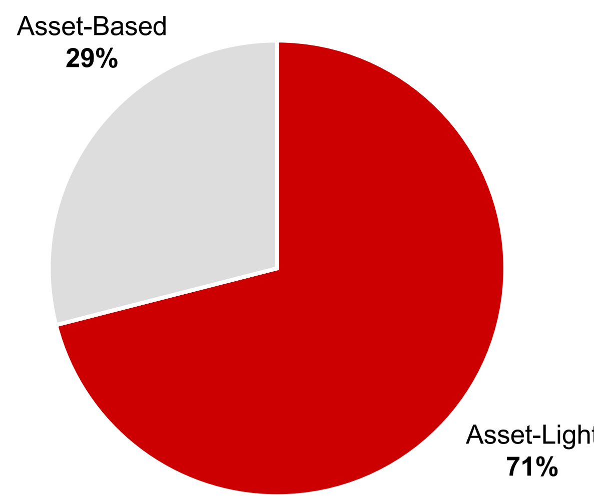
[1] Company segment revenue data, excluding intersegment eliminations
[2] Locations and employees adjusted to reflect the Kuehne + Nagel acquisition January 2021

Key 2020 financial metrics

REVENUE BY GEOGRAPHY



REVENUE BY MIX



REVENUE	ADJUSTED EBITDA[1]	FREE CASH FLOW[1]
$16.3 billion	$1.4 billion	$554 million

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

~$500 million average annual investment in innovative supply chain technology

KEY TECHNOLOGY BY SERVICE LINE

LOGISTICS

- Proprietary warehouse management system manages all distribution processes and warehouse operations
- Provides in-house control of robotics and other advanced automation
- Integrates transportation and logistics services for retail, e-commerce, omnichannel and manufacturing customers using XPO Direct™
- Improves productivity in warehouse operations by rightsizing labor resources with XPO Smart™ analytics

LESS-THAN-TRUCKLOAD

- Network optimization tools improve LTL linehaul, pickup-and-delivery, and routing
- Proprietary algorithms with machine learning assimilate constant inflows of data
- Visibility facilitates selling LTL across additional verticals
- Improves the efficiency of cross-dock operations with XPO Smart™ analytics

TRUCK BROKERAGE

- Proprietary XPO Connect™ marketplace with machine learning drives end-to-end efficiency in brokered freight transactions
- Fully automated platform integrates Freight Optimizer capacity management engine
- Automates carrier matching to optimal loads
- Lowers environmental impact by reducing empty truck miles
- Gives carriers access to XPO Connect™ from their trucks with Drive XPO™ app

~1,600 technology professionals focus on continuously improving results

XPO Logistics

XPO Connect™ is a powerful, digital ecosystem for freight management

CUSTOMERS

Shippers can:

- Post loads, receive quotes from carriers, create orders digitally, and track shipments in real time
- Select the optimal capacity based on load profile, preferences, price and market conditions
- Customize analytics and reports to gain insights into the impact of decisions

Connect by XPO Logistics

FREIGHT OPTIMIZER

API

CARRIERS

Carriers can:

- Search the platform's load board to find freight for trucks and book it digitally
- Choose to accept the posted rate or bid and negotiate, using the automated counteroffer feature
- Drivers use the Drive XPO™ app from the road to find loads and backhauls, avoid delays and file e-documents

INTELLIGENT BROKERAGE AUTOMATION CREATES VALUE IN REAL TIME

- Optimizes freight-matching by sourcing the best carriers for each load profile
- Expands revenue and margins with automated load-tendering, pricing, bidding, buying and tracking
- Improves freight management by providing deep visibility into available capacity
- Establishes the architecture for continuous innovation
- Creates operational synergies

XPO Smart™ improves productivity of warehouse and cross-dock operations

TIME AND ATTENDANCE

TRANSACTIONAL DATA

IOT DATA

Smart by XPO Logistics

MACHINE LEARNING

ANALYTICS

MODELING

FORECASTING

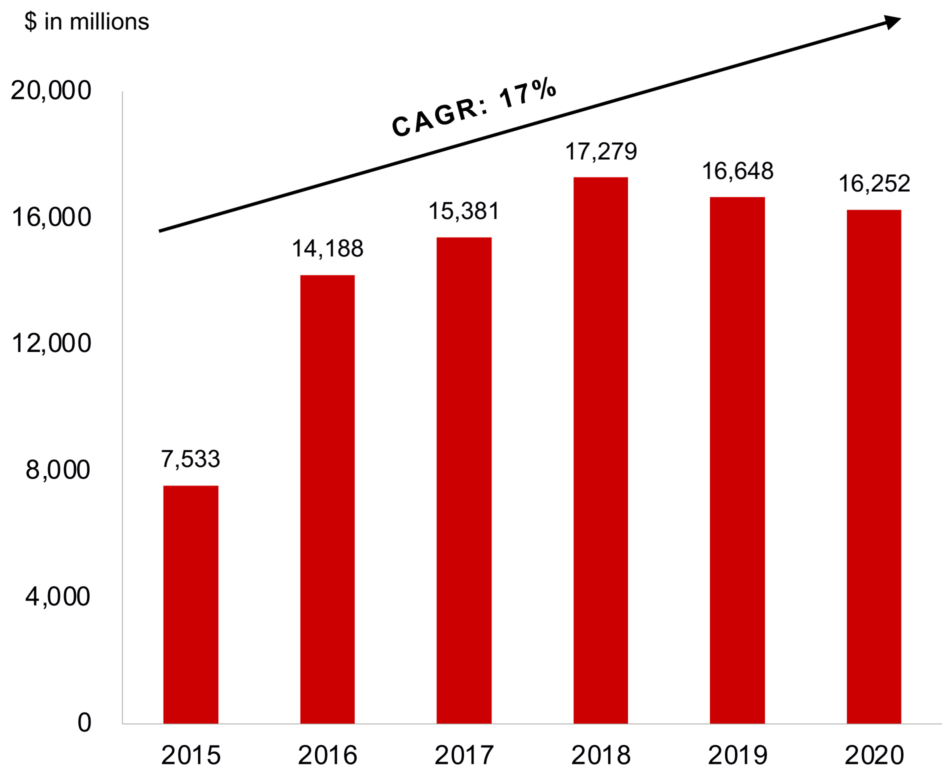
BECOMES CONTINUOUSLY SMARTER AT SITE-SPECIFIC OPTIMIZATION

- Labor management and planning
- Attendance tracking
- Productivity tracking
- Access on cloud applications, large-format displays, mobile devices and handhelds
- Production management of inbound and outbound flows
- Enhanced SKU velocity
- Granular-level detail in a few clicks

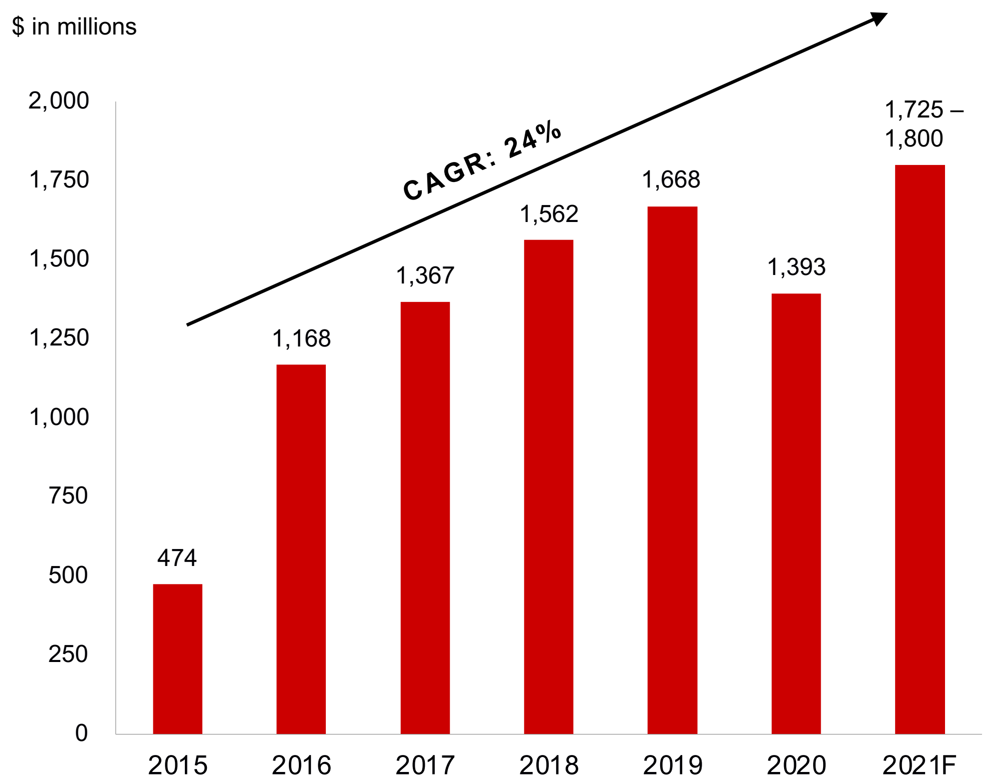
Financial highlights and key metrics

Industry-leading growth in revenue and adjusted EBITDA

REVENUE

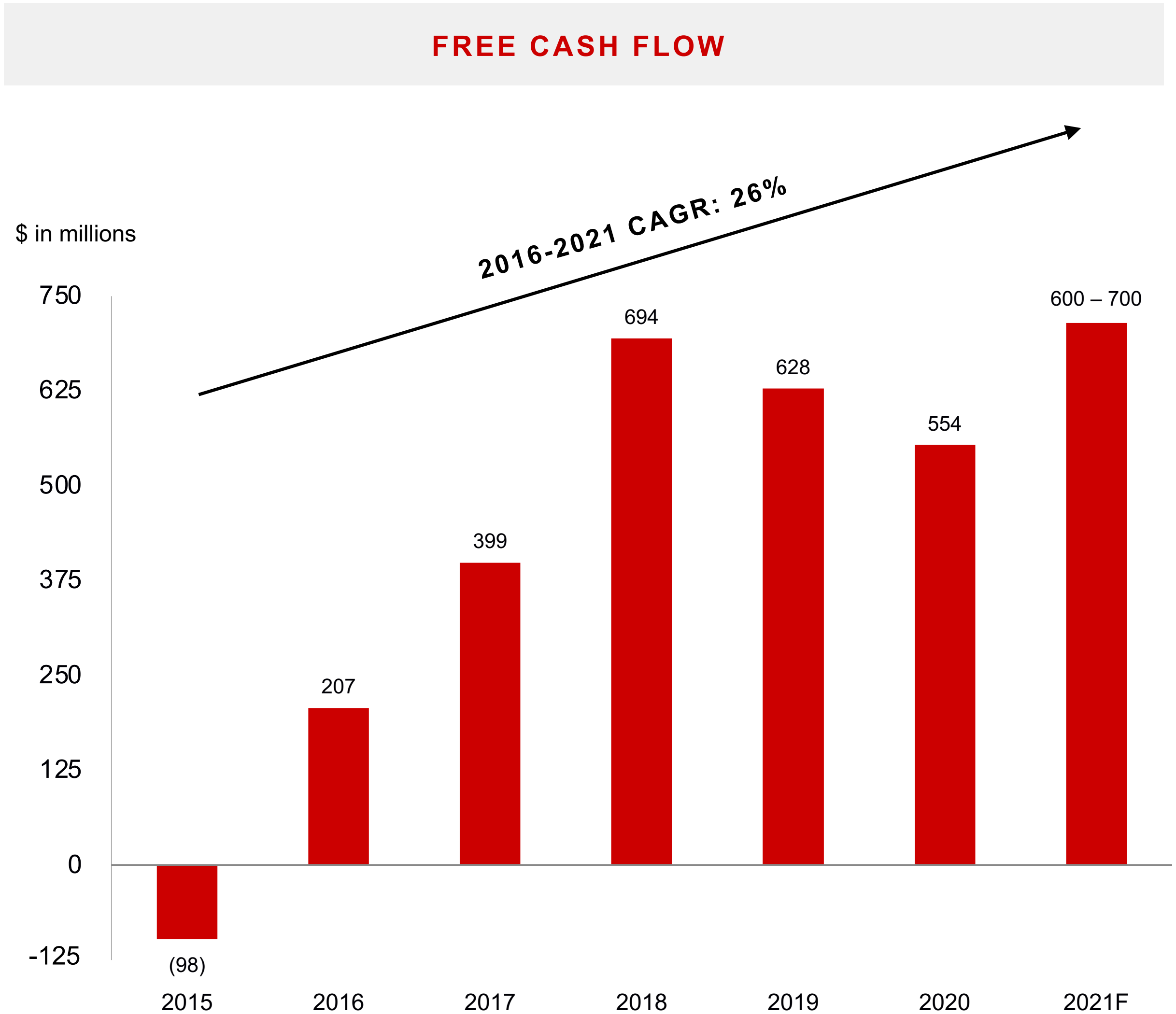


ADJUSTED EBITDA



Note: Both charts exclude the impact of the North American truckload unit divested in October 2016
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Strong free cash flow generation



Note: 2016 and 2017 data have been recast to reflect the impact of Accounting Standards Update 2016-2018
Refer to the “Non-GAAP Financial Measures” section on page 2 of this document

XPOLogistics

Balance sheet and liquidity as of December 31, 2020

NET DEBT[1]	$4.7 billion
CASH AND CASH EQUIVALENTS	$2.1 billion
NET LEVERAGE[2]	3.3x
TOTAL LIQUIDITY	$3.1 billion

Recent activities

- The company redeemed $1.2 billion of Senior Notes due 2022 in January 2021
- No significant debt maturities until mid-2023
- Substantially all convertible preferred stock converted into common stock in December 2020

[1] Calculated as total debt of $6.7 billion less cash and cash equivalents of $2.1 billion
[2] Calculated as net debt of $4.7 billion divided by LTM adjusted EBITDA of $1.4 billion
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Fourth quarter 2020 results

Three months ended December 31, 2020

REVENUE	$4.67 billion
NET INCOME[1]	$93 million
DILUTED EARNINGS PER SHARE	$0.91
ADJUSTED NET INCOME[1]	$121 million
ADJUSTED DILUTED EARNINGS PER SHARE[2]	$1.19
ADJUSTED EBITDA	$449 million
CASH FLOW FROM OPERATIONS	$193 million
FREE CASH FLOW	$91 million

Commentary

- The company reported record fourth quarter revenue and adjusted EBITDA
- Revenue increased 13% year-over-year, as demand continued to rebound from COVID-impacted second quarter lows
- The increases in operating income and adjusted EBITDA were related primarily to higher profitability in truck brokerage and in LTL, with gains from LTL real estate sales excluded
- In North American LTL, fourth quarter adjusted operating ratio, excluding real estate gains, strengthened for the sixth consecutive year

[1] Net income attributable to common shareholders
[2] Includes amortization of acquisition-related intangible assets of $0.25 per diluted share
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Full-year 2020 results

REVENUE	$16.25 billion	ADJUSTED DILUTED EPS[2]	$2.01
NET INCOME[1]	$79 million	ADJUSTED EBITDA	$1.39 billion
DILUTED EPS	$0.78	CASH FLOW FROM OPERATIONS	$885 million
ADJUSTED NET INCOME[1]	$205 million	FREE CASH FLOW	$554 million

Rebounded dramatically from COVID and ended 2020 with the highest adjusted EBITDA of any fourth quarter in the company's history

[1] Net income attributable to common shareholders
[2] Includes amortization of acquisition-related intangible assets of $0.96 per diluted share
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Full-year 2021 guidance

ADJUSTED EBITDA	$1.725 – 1.8 billion	**Related to 2021 cash flows:**	
DEPRECIATION AND AMORITIZATION[1]	$780 – 800 million	GROSS CAPITAL EXPENDITURES	$625 – 675 million
INTEREST EXPENSE	$275 – 285 million	NET CAPITAL EXPENDITURES	$475 – 525 million
EFFECTIVE TAX RATE	24% – 26%	FREE CASH FLOW	$600 – 700 million
*ADJUSTED DILUTED EPS[2]	$5.10 – 5.85		

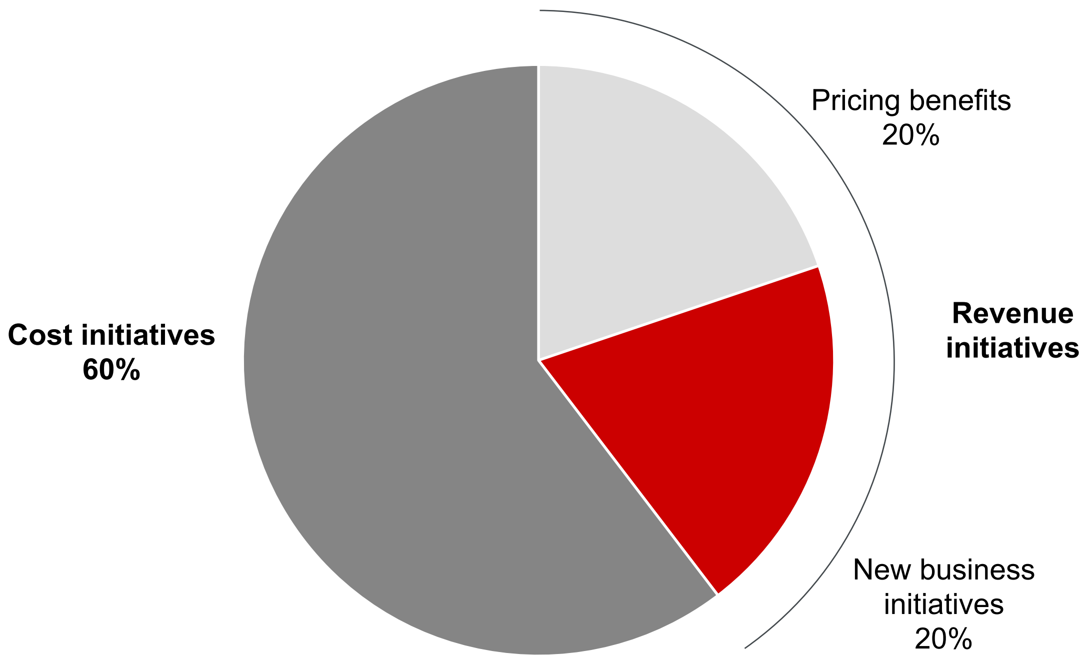
* The company will present adjusted net income and adjusted diluted EPS excluding the amortization of acquisition-related intangible assets, starting with 2021 reporting.

The company's 2021 guidance excludes impacts associated with the planned spin-off of the logistics segment previously announced; and assumes 113 million diluted shares outstanding.

[1] Excluding amortization of acquisition-related intangible assets
[2] Excludes amortization of acquisition-related intangible assets estimated to be $145 million in 2021
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Potential profit growth opportunity of ~$700 million to $1 billion

INITIATIVES AS % OF TOTAL XPO-SPECIFIC OPPORTUNITY



XPO is executing on 10 profit initiatives that are all self-driven and largely independent of the macro. In total, these initiatives represent a potential $700 million to $1 billion profit improvement run rate in 2023. XPO made progress with these initiatives in 2020, in large part due to the company-specific benefits of its technology, despite a choppy operating environment in the early months of the pandemic.

The profit improvement opportunity range provided above is expected to apply to current operations as follows: ~50% benefit to global logistics; ~30% benefit to North American LTL; and ~20% benefit to all other transportation lines.

POOL OF COST OPPORTUNITIES

- XPO Smart™ optimization of ~$5 billion of variable labor cost
- Greater efficiencies in LTL linehaul and pickup-and-delivery spend
- Continued logistics automation
- European logistics margin expansion
- Global procurement savings
- Further back-office optimization

POOL OF REVENUE OPPORTUNITIES

- Advanced pricing analytics and revenue tools
- XPO Connect™ digital freight marketplace
- XPO Direct™ shared distribution network
- Focused selling to European strategic accounts

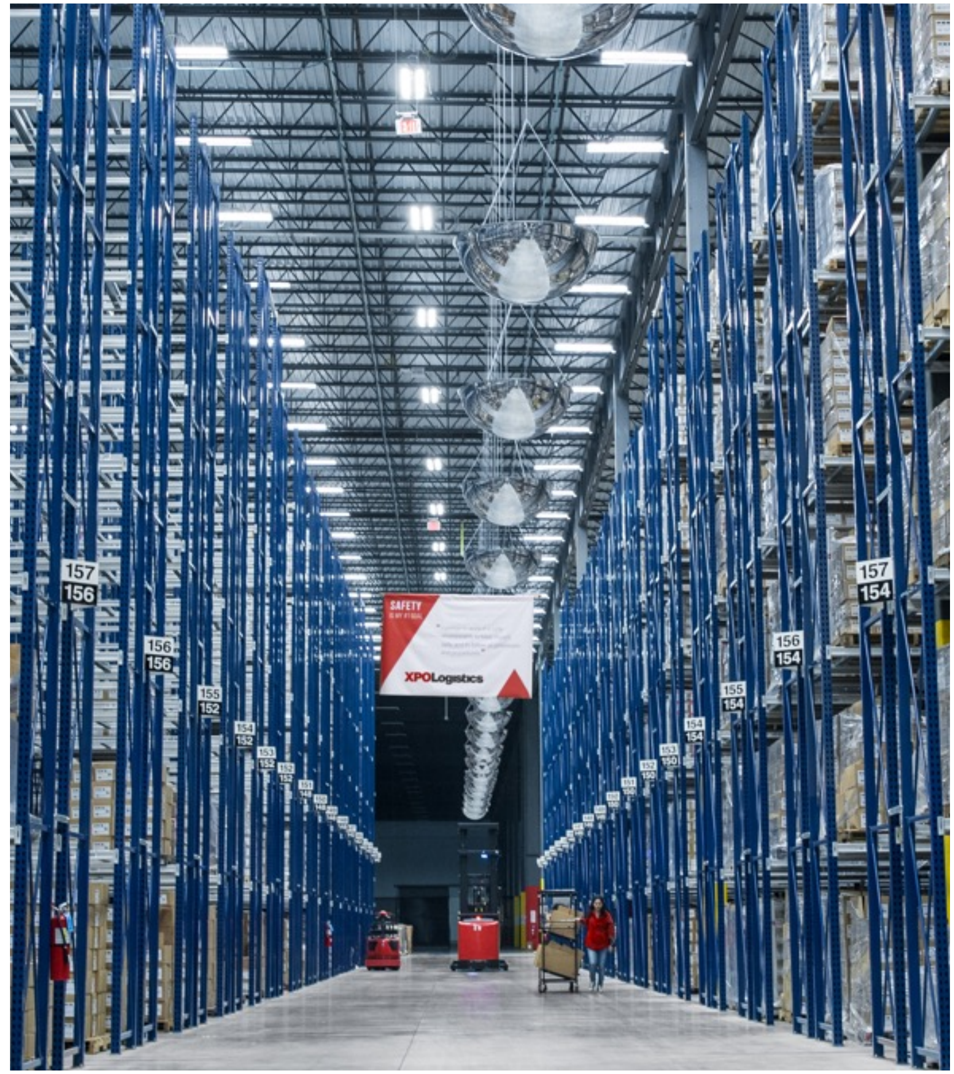
XPO will continue to analyze these and other opportunities to ensure that resources are focused on endeavors that potentially can return the most value.

Logistics

XPO is the second largest contract logistics provider globally

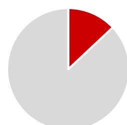
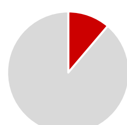
Logistics is an asset-light business characterized by long-term contractual relationships with high renewal rates and low cyclicality. It includes the management and distribution of goods, order fulfillment, reverse logistics, and other services. Industry size, North America and Europe: ~$130 billion[1].

XPO KEY METRICS[2]	
Revenue	$6.2 billion
Countries of operation	27
Locations	890
Employees	~67,000
Average contract length	~5 years
Total warehouse space	~212 million sq. ft. (20 million sq. m.)
– Capacity in Europe	~103 million sq. ft.
– Capacity in North America	~101 million sq. ft.
– Capacity in Asia	~8 million sq. ft.



[1] Source: Third-party industry research; refers to contract logistics
[2] Full-year 2020 revenue; all other metrics as of December 31, 2020, locations and employees adjusted to reflect the Kuehne + Nagel acquisition January 2021

XPO has decades of vertical expertise and prominent customers

TOP VERTICALS	% 2020 REVENUE	DEEP EXPERTISE
E-commerce / retail	 39%	▪ Comprehensive B2C services, including warehousing, distribution, advanced automation, labor, inventory management, peak management and forecasting
Food and beverage	 13%	▪ Frozen, refrigerated and dry storage; fulfillment for retail, hospitality and direct-to-consumer supply chains with stringent regulatory compliance, and recalls management
Consumer packaged goods	 13%	▪ Replicable solutions for consistent results across national and multinational consumer markets, including e-commerce, reverse logistics and omnichannel fulfillment
Consumer technology	 11%	▪ Direct-to-consumer and retail fulfillment and returns management of consumer electronics and other devices for manufacturers

In 2020, XPO's top four verticals accounted for 76% of global logistics revenue, and the vast majority of logistics revenue was derived from the US, UK, France and Spain

Known as a global leader in innovation, expertise and quality of performance

Strongly positioned with blue-chip customers requiring bespoke solutions	▪ XPO's reputation for reliable outcomes resonates with customers seeking to de-risk supply chains ▪ Expansive capacity and scale, with best-in-class ability to manage tight labor markets
Proprietary technology excels at agility, visibility, speed, accuracy and control	▪ Strong focus on cost management, rightsizing labor, solving loss-makers and peak management ▪ Proprietary XPO Smart™ tools leverage machine learning to improve productivity
Major provider of e-commerce and omnichannel logistics	▪ Largest outsourced e-fulfilment platform in Europe, with expansive capabilities in North America ▪ Rigorous returns management is highly valued by retailers and e-tailers
XPO Direct™ utilizes existing North American network for shared distribution	▪ Customers use XPO's AI to flex inventory while avoiding large fixed costs and capital investments ▪ Sites positioned to serve 99% of US population through one-day and two-day ground delivery
Large opportunity to grow share in established specializations	▪ Proven track records in consumer technology, omnichannel retail, aerospace and defense, consumer packaged goods, apparel, cosmetics, food retail, cold-chain and industrial, with a growing presence in healthcare
Significant levers for profitable growth and strong free cash flow	▪ Sales strategy is geared toward consumer sector: customer wallet share and new accounts ▪ Long runway for margin expansion via XPO Smart™, advanced automation and robotics

Sophisticated capabilities are mission-critical for customers

ADVANCED AUTOMATION AND ROBOTICS

- Technology-enabled fulfillment and returns, continuously improved by AI and machine learning
- Significant increases in unit throughput
- Enhanced safety and workplace environment
- Ongoing robotics implementations planned in North America and Europe

REVERSE LOGISTICS AND AFTERMARKET SUPPORT

- Burgeoning demand for reverse logistics, valued by e-commerce companies and retailers with high consumer expectations
- Full lifecycle management of returned merchandise, including return-to-retail, recycling or disposal
- Consistently reliable aftermarket distribution with rigorous inventory management

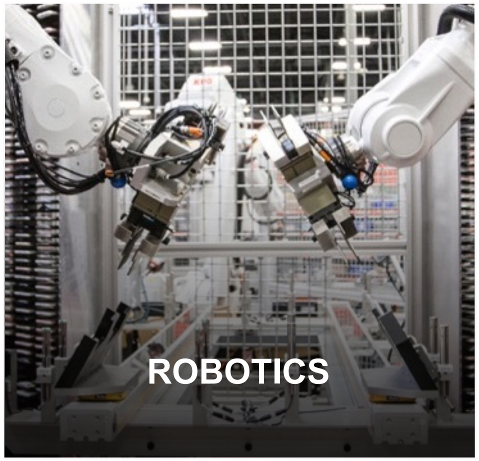
SUPPLY CHAIN OPTIMIZATION

- Cross-functional forecasting platform
- Customer collaboration for speed-to-market and omnichannel strategies
- Ability to shift between short and long-term warehousing for cost flexibility
- Optimization of outbound and inbound logistics flows
- Automated replenishment of materials and parts

VALUE-ADD SERVICES AND CUSTOMIZATIONS

- Personalization during order fulfillment
- Channel-specific boxing and labeling
- Co-packing of similar goods for distribution cost efficiency
- Compliance monitoring of regulated goods
- Manufacturing support
- Carrier management
- Engineered packaging

Intelligent warehouse automation generates measurable improvements



- First-mover advantage with advanced automation strongly differentiates XPO as a logistics partner of choice
- Automation increases speed and accuracy by tying in multiple technologies to perform several steps of a process
- Robotics work cooperatively with humans or as standalone solutions
- Collaborative robots and autonomous goods-to-person systems overcome space and labor constraints, can move between projects and sites

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

2x productivity improvement with employees who work alongside cobots

XPO Smart™ is delivering average logistics productivity improvement of 5% to 7%

Proprietary suite of productivity tools optimizes ~$5 billion variable labor cost, which is primarily in logistics

- Analytics provide deep visibility into warehouse labor activity in real time, as well as pre-scheduled labor for future periods
- Machine learning drives productivity and operational effectiveness through actionable business intelligence
- Manages major productivity levers simultaneously, including: full-time labor, part-time labor, length of work shift, scheduling and overtime hours
- Site-specific modeling helps managers understand the future impacts of operational decisions
- Takes turnover and training time into account

Implemented in 85% of warehouses in North America and 50% of warehouses in Europe, with large upside going forward

XPOLogistics

XPO Direct™ flexible distribution network in North America

XPO Direct™ is a national distribution solution that gives customers fluid fulfillment with more flexibility than traditional distribution models, and at lower cost:

- Reduces fixed costs and large capital investments by sharing warehouses, logistics processes, labor and technology with other XPO customers;
- Reduces goods-in-transit time by repositioning inventory close to target populations as demand patterns change.

ADVANTAGES FOR CUSTOMERS

- Retailers, e-tailers and manufacturers have access to logistics scale, expertise and technology without adding high-fixed-cost distribution centers
- Shortens time from consumer order to delivery, and reduces response time for retail stocking and store replenishment
- Cutting-edge technology in place for ease of doing business at both ends; predictive analytics help plan inventory flows
- Customers can reposition inventory within one and two-day ground delivery range of ~99% of the US population as demand patterns change
- Service agility enhances brands

ADVANTAGES FOR XPO

- Strongly differentiates XPO from other logistics providers in the marketplace
- Increases utilization of existing warehouses and other resources
- Leverages XPO's transportation and logistics solutions in combination:
  - Facilities serve as strategically located stockholding sites and cross-docks that can be utilized by multiple customers at the same time
  - Transportation needs are supported by the company's brokered, contracted and owned capacity

XPO Direct™ is achieving profitability in second full year of operations

Less-than-truckload

XPO is a top three provider of less-than-truckload (LTL) service in North America

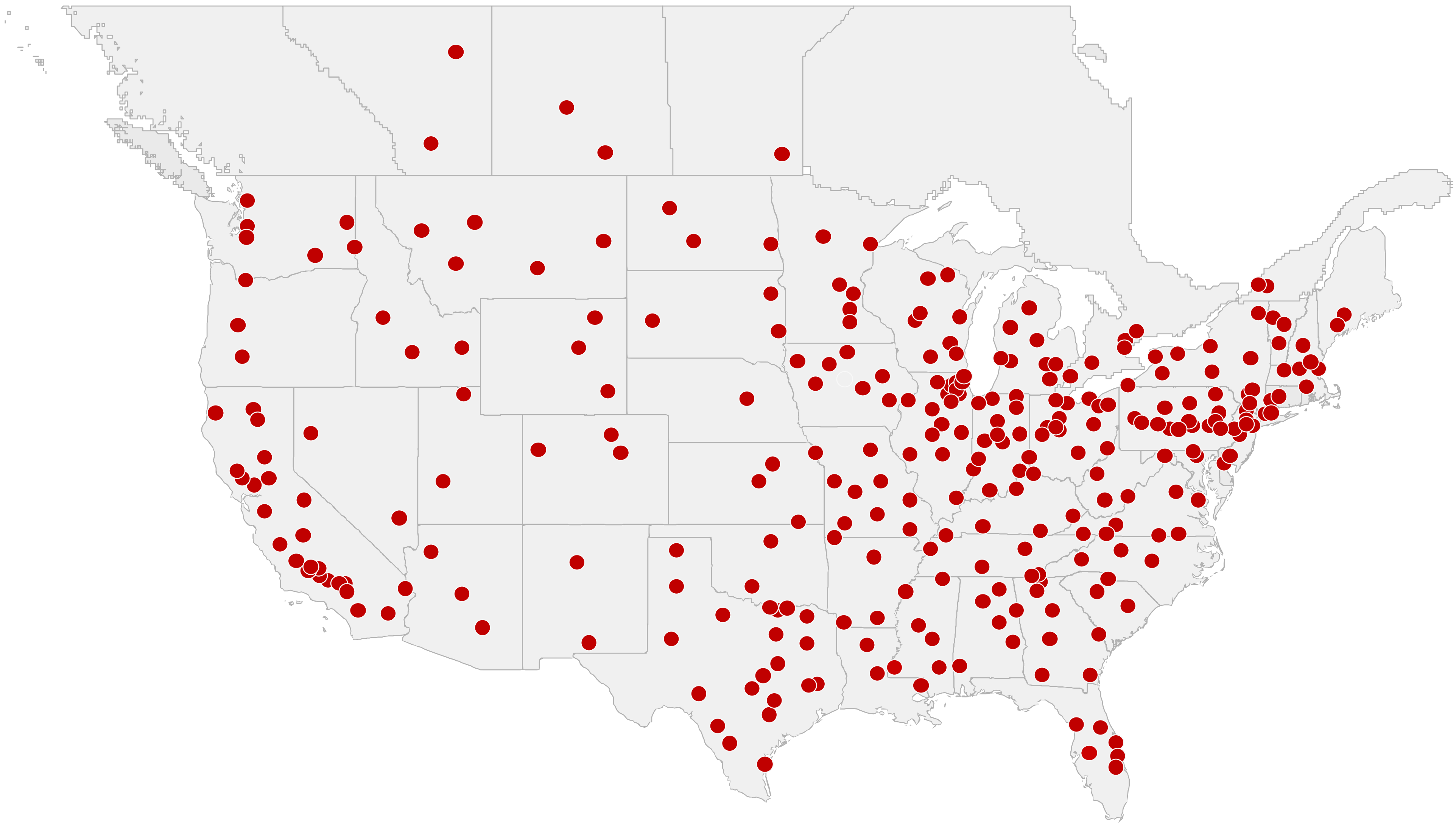
LTL is the transportation of a quantity of freight that is larger than a parcel but too small to require an entire truck, often shipped on pallets. Freight for different customers are consolidated in the same trailer. North American industry size: ~$43 billion[1].

XPO KEY METRICS[2]	
Revenue	$3.5 billion
Employees	~20,000
Terminals	290
Number of tractors / trailers	~7,800 / 25,000
Shipments per year	~12.4 million
Average length of haul	826 miles
Average tractor fleet age	4.8 years

[1] Source: Third-party research
[2] Full-year 2020 revenue and shipments per year; other metrics as of December 31, 2020

XPOLogistics

290 LTL terminals provide critical coverage and lane density



Many large customers prefer a single LTL partner for national service

North American LTL has a well-defined opportunity to grow EBITDA to at least $1 billion in 2022

Fundamentals favorable for long-term industry expansion	▪ Industry characterized by rational pricing dynamics ▪ Rapid growth of e-commerce driving retail shipments to LTL carriers
National providers have a strong advantage	▪ XPO is one of few US providers with coast-to-coast scale and visibility ▪ Covers every US state, including Alaska and Hawaii, and ~99% of all US postal codes
Further profit improvement potential via tech in place	▪ Technology optimizes linehaul load-building, pickup-and-delivery and routing ▪ XPO Smart™ tools drive process improvements, cost savings and labor productivity
Data-driven pricing reduces cost and improves utilization	▪ Technology automates pricing for small to mid-sized accounts ▪ Elasticity models help inform pricing decisions for larger accounts
Substantial improvement every year since acquisition, with more upside	▪ Second best adjusted operating ratio in the LTL industry ▪ Resilient cash flow generation through diligent working capital and capex management

In 2020, XPO improved Q4 LTL adjusted operating ratio, excluding real estate gains, for the sixth straight year

Compelling value proposition differentiated by scale and technology

Critical capacity, density and scale[1]

- One of the largest, most modern and safety-equipped fleets in industry
- ~12,000 professional drivers
- All types of commodities accepted
- Over 75,000 next-day and two-day lanes

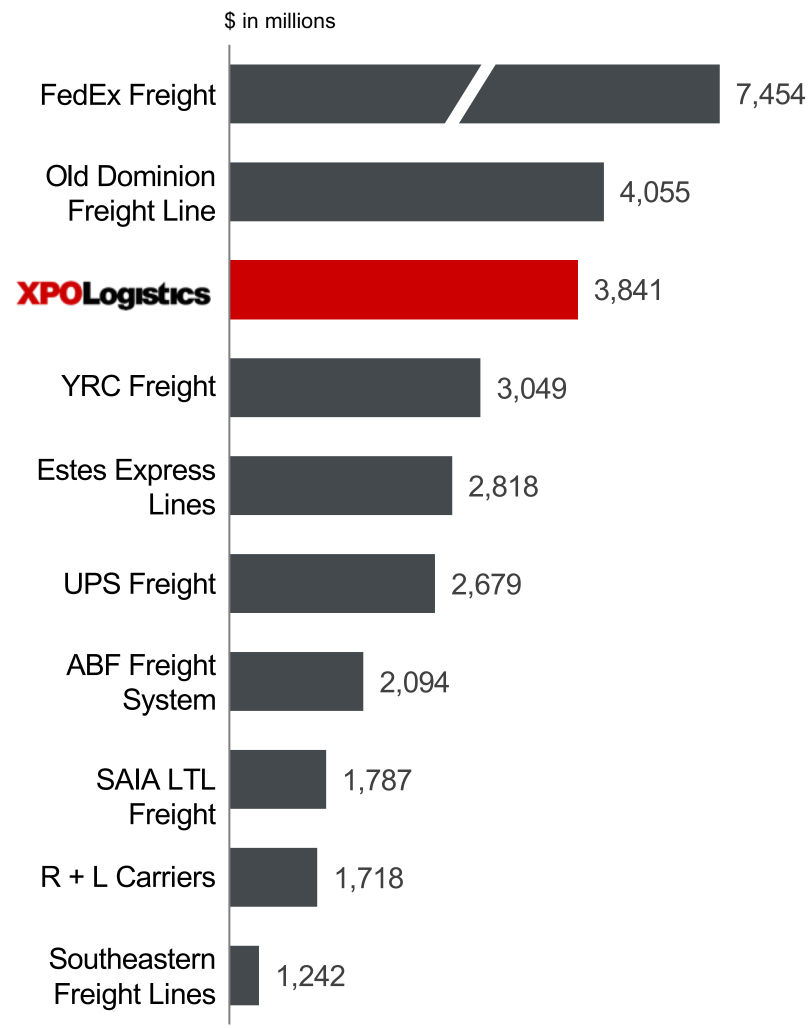
Intelligent technology

- Data-driven capabilities with machine learning, proprietary to XPO
- Driving up productivity beyond the significant gains already made
- XPO analytics tailor business intelligence for customers

Strong relationships

- Over 30 years' experience in LTL
- Single source for customers with delivery needs in multiple markets
- Longstanding relationships for shipments to and from Mexico, Puerto Rico, Canada
- Responsive operators committed to superior outcomes

NORTH AMERICAN LTL PROVIDERS[2]



[1] As of December 31, 2020
[2] 2019 revenue data includes fuel surcharge; source: SJ Consulting Group

LTL network optimization technology prioritizes three key areas

ROUTING

Dynamic routing and real-time digital visibility

- Increases pickup-and-delivery pounds per person-hour, stops per hour and weight per trip
- Reduces pickup-and-delivery miles per stop and cost per stop
- Improves service levels by sequencing routes for better control of delivery times and exception management

LOAD-BUILDING

Automated load-building and higher trailer utilization

- Continually optimizes linehaul network
- Improves trailer utilization with real-time compliance monitoring
- Reduces multiple stops for trucks dedicated to direct movements

PRICING

Data-driven pricing for network balancing

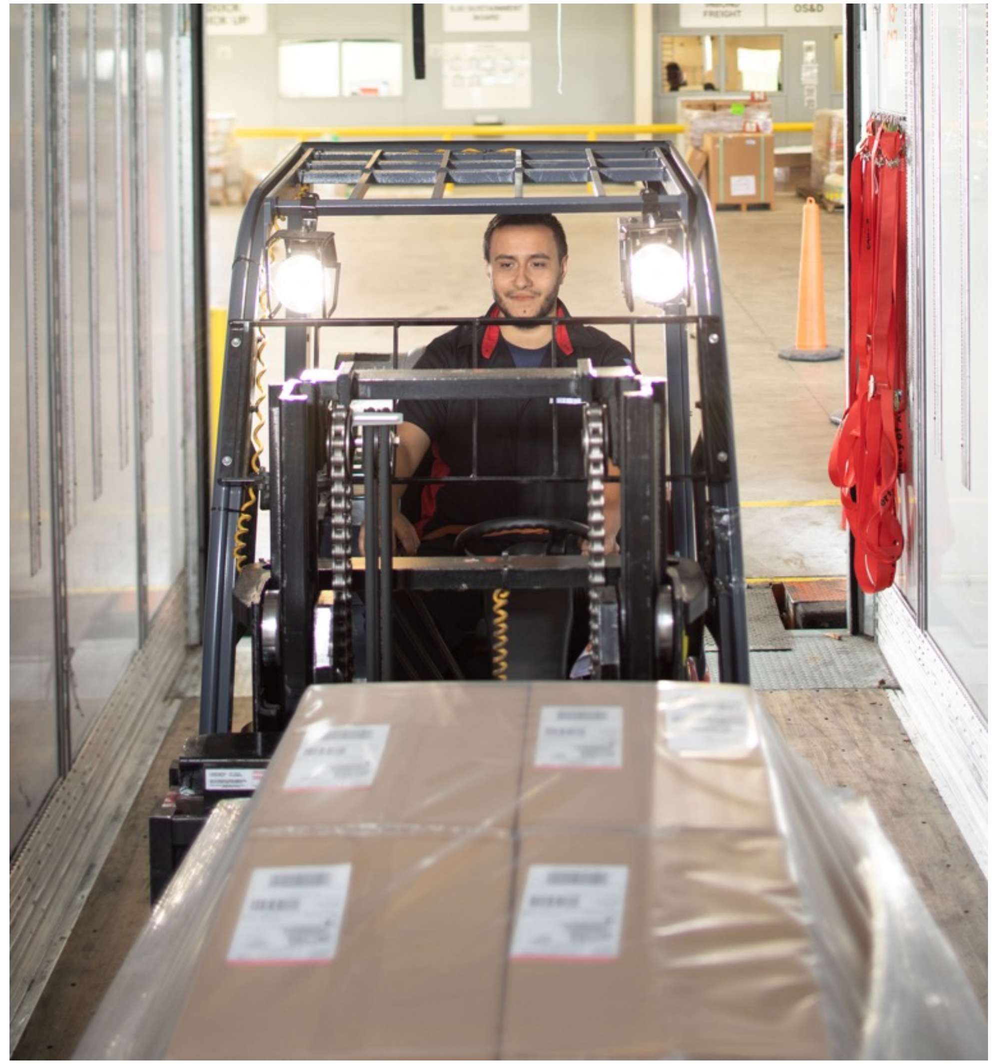
- Provides real-time cost visibility at the shipment level
- Reduces costs, improves utilization and decreases empty miles
- Speeds onboarding of more profitable small to mid-sized local accounts

XPO’s technology uses machine learning to become continually smarter at improving operations

XPO Smart™ delivers significant labor and service efficiencies on cross-docks

Rightsizes all components of LTL labor mix

- Real-time visibility drives more motor moves per hour on cross-docks, with high engagement of dock workers and drivers
- Manages major productivity levers simultaneously, including: full-time labor, part-time labor, length of work shift, scheduling and overtime hours
- Analytics provide deep visibility into cross-dock labor activity in real time, as well as pre-scheduled labor for future periods
- Site-specific modeling helps managers understand the future impacts of operational decisions
- Takes turnover and training time into account



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

A leading LTL provider in the UK, France, Spain and Portugal

- Over 100 LTL locations serving countries across Europe
- Optimal operating model used for each national market: contracted capacity, owned capacity or blended capacity
- Ability to transport freight from a single pallet to full truckload
- ~60,000 pallets delivered daily over domestic networks
- ~9,800 pallets delivered daily over international networks

Pan-European LTL solutions are valued by multinational customers

Truck brokerage

XPO is the third largest truck brokerage provider in North America

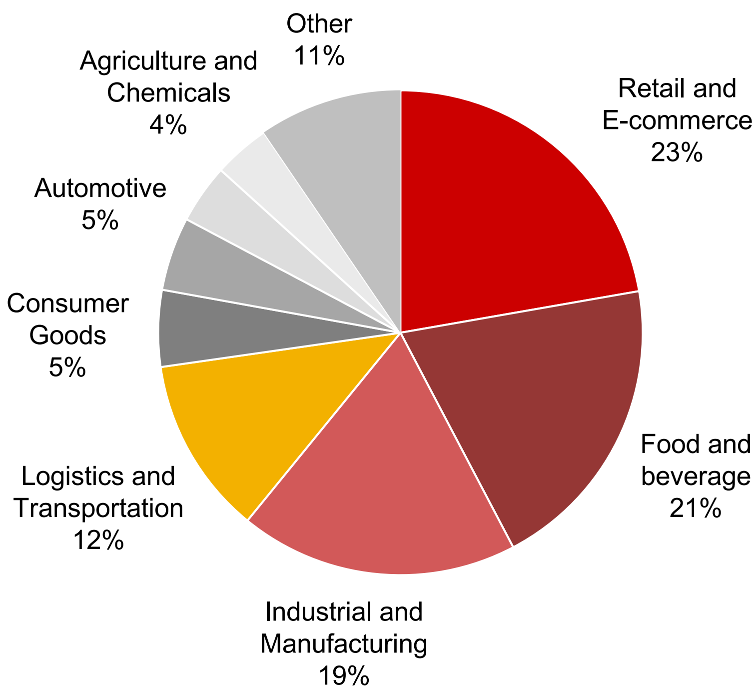
Truck brokerage is a non-asset business that facilitates the movement of a quantity of freight requiring a full truckload, typically from a single shipper. A broker purchases truck capacity from independent carriers. North American industry size: ~$360 billion[1].

XPO KEY METRICS[2]	
Revenue	$1.66 billion
Locations	16
Employees	~1,000
Independent carriers	~58,000 North America ~75,000 globally
Core carriers	~3,200
Accessible trucks	Over 1,000,000

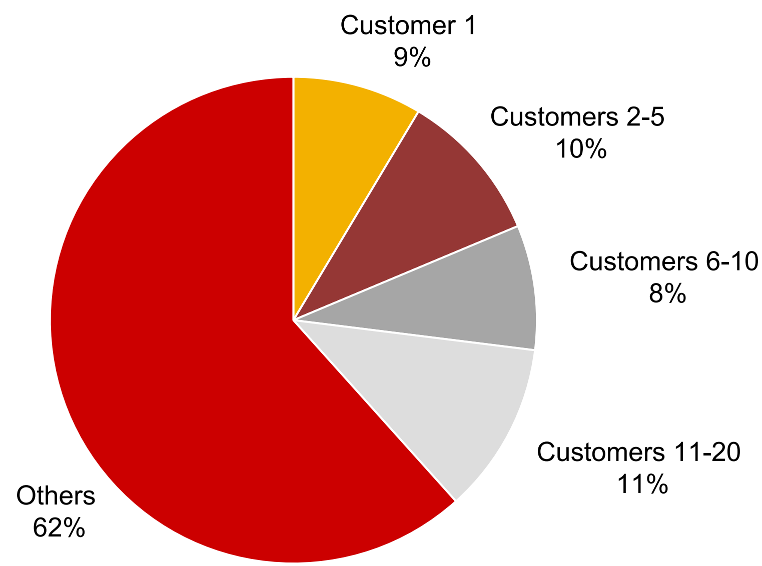
[1] Source: Third-party research; total truckload industry size, including brokerage component
[2] Full-year 2020 revenue; other metrics as of December 31, 2020

Brokerage revenue diversified across resilient verticals, low concentration risk

2020 REVENUE BY END-MARKET



2020 REVENUE BY CUSTOMERS

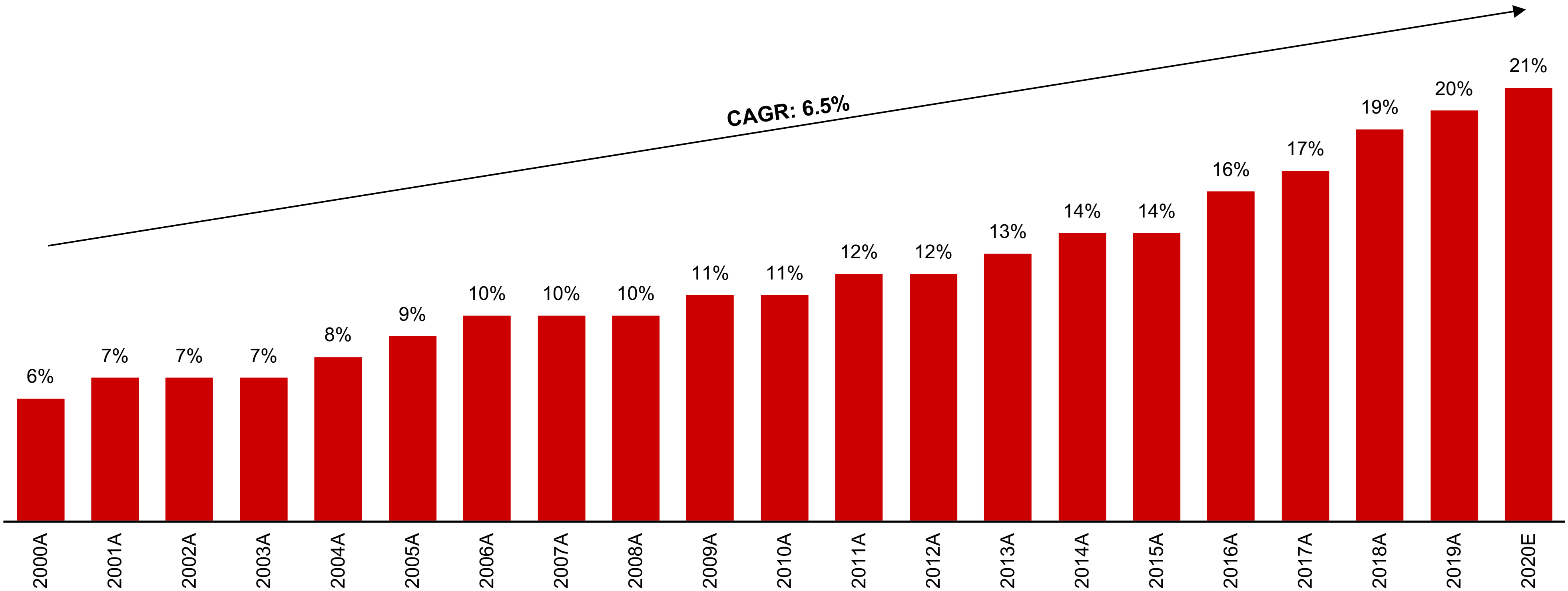


Strategic focus on expanding share of e-commerce and consumer goods

XPO's brokerage growth continues to outpace the industry

TRUCK BROKERS HAVE A LONG HISTORY OF PENETRATING THE FREIGHT INDUSTRY

US truck brokerage penetration



XPO's 16.3% revenue CAGR from 2013 – 2019 was ~770 bps better than industry's

Source: Third-party industry research

XPOLogistics

Compelling value proposition underpins long track record of outperformance

Critical scale and capacity	▪ #3 broker in North America and #2 worldwide ▪ A transportation leader across UK, France, Spain, Portugal and Morocco
Secular industry tailwinds	▪ Acceleration of outsourcing to brokers; robust demand from consumer verticals ▪ Growth of industry-leading last mile offering driven heavy goods e-commerce
Nimble business model	▪ Agile, non-asset business model generates strong return on investment ▪ Strong operating leverage and modest capex requirements
Durable commercial edge	▪ Long-tenured base of Tier 1 customer relationships, with low concentration ▪ Blue-chip brands are highly referenceable in key verticals
Proprietary digital advantage	▪ XPO Connect™ excels at efficiency through automation; rapid ongoing adoption ▪ Investments in digitization and visibility have created clear differentiation
Double-digit EBITDA growth	▪ Driven by pricing optimization, digital productivity, disciplined sales/margin growth ▪ Outsized free cash flow conversion to EBITDA

XPO is continuing to grow share of a vast addressable opportunity

XPOLogistics

Large potential runway for margin expansion

TECHNOLOGY-DRIVEN	MULTIPLE PROFIT INITIATIVES UNDERWAY
Expand XPO Connect™	▪ Significant opportunity to unlock incremental revenue and profit well beyond current levels ▪ Value of XPO Connect™ will compound in response to rapid adoption
Pricing optimization	▪ Utilize XPO's market pricing and contract utilization tools to capture higher-margin opportunities ▪ Tailor sales strategies for Tier 1, 2 and 3 customers
Operational excellence	▪ Build on productivity gains already achieved to realize further sustainable uplifts to margin ▪ Continuously improve efficiency and drive down labor costs through automation

XPO Connect™ generates efficiencies for all stakeholders

DIGITAL BROKERAGE PLATFORM IS FLEXIBLE AND CUSTOMIZABLE

CUSTOMER FUNCTIONALITY

- Quote and buy different kinds of truck capacity online through a single point of access
- Leverage analytics for decision-making, planning and peak management
- Gain real-time visibility of shipments in transit

CARRIER FUNCTIONALITY

- Post available capacity based on preferences for freight type and other parameters
- Book loads on the web or via the Drive XPO™ mobile app
- Optimize equipment utilization and driver's use of time

PERSONALIZED FREIGHT MANAGEMENT

- Customize personal dashboard and self-service analytics to manage freight
- Enhance productivity of spend with direct access to data histories and KPIs
- Tailor screen displays to match business needs

TAILORED CAPACITY MANAGEMENT

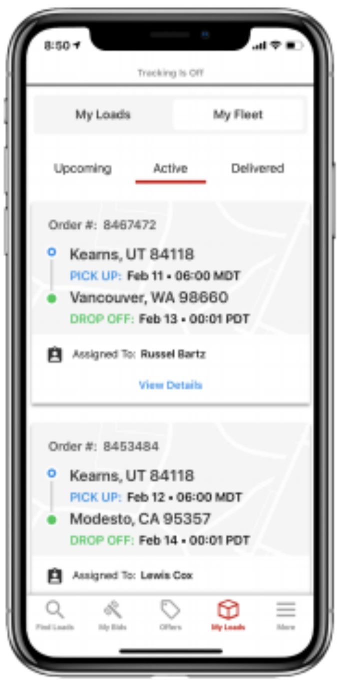
- Analyze trends in spot rates, driving conditions and other factors that impact bids on loads
- Locate opportunities based on location, equipment specs, freight type and timing of loads

XPOLogistics

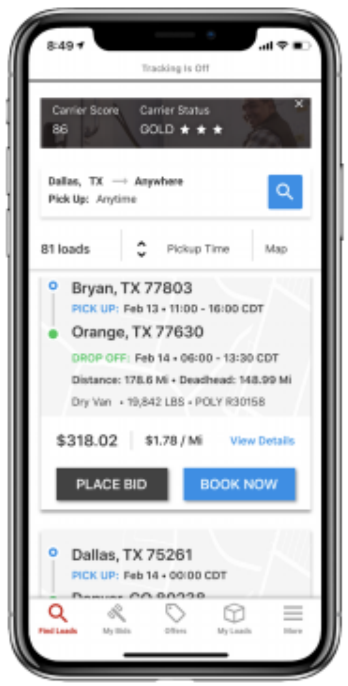
Truck drivers have downloaded the Drive XPO™ app over 300,000 times

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

CAPACITY POSTING

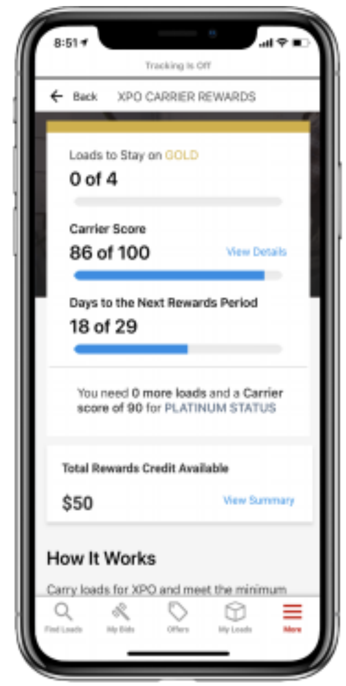


LOAD BOOKING



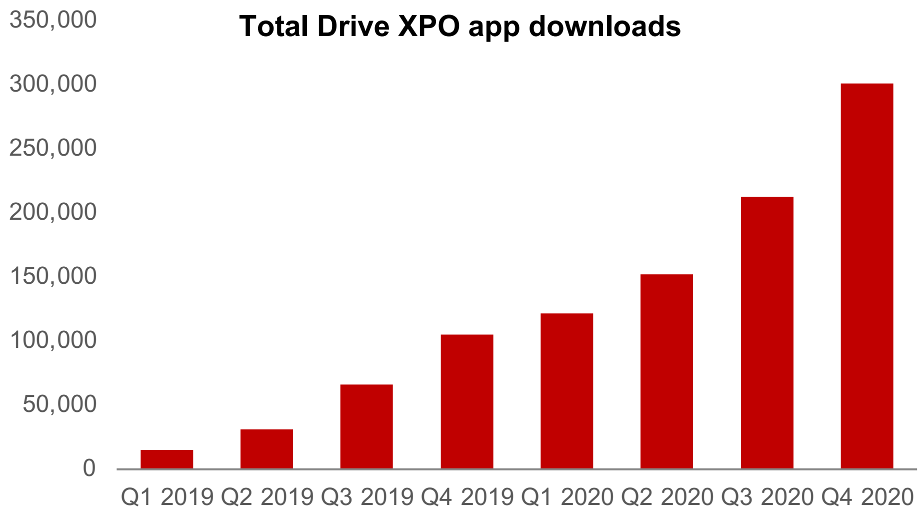
FREIGHT MANAGEMENT

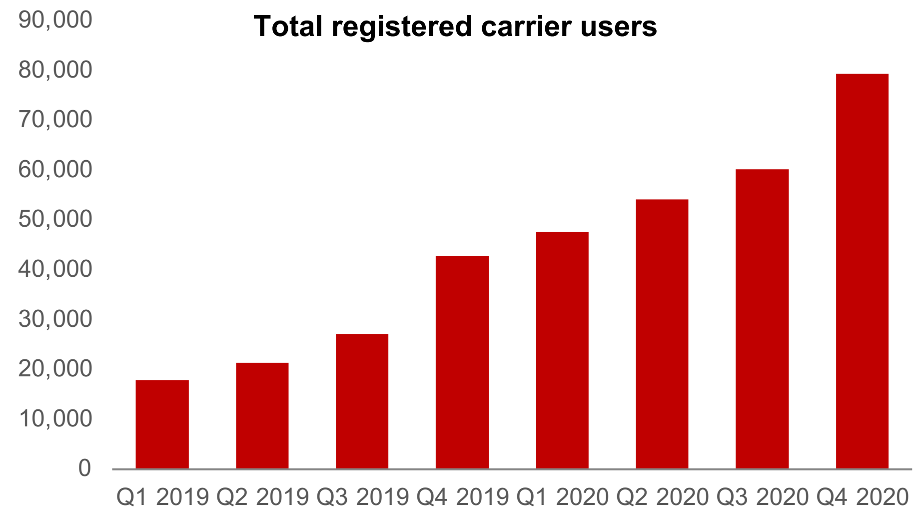
CARRIER SCORE AND REWARDS



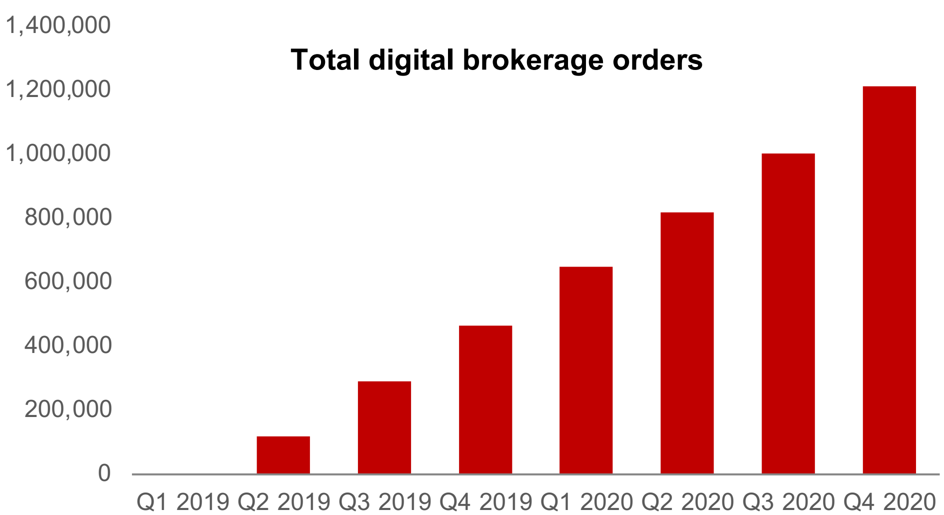
XPO Connect™ is widely adopted and growing fast

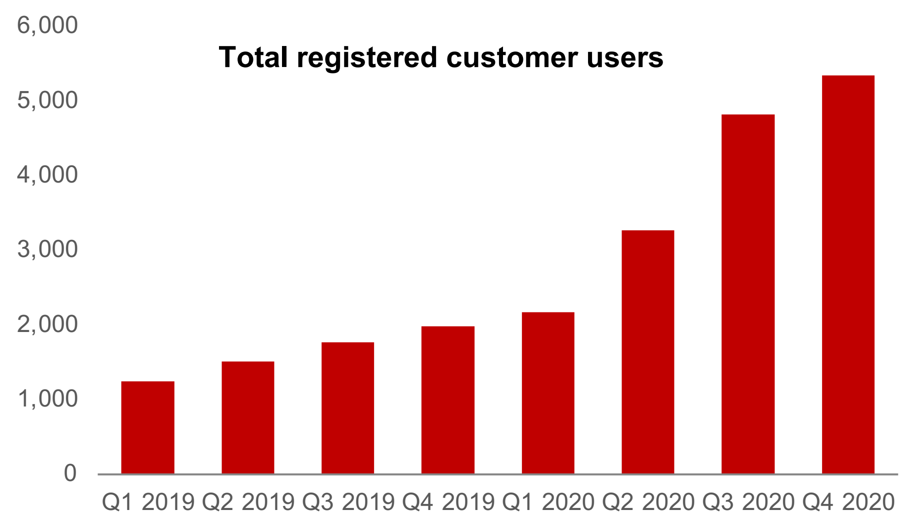
CARRIERS





CUSTOMERS





Note: All data is cumulative

Supplemental materials

XPOLogistics

Planned spin-off of the logistics segment

In December 2020, XPO announced its plan to pursue a spin-off of its logistics segment as a separate, publicly traded company. The intended transaction would be generally tax-free for US federal income tax purposes to XPO shareholders, and would result in XPO shareholders owning stock in both companies. Additionally, the company plans to achieve an investment-grade rating.

If completed as planned, the spin-off will create two pure-play industry powerhouses with clearly delineated service offerings:

- The spun-off company will be the second largest contract logistics provider in the world; and
- The remaining company will be a global provider of less-than-truckload (LTL) and truck brokerage services.

The transaction is currently expected to be completed in the second half of 2021, subject to various conditions, including the effectiveness of a Form 10 registration statement, receipt of a tax opinion from counsel, the refinancing of XPO's debt on terms satisfactory to the XPO board of directors, and final approval by the XPO board of directors. There can be no assurance that a separation transaction will occur or, if one does occur, of its terms or timing.

The company's 2021 guidance excludes impacts associated with the planned spin-off of the logistics segment.

COVID-19 pandemic response

XPO is continuing to use a combination of rigorous protective measures, technology and virtual communications to keep its employees safe. These are some of the many actions the company has taken as part of its COVID-19 response:

- For employees who need to work on site, XPO follows the guidance of the World Health Organization, the US Centers for Disease Control, local regulators and the company's own health and safety protocols.
- Personal protective equipment is provided to employees in all company workplaces, and social distancing is in effect.
- Our facilities engage in ongoing cleaning of high-touch areas, as well as deep cleaning of facilities likely to have been exposed to COVID-19.
- The company added two weeks of 100% paid pandemic sick leave for US and Canadian employees, in addition to existing paid time off.
- Employees are guaranteed up to three additional paid days if their facility closes temporarily for deep cleaning.
- We instituted a contactless delivery policy to ensure that our drivers can maintain a safe distance from customers when delivering freight.
- We expanded access to mental health counseling services.

For its customers and carriers, XPO added an electronic COVID-19 dashboard to its XPO Connect™ digital freight platform. The dashboard serves as an access point for alerts in North America and Europe issued by states, provinces, countries and major infrastructure sources, such as municipalities and airports.

Highly skilled management team

LEADERSHIP	PRIOR EXPERIENCE
Brad Jacobs *Chief Executive Officer*	United Rentals, United Waste
Aroon Amarnani *Vice President, Strategy*	TIAA, Barclays Capital
Josephine Berisha *Chief Human Resources Officer*	Morgan Stanley
Tony Brooks *President, Less-Than-Truckload – North America*	Sysco, PepsiCo, Roadway
Erik Caldwell *President, Last Mile Logistics*	Hudson's Bay, Luxottica
Richard Cawston *Managing Director, Supply Chain – Europe*	Norbert Dentressangle, Asda
Ashfaque Chowdhury *President, Supply Chain – Americas and Asia Pacific*	New Breed
Troy Cooper *President*	United Rentals, United Waste
Matthew Fassler *Chief Strategy Officer*	Goldman Sachs
Luis-Angel Gómez Izaguirre *Managing Director, Transport – Europe*	Norbert Dentressangle
Maryclaire Hammond *Senior Vice President, Human Resources*	BP, Honeywell
Mario Harik *Chief Information Officer*	Oakleaf Waste Management
Tavio Headley *Vice President, Investor Relations*	Jefferies, American Trucking Associations

Note: Partial list in alphabetical order

XPOLogistics

Highly skilled management team (cont.)

LEADERSHIP	PRIOR EXPERIENCE
LaQuenta Jacobs *Chief Diversity Officer*	Delta Air Lines, Home Depot, Turner Broadcasting
Katrina Liddell *President, Global Forwarding and Expedite*	Johnson Controls International
Eduardo Pelleissone *Chief Transformation Officer*	Kraft Heinz, America Latina Logistica
Heidi Ratti *Senior Vice President, Human Resources*	Pacer International
Alex Santoro *Chief Commercial Officer and Executive Vice President, Operations*	Anheuser-Bush InBev, America Latina Logistica, Popeyes
Sandeep Sakharkar *Senior Vice President, Supply Chain*	Foot Locker, Johnson & Johnson
Kevin Sterling *Vice President, Strategy*	Seaport Global Securities, BB&T
Ravi Tulsyan *Senior Vice President and Treasurer*	ADT, Tyco, PepsiCo
Drew Wilkerson *President, Transportation – North America*	C.H. Robinson
Malcolm Wilson *Chief Executive Officer, XPO Logistics Europe*	Norbert Dentressangle, NYK Logistics
Kyle Wismans *Senior Vice President, Financial Planning and Analysis*	Baker Hughes, General Electric
Stacey Woods *Senior Vice President, Human Resources Operations*	Time Warner Cable, Wells Fargo
David Wyshner *Chief Financial Officer*	Wyndham, Avis, Merrill Lynch

Note: Partial list in alphabetical order

Business glossary

XPO SERVICES

- **Less-than-truckload (LTL):** LTL is the transportation of a quantity of freight that is larger than a parcel but too small to require an entire truck, and is often shipped on a pallet. LTL shipments are priced according to the weight of the freight, its commodity class (generally determined by cube/weight ratio and type of product), and mileage within designated lanes. An LTL carrier typically operates a hub-and-spoke network that allows for the consolidation of multiple shipments for different customers in single trucks. XPO is the third largest LTL provider in North America, with 290 terminals and over 75,000 next-day and two-day lanes. This network provides customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services, including cross-border US service to and from Mexico and Canada, and intra-Canada service. The company also has one of the largest LTL networks in Western Europe, using a blended model of owned and contracted capacity to provide customers with domestic and pan-European solutions,

- **Logistics:** Logistics is an asset-light business characterized by long-term contractual relationships with high renewal rates and low cyclicality. Contracts are typically structured as either fixed-variable, cost-plus or gain-share. XPO is the second largest contract logistics provider in the world, with long-tenured customer relationships in diverse verticals, and customized solutions with high-value-add components, such as advanced automation, that minimize commoditization. The company's services include e-commerce fulfillment, reverse logistics, value-added warehousing and distribution, order personalization, cold-chain logistics, packaging and labeling, aftermarket support, inventory management and supply chain optimization for customers in aerospace, manufacturing, retail, life sciences, chemicals, food and beverage and cold-chain.

  Reverse logistics, also known as returns management, is a fast-growing area of logistics that refers to managing the flow of returned goods back through logistics facilities — typically unwanted or defective merchandise. The demand for returns management has increased dramatically along with e-commerce sales, as consumers often "test drive" products they buy online. Reverse logistics services can include cleaning, testing, inspection, refurbishment, restocking, warranty processing and refunding.

- **Truck brokerage:** Truck brokerage is a variable-cost business that facilitates the trucking of freight by procuring carriers through the use of proprietary technology, typically referred to as a TMS (transportation management system). Brokerage net revenue is the spread between the price to the shipper and the cost of purchased transportation. The vast majority of truck brokerage shipments are full truckload: cargo is provided by a single shipper in an amount that requires the full limit of the trailer, either by dimension or weight. XPO is the second largest freight broker globally and the third largest in North America. The company matches shippers' loads with third-party carrier capacity — primarily provided by independent contractors with the ability to interact directly on the company's proprietary XPO Connect™ digital platform (see next page). Truck brokers have steadily increased their share of the for-hire trucking market throughout cycles, and shippers increasingly value automation, making digital truck brokerage one of the strongest trends in the transportation industry.

Business glossary (cont.)

XPO TECHNOLOGY

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

Additional service: Last mile logistics for heavy goods

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

XPO KEY METRICS[2]

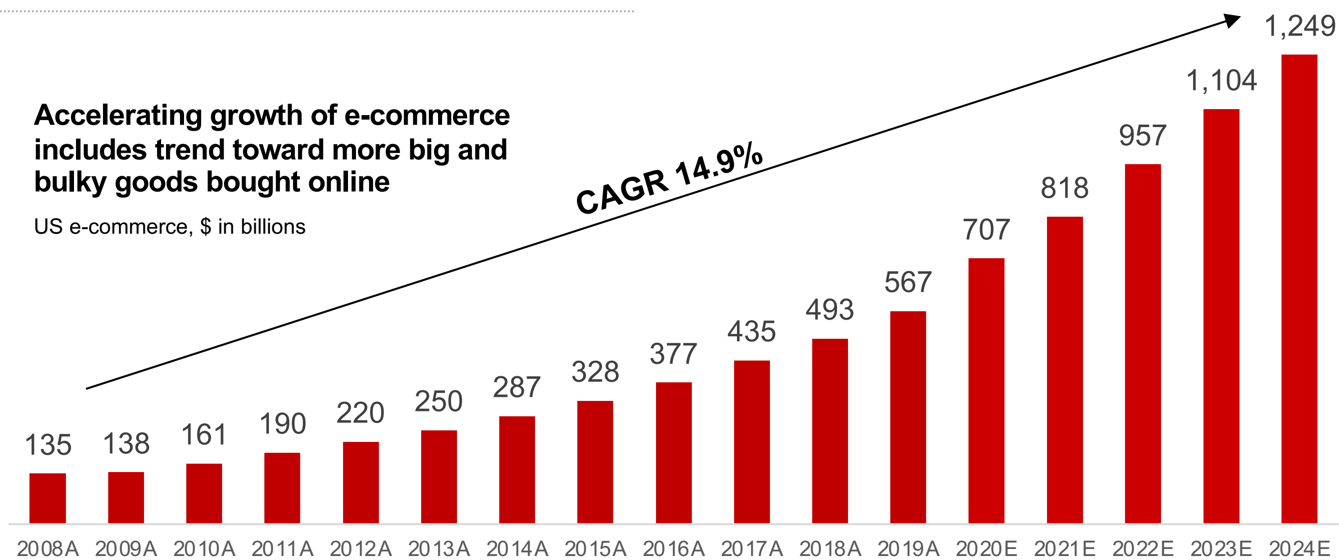
Revenue	$908 million
Hub locations	85
Employees	~1,800
Carriers / trucks	~1,800 / ~3,900
Deliveries and installations per year	Over 10 million

INDUSTRY LEADER IN NORTH AMERICA

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

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

US e-commerce, $ in billions



[1] Source: Third-party research
[2] Full-year 2020 revenue and deliveries and installations; other metrics as of December 31, 2020

XPO is widely recognized for performance and culture

- Named one of the World's Most Admired Companies by Fortune, 2018, 2019, 2020, 2021
- Ranked #1 in the Fortune 500 category of Transportation and Logistics, 2017, 2018, 2019, 2020
- Awarded silver CSR rating in Europe by EcoVadis for transportation and logistics, 2019, 2020
- Named one of Spain's Best Companies to Work For by Forbes, 2019, 2020
- Awarded Apprenticeship of the Year in the UK by Motor Transport, 2020
- Ranked #3 of Top 125 3PLs in France by Supply Chain Magazine, 2020
- Received Innovation Award for partnership with Wavin Manufacturing at Supply Chain Excellence Awards, 2020
- Ranked #3 of Top 100 Logistics Providers in the Netherlands by Logistiek, 2020
- Recognized as one of the Most Socially Responsible Companies in France by Statista, 2020
- Recognized by Whirlpool Corporation with Intermodal Carrier of the Year Award and Maytag Dependability Award for reverse logistics, 2020
- CEO Brad Jacobs named one of the Top 10 Logistics Leaders by Supply Chain Digital, 2020
- Ranked Logistics Solution Provider of the Year by Urban Transport News in India, 2020
- Received Torres & Earth Award in Spain for making positive contributions to combat climate change, 2020
- Ranked #7 of the Top 20 UK Companies for Quality of Workplace Culture by the Chartered Management Institute, 2020
- Ranked in top three of the Top 100 Transport Companies in France by l'Officiel des Transporteurs, 2019, 2020
- Recognized by Ford Motor Company with World Excellence Awards, 2019 silver-level, 2020 gold-level
- Recognized by Owens Corning as Supplier of the Year Award, 2020
- Named a European Diversity Leader by the Financial Times, 2019
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2018, 2019, 2020 (worldwide)
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution 2019, managed transportation 2020
- XPO Connect™ received SDCE 100 Award for Innovation from Supply & Demand Chain Executive, 2020
- Partnering with MIT as the first global logistics company to join the Industrial Liaison Program, 2019, 2020
- Ranked in top 100 of America's Most Responsible Companies by Newsweek, 2019
- Named a Winning "W" Company by 2020 Women on Boards for gender diversity of the board of directors, 2019

Continued on next page

XPO Logistics

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

- Named a Great Supply Chain Partner by Supply Chain Brain, 2020
- Awarded Trucks & Roads Award in Russia for operational excellence, 2018, 2019, 2020
- Named a Disruptive Technology Leader on the Freight.Tech 25 by FreightWaves, 2019
- Recognized by Dow Chemical Company with Gold Safety Excellence Award for drayage, 2019
- Recognized by Raytheon Company with EPIC Supplier Excellence Award for on-time delivery, 2019
- Recognized by Nissan Manufacturing UK for excellence at Operational Logistics Awards, 2014, 2015, 2016, 2017, 2018, 2019
- Recognized by Boeing Company with Performance Excellence Award, 2018
- Ranked #1 on Transport Topics Top 50 Logistics list, 2017, 2018, 2019, 2020
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019, 2020
- Recognized by Supply Chain Magazine with an Innovation Award at Kings of the Supply Chain in France, 2020
- Ranked #3 of the Glassdoor Top 20 UK companies with the best leadership and culture, 2018, 2019
- Named to the Fortune Future 50 list of US companies best positioned for breakout growth, 2018
- Awarded Best Employer Practice Award for partnership with DS Workfit by British Association for Supported Employment, 2019
- Awarded a Trucks and Roads Award in Russia, 2018, 2019
- CEO Jacobs ranked #10 on Barron's readers list of World's Best CEOs, 2018
- Awarded Company of the Year for innovation by Assologistica (Italy), 2017, 2018, 2019

Select highlights of XPO's people-first culture

- XPO's US warehouse safety record for OSHA reportable incidents is more than four times better than industry average
- Appointed a Chief Diversity Officer and launched a Diversity and Inclusion Council in 2020
- Launched a Sustainability Steering Committee and a Diversity and Inclusion Steering Committee in Europe in 2020
- Named 2021 transportation partner of 3-Day Walks® for Susan G. Komen Foundation in its fight against breast cancer
- Partnered with Hispanic Association of Colleges and Universities to provide financial support for HACU's objectives
- Donated global logistics services to Soles4Souls, a non-profit committed to disrupting the cycle of poverty
- Partnered with a leading virtual clinic for women and families to provide supplemental health services for employees
- Tuition benefit reimburses employees up to $5,250 annually for pursuing continuing education
- Robust recruitment initiatives emphasize diversity hiring; awarded Viqtory's bronze-level Military-Friendly Employer®
- Celebrates Black History, Women's History, Hispanic Heritage, Pride and Military Appreciation months
- 300 young people hired to date by XPO Logistics in Europe through the XPO Graduate Program

Progressive Pregnancy Care and Family Bonding benefits

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

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

Strongly committed to sustainability in transportation and logistics

TRANSPORTATION

- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018, 2019, 2020
- Awarded Trophées EVE 2020 for implementing an “urban river” solution to reduce CO_2 emissions during inner-city deliveries in Paris, in cooperation with the Ports of Paris, City of Paris, Île-de-France region and Voies Navigables de France
- Renewed three-year commitment to the CO_2 Charter in France, extending 10-year commitment to sustainability
- Expanded fleet with 80 liquified natural gas (LNG) trucks in Europe in 2020, following investments in fuel-efficient Freightliner Cascadia tractors in North America (EPA-compliant and GHG14-compliant technology), and Stralis Natural Power Euro VI tractors in Europe
- European fleet has reduced fuel consumption by 10% since 2015
- Mega-trucks in Spain can reduce CO_2 emissions by up to 20%; tested duo-trailer for Ministry of Transport
- XPO drivers train in responsible eco-driving and fuel usage reduction techniques
- North American LTL locations implementing phased upgrades to LED lighting
- Experimenting in Europe with diesel-electric hybrids and zero-emission electric vans for last mile service

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

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

LOGISTICS

- XPO's Digital Distribution Warehouse of the Future for Nestlé in the UK is an environmentally advanced facility, with ammonia refrigeration, LED lighting, air-source heat pumps and a rainwater harvesting system
- Numerous XPO facilities are ISO14001-certified to high standards for environmental management
- Nearly 75% of XPO's total space in Europe are expected to operate LED lighting systems by year-end 2021
- Polystyrene recycling initiative launched in France in partnership with Envie, an organization that gets vulnerable people back to work; recognized with the Sustainable Industry Award by L'Usine Nouvelle
- Contributing to EPA's Energy Star Warehouse Leadership Group; long-time partnership with EPA SmartWay® logistics in North America
- Obtained Ecocert Organic Certification for temperature-controlled logistics warehouses in France, 2019
- Defined greenhouse gas and landfill reduction targets for North American logistics and drafted procedures to address sustainable procurement, greenhouse gas emissions, landfill diversion, natural resource conservation and energy efficiency
- Utilizing electronic waybills and documentation in global operations to reduce paper and other waste
- Energy efficiency evaluations performed prior to selecting warehouses to lease
- Vast majority of material handling devices used in logistics sites operate on battery power instead of fuel
- Millions of electronic components and batteries recycled annually as a byproduct of managing reverse logistics
- Packaging engineers ensure that optimal carton size is used for each product slated for distribution
- Reusable kitting tools manufactured by XPO utilized for installation of parts in customer operations

Share repurchase program

For the full year 2020, the company executed the following share repurchases:

SHARES PURCHASED	1.7 million shares of XPO common stock[1]
PRICE	$66.58 average price per share
TOTAL COST	$114 million approximate total cost of repurchases

XPO has approximately $503 million remaining on the current $2.5 billion share repurchase authorization. The company is not obligated to repurchase any specific number of shares and can suspend or discontinue the program at any time.

[1] All 2020 stock repurchases were executed in the first quarter

Financial reconciliations

The following table reconciles XPO's net income attributable to common shareholders for the periods ended December 31, 2020 and 2019 to adjusted EBITDA for the same periods.

XPO Logistics, Inc.
Reconciliation of Net Income to Adjusted EBITDA
(Unaudited)
(In millions)

	Three Months Ended December 31,			Years Ended December 31,		
	2020	**2019**	**Change %**	**2020**	**2019**	**Change %**
Net income attributable to common shareholders [(1)]	$ 93	$ 96	-3.1%	$ 79	$ 379	-79.2%
Preferred stock conversion charge [(2)]	22	-		22	-	
Distributed and undistributed net income [(1) (3)]	10	11		9	40	
Net income attributable to noncontrolling interests	3	-		7	21	
Net income	128	107	19.6%	117	440	-73.4%
Debt extinguishment loss	-	-		-	5	
Interest expense	85	74		325	292	
Income tax provision	33	30		31	129	
Depreciation and amortization expense	194	193		766	739	
Unrealized (gain) loss on foreign currency option and forward contracts	(1)	4		(2)	9	
Transaction and integration costs	7	3		100	5	
Restructuring costs	3	21		56	49	
Adjusted EBITDA [(4)]	$ 449	$ 432	3.9%	$ 1,393	$ 1,668	-16.5%
Revenue	$ 4,665	$ 4,136	12.8%	$ 16,252	$ 16,648	-2.4%
Adjusted EBITDA margin [(5)]	9.6%	10.4%		8.6%	10.0%	

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

[2] Relates to the conversion of 69,445 shares of the company's Series A Preferred Stock

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

[4] Adjusted EBITDA includes North American Less-Than-Truckload real estate gains of $14 million and $32 million for the three months ended December 31, 2020 and 2019, respectively.

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

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

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

Financial reconciliations (cont.)

The following table reconciles XPO's net income attributable to common shareholders for the periods ended December 31, 2020 and 2019 to adjusted net income attributable to common shareholders for the same periods.

XPO Logistics, Inc.
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 December 31,		Years Ended December 31,	
	2020	**2019**	**2020**	**2019**
GAAP net income attributable to common shareholders	$ 93	$ 96	$ 79	$ 379
Preferred stock conversion charge [(1)]	22	-	22	-
Debt extinguishment loss	-	-	-	5
Unrealized (gain) loss on foreign currency option and forward contracts	(1)	4	(2)	9
Impairment of customer relationship intangibles	-	-	-	6
Transaction and integration costs	7	3	100	5
Restructuring costs	3	21	56	49
Income tax associated with the adjustments above [(2)]	1	(6)	(35)	(18)
Impact of noncontrolling interests on above adjustments	-	(1)	(1)	(2)
Allocation of undistributed earnings	(4)	(2)	(14)	(5)
Adjusted net income attributable to common shareholders	$ 121	$ 115	$ 205	$ 428
Adjusted basic earnings per share	$ 1.32	$ 1.25	$ 2.24	$ 4.46
Adjusted diluted earnings per share [(3)]	$ 1.19	$ 1.12	$ 2.01	$ 4.03
Weighted-average common shares outstanding				
Basic weighted-average common shares outstanding	92	92	92	96
Diluted weighted-average common shares outstanding	102	103	102	106

[1] Relates to the conversion of 69,445 shares of the company's Series A Preferred Stock
[2] The income tax rate applied to reconciling items is based on the GAAP annual effective tax rate, excluding discrete items and contribution-based and margin-based taxes
[3] Adjusted EPS includes amortization of acquisition-related intangible assets of $0.25 and $0.96 per diluted share for the fourth quarter and full year 2020, respectively. Adjusted EPS includes amortization of acquisition-related intangible assets of $0.26 and $0.95 per diluted share for the fourth quarter and full year 2019, respectively.

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

Financial reconciliations (cont.)

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

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

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Years Ended December 31, 2020	2019	2018	2017	2016	2015
Net cash provided by operating activities	$ 193	$ 349	$ 885	$ 791	$ 1,102	$ 785	$ 622	$ 91
Cash collected on deferred purchase price receivable	-	-	-	186	-	-	-	-
Adjusted net cash provided by operating activities	193	349	885	977	1,102	785	622	91
Payment for purchases of property and equipment	(149)	(188)	(526)	(601)	(551)	(504)	(483)	(249)
Proceeds from sales of property and equipment	47	60	195	252	143	118	69	60
Free Cash Flow	$ 91	$ 221	$ 554	$ 628	$ 694	$ 399	$ 208	$ (98)

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

Financial reconciliations (cont.)

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

Reconciliation of Non-GAAP Measures
XPO Logistics North American Less-Than-Truckload
Adjusted Operating Ratio and Adjusted EBITDA
(Unaudited)
(In millions)

	Years Ended December 31,					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
Revenue (excluding fuel surcharge revenue)	$ 3,106	$ 3,259	$ 3,230	$ 3,140	$ 3,035	$ 3,081
Fuel surcharge revenue	433	532	552	455	370	448
Revenue	3,539	3,791	3,782	3,595	3,405	3,529
Salaries, wages and employee benefits	1,748	1,786	1,754	1,697	1,676	1,741
Purchased transportation	334	397	400	438	438	508
Fuel and fuel-related taxes	186	264	293	234	191	230
Other operating expenses	495	471	590	574	538	511
Depreciation and amortization	224	227	243	233	203	164
Rents and leases	65	49	44	42	41	49
Operating income	487	597	458	377	318	202
Operating ratio (1)	86.2%	84.3%	87.9%	89.5%	90.7%	94.3%
Transaction, integration and rebranding costs	5	-	-	19	24	21
Restructuring costs	4	3	3	-	-	-
Amortization expense	34	34	33	34	34	10
Other income (2)	43	22	29	12	-	-
Depreciation adjustment from updated purchase price allocation of acquired assets	-	-	-	-	(2)	-
Adjusted operating income (3)	$ 573	$ 656	$ 523	$ 442	$ 374	$ 233
Adjusted operating ratio (4)	83.8%	82.7%	86.2%	87.7%	89.0%	93.4%
Depreciation expense	190	193	210	199	169	154
Other	1	2	-	6	4	(6)
Adjusted EBITDA (3)	$ 764	$ 851	$ 733	$ 647	$ 547	$ 381

1 Operating ratio is calculated as (1 – (operating income divided by revenue))
2 Other income primarily consists of pension income
3 Adjusted operating income and adjusted EBITDA are reconciled to operating income in the Consolidated Statements of Income
4 Adjusted operating ratio is calculated as (1 – (adjusted operating income divided by revenue))
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

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

Reconciliation of Non-GAAP Measures
XPO Logistics North American Less-Than-Truckload
Adjusted Operating Ratio
(Unaudited)
(In millions)

	Fourth Quarters Ended December 31,					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
Revenue (excluding fuel surcharge revenue)	$ 806	$ 777	$ 791	$ 755	$ 749	$ 753
Fuel surcharge revenue	110	128	138	121	96	98
Revenue	916	905	929	876	845	851
Salaries, wages and employee benefits	452	436	442	422	427	450
Purchased transportation	88	92	100	108	106	119
Fuel and fuel-related taxes	48	59	75	64	52	47
Other operating expenses	117	101	141	139	142	145
Depreciation and amortization	55	58	60	56	55	53
Rents and leases	18	13	11	11	10	11
Operating income [(1)]	138	146	100	76	53	26
Operating ratio [(2)]	84.9%	83.9%	89.2%	91.3%	93.7%	96.9%
Transaction, integration and rebranding costs	-	-	-	1	15	20
Restructuring costs	(1)	-	3	-	-	-
Amortization expense	9	9	8	9	11	10
Other income [(3)]	10	5	7	3	2	1
Adjusted operating income [(1) (4)]	$ 156	$ 160	$ 118	$ 89	$ 80	$ 57
Adjusted operating ratio [(5)]	83.0%	82.3%	87.3%	89.9%	90.5%	93.3%

[1] Operating income and adjusted operating income include real estate gains of $14 million, $32 million and $5 million for the three months ended December 31, 2020, 2019 and 2017, respectively
[2] Operating ratio is calculated as (1 — (operating income divided by revenue))
[3] Other income primarily consists of pension income
[4] Adjusted operating income is reconciled to operating income in the Consolidated Statements of Income
[5] Adjusted operating ratio is calculated as (1 – (adjusted operating income divided by Revenue))
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

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

XPO Logistics, Inc.
Reconciliation of Net Income to Adjusted EBITDA excluding Truckload
(Unaudited)
(In millions)

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

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

XPO Logistics

February 10, 2021

Presentation Script and Slides

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

Thank you for joining us. We'll start with an overview of XPO Logistics today, and our strategy for driving growth, competitive differentiation and financial returns. We'll also bring you up to date on some recent developments, including the spin-off plan we announced in December. And we'll give you an overview of our strong fourth quarter 2020 financial performance, which reflected our dramatic rebound from the impacts of COVID-19.

XPO is one of the largest providers of supply chain services in the world, with over $16 billion in 2020 revenue and an integrated network of people, technology and physical assets in 30 countries. We use our network to help over 50,000 customers operate their supply chains most efficiently.

Our company has two reporting segments: transportation and logistics, each with leadership positions and growth prospects. In our transportation segment, we're a top three less-than-truckload (LTL) provider in North America and the second largest freight brokerage provider globally. In our logistics segment, we're the second largest contract logistics provider worldwide. Approximately 62% of our 2020 revenue came from our transportation segment, and the remaining 38% came from our logistics segment. Within each segment, we're positioned to capitalize on fast-growing areas of demand.

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

In 2020, about 58% of our revenue was derived from the US, 13% from the UK and 11% from France. Of the balance, Spain was the next largest at 6% of revenue. In total, we had 1,523 locations and over 100,000 employees at year-end 2020; our January 2021 acquisition of the majority of Kuehne + Nagel's contract logistics operations in the UK and Ireland increased our location count to 1,629. We welcomed approximately 6,000 new employees in the acquisition, as well as many blue-chip customers in three strategic verticals: tech and e-commerce, food service and beverages.

In December, we made an exciting announcement that we plan to pursue a spin-off of our logistics segment as a separate publicly traded company. If the transaction is completed as planned, it will create two, pure-play industry leaders: the spun-off company will be the second largest contract logistics provider in the world, and the remaining company will be a global provider of less-than-truckload and truck brokerage transportation services. The transaction is subject to various conditions, and it may or may not occur, or its terms or timing may be different than originally planned.

Investor Highlights

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

- We're a global leader in logistics and truck brokerage, and a North American leader in less-than-truckload (LTL) transportation, with outsized exposure in verticals that have a history of enduring demand.
- We have numerous opportunities for top-line growth, including organic growth through innovation and share gains through M&A.
- We're strongly positioned to benefit from the industry's predominant tailwinds — e-commerce and omnichannel retail, the shift toward supply chain outsourcing and fast-growing customer demand for digital capabilities — due to our scale, density, expertise and technology.
- Our rapid pace of innovation differentiates our services and makes the most of the talent and assets within our organization.
- Our scale gives us significant operating leverage, purchasing power, the capacity to innovate and the ability to serve large customers.
- We're nimble allocators of capital, with a disciplined focus on returns and an enviable record of creating substantial shareholder value.
- We serve customers in different verticals with diverse economic cycles, and the majority of our revenue is generated under long-term contracts, making our performance more resilient in economic cycles.
- Our business model is optimized for free cash flow generation in all parts of the cycle; about 70% of our revenue is asset-light, with low maintenance capex.
- Our secret sauce has always been the world-class people we attract to XPO — not just our 35 most senior executives, but also the 2,500 professionals at the next level with blue-chip industry experience.
- We're executing on 10 profit initiatives that are all self-driven and largely independent of the macro. In total, these initiatives represent a potential $700 million to $1 billion profit improvement run rate in 2023.

We're pleased with the progress we made on our profit improvement initiatives in 2020. For example, our technology helped increase the profitability of our truck brokerage business and improved the key pricing and productivity measures in our LTL business. In our logistics warehouses, our productivity analytics are helping us offset the higher cost of labor by making optimal use of workforce hours.

Technology Overview

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

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

We believe that our investment in technology is among the highest in our industry at an annual average of about $500 million. In 2020, we renewed our partnership with the Massachusetts Institute of Technology's Industrial Liaison Program — XPO is the first global logistics company to collaborate on industry innovation with the top minds and research facilities at MIT.

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

XPO Smart™

XPO Smart™ is our proprietary suite of intelligent tools and analytics that self-adjusts site by site to drive productivity across our operations. It incorporates dynamic data science, predictive analytics and machine learning to aid our managers in decision-making. We use XPO Smart™ to improve our labor and inventory management in a safe, disciplined and cost-effective manner.

Our XPO Smart™ tools were implemented in all of our LTL dock operations, 85% of our North American logistics sites and 50% of our European logistics sites as of year-end 2020, with further roll-outs underway. We expect to see a significant increase in productivity from these implementations as we fully utilize XPO Smart™ in our operations.

Intelligent warehouse automation

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

Advanced automation, robotics and autonomous goods-to-person systems are particularly effective in delivering critical improvements in speed, accuracy and productivity. Importantly, automation also enhances safety and the overall quality of employment.

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

XPO Connect™

XPO Connect™ is our proprietary digital freight marketplace; it encompasses our core Freight Optimizer system, shipper interface, pricing engine, carrier interface and our carrier mobile app, called Drive XPO™. This fully automated, self-learning digital platform gives us a scalable framework to continually improve our service, capture share and reduce costs.

XPO Connect™ connects shippers with freight carriers, both virtually and through our transportation operations. We give shippers access to our transportation network and market data, while carriers transact to secure loads through the mobile app. We have more than 75,000 truck carriers registered on XPO Connect™ and over 300,000 driver downloads of the app.

LTL optimization

In LTL, our technology focuses on optimizing the main components of the service we provide: linehaul, pickup-and-delivery and pricing. Our North American LTL linehaul network moves freight approximately 2.3 million miles a day on average, with approximately 15% of that volume traveling direct.

With intelligent route-building, we can reduce empty miles in our linehaul network, improve load factor and mitigate cargo damage. Our proprietary bypass models assimilate massive amounts of data to arrive at recommendations based on volume and density, taking freight dimensions into account to identify gaps in trailer utilization.

Other areas of LTL that are ripe for optimization include routing for pickups and deliveries, pricing management, trailer utilization, exception management and dock productivity.

Company Overview

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

Supply chains are unique by nature. Each one is a network spanning every step a company must take to move its goods from the origin to the end-user. Our customers typically have supply chains that include vendors, manufacturers, labor, assets, technologies, data and other resources. There are secular industry trends in our favor, including the acceleration of e-commerce. Certain services, like truck brokerage, are getting an added tailwind from automation, and outsourcing overall got a boost from the heightened attention on de-risking supply chains spurred by the pandemic.

Our service offering is asset-light overall, with assets accounting for less than a third of revenue. In 2020, our net capex was 2% of revenue — a notably lower percentage than asset-intensive competitor groups in our industry, such as less-than-truckload, truckload, parcel and rail carriers. The assets we do own or lease are critical components of the customer services we provide, such as 890 logistics facilities, 552 cross-docks and approximately 15,000 tractors and 39,000 trailers.

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

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

The distinct nature of our segments gives us entry to many different types of customers. Where commonalities exist, we share knowledge across our service range with an emphasis on best practices in customer service, safety, training, operational excellence and human resources.

Overview of Logistics Operations

XPO is at the forefront of a $130 billion logistics industry in North America and Europe combined. Our footprint stands at approximately 212 million square feet (20 million square meters) of warehouse space — this makes us attractive to multinational customers, as does our vertical expertise, technology and sophisticated engineering capabilities.

Within our global logistics segment, which we sometimes refer to as supply chain, we've identified six key drivers of value creation. They are:

- Our strong positioning with blue-chip customers who require bespoke solutions;
- Significant advantages of scale in serving e-commerce and omnichannel retail demand, including the largest outsourced e-fulfillment platform in Europe and expansive capabilities for e-fulfillment and returns management in North America;
- Our proprietary technology, such as XPO Smart™ and our warehouse management platform, which facilitates agility, visibility, speed, accuracy and control;
- Our XPO Direct™ network — a unique, shared-space distribution solution that gives customers a fluid way to position inventory close to target populations, reducing fixed costs and transit times;
- A large opportunity to grow share in established specializations where we have a longstanding presence and prominent customers; and
- Significant levers for profitable growth and strong free cash flow, with a long runway for margin expansion.

Our logistics segment provides order fulfillment and other distribution services differentiated by our ability to deliver technology-enabled, customized solutions. Our logistics customers include many preeminent companies with long-tenured relationships with XPO, and they frequently expand the scope and scale of the services we provide to them.

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

The e-commerce sector, in particular, continues to show strong, secular growth. Many of our e-commerce facilities also manage merchandise returns, known as reverse logistics. Before COVID-19, e-commerce was already growing globally at a double-digit rate, and that growth has accelerated as more consumers opt to purchase goods online. This level of growth makes it difficult for many companies to handle fulfillment and returns in-house while providing high levels of service. We provide solutions for pure-play e-commerce companies, omnichannel retailers and manufacturers with aftermarket distribution channels, including the merchandise returns that have become a significant byproduct of order fulfillment.

One of the most highly valued services across multiple customer verticals is reverse logistics. Depending on the merchandise being returned, this fast-growing area of logistics can include inspection, testing, repackaging, refurbishment, resale or product disposal, as well as refunding and warranty management. Reverse logistics services have become mission-critical for companies with consumer end-markets, as shoppers increasingly “test-drive” the merchandise they buy online.

Logistics processes are ripe for transformation through technology. Order fulfillment times are compressing, most notably in the direct-to-consumer space. The most cost-effective way to meet the majority of customer expectations is through advanced automation and intelligent machines — robots and cobots, automated sortation systems, automated guided vehicles and goods-to-person systems, which bring inventory to workers for order fulfillment. In 2019, we integrated collaborative robotics and goods-to-person systems in a number of our warehouses to support our employees and improve efficiency; this substantially increased throughput in 2020.

We’ve found that autonomous goods-to-person systems can improve productivity by 4-6x. Cobots, which assist workers with the inventory picking process, have a 2x benefit to productivity on average. Stationary robot arms can repeat demanding tasks with precision 3x faster than would be possible manually. Robotics are particularly valuable in tight labor markets where wage inflation and labor shortages can erode customer margins.

We’ve also developed analytics that predict future surges in demand based on data histories and forecasted customer spend. About 15% to 35% of consumer goods bought online are returned, based on the product category, and this creates reverse peaks at certain times of year. We’ve been able to shave several days off the reverse process through automation, which accelerates a customer’s ability to return goods to retail for sale.

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

Our XPO Smart™ labor management tools help us offset the higher cost of labor in our facilities by making the optimal use of workforce hours. As logistics volumes pick up, our site managers are able make rapid adjustments to labor levels in real time. XPO Smart™ self-adjusts site by site to drive productivity across our logistics network.

XPO Direct™

XPO Direct™ is our shared-space distribution network for B2C and B2B customers in North America. This unique solution gives retailers, e-tailers and manufacturers a way to manage fulfillment using our scale, capacity and innovation without the need to add high-fixed-cost distribution centers. The model capitalizes on the strengths of our transportation and logistics segments in combination. Our technology links our facilities, which serve as strategically located stockholding sites and cross-docks that can be utilized by multiple customers at the same time. Transportation needs are supported by our brokered, contracted and owned capacity.

XPO Direct™ gives customers the flexibility to reposition inventory within one-day and two-day ground delivery range of approximately 99% of the U.S. population as demand patterns change, and in close proximity to retail stores for inventory replenishment. This responds directly to increasing demand for shorter fulfillment times, and the service agility enhances brands. In addition, our customers have the advantage of cutting-edge technology for ease of doing business at both ends of distribution, and predictive analytics that help plan inventory flows.

Overview of Transportation Operations

Our other segment — transportation — derives the vast majority of its revenue and profit from less-than-truckload transportation, our largest transportation service line, and truck brokerage.

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

- Critical capacity and national lane density as the #3 LTL provider in North America, with a leading LTL network in Western Europe;
- Opportunities to further improve profitability beyond the significant gains already made, by using our intelligent technology to optimize linehaul, pickup-and-delivery, pricing and variable labor spend; and
- Over 30 years' experience and deep relationships with customers and domestic, cross-border and international network partners.

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

- Critical scale and capacity as the #3 brokerage provider globally, the #2 broker in North America, and the largest transportation company across the UK, France, Spain, Portugal and Morocco;
- Opportunities to unlock incremental revenue and profit well beyond current levels through our XPO Connect™ digital marketplace, and capture high-margin opportunities with our pricing technology; and
- The ability to deepen our long-tenured relationships with Tier 1 customers to grow wallet share, and leverage our track records in key verticals.

Less-Than-Truckload (LTL)

Our LTL operations in North America are asset-based. We provide customers with geographic density and day-definite regional, inter-regional and transcontinental LTL freight services with one of the industry's largest fleets of tractors and trailers, professional drivers and national network of terminals. This includes cross-border US service to and from Mexico and Canada, as well as intra-Canada service. In 2020, our LTL operations in North America offered more than 75,000 next-day and two-day lanes.

We doubled EBITDA in North American LTL within four years of acquiring this business, and we've brought the operation a long way forward. In the fourth quarter, our operating ratio was 84.9% and the adjusted operating ratio was 83.0%. Excluding gains from sales of real estate, our LTL adjusted operating ratio improved 130 basis points year-over-year to 84.5% — the sixth straight year we've improved our fourth quarter adjusted operating ratio. We have a well-defined opportunity to grow our LTL EBITDA to at least $1 billion in 2022.

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

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

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

In Europe, our LTL offering utilizes a blend of operations that includes asset-based (XPO fleet) and asset-light (contracted carriers), supported by a network of terminals. We provide LTL services domestically in France, the UK, Spain and Portugal, and we offer multinational LTL distribution throughout Europe. This offering appeals to large customers with pan-European markets.

Truck Brokerage

Our truck brokerage operations are non-asset-based — we place shippers' freight with qualified carriers, primarily trucking companies. Truck brokers have steadily penetrated the broader for-hire trucking industry over time, in part because of the reliable access to capacity brokers can provide and, more recently, digital access to truck capacity. We have a track record of generating revenue growth that outperforms US brokerage industry growth: from 2013 to 2019, our 16.3% revenue CAGR was about 770 basis points better than the industry.

Truck brokerage services are priced on either a spot market or contract basis for shippers. Customers offer loads to us via electronic data interchange, email, telephone and our XPO Connect™ platform on a daily basis; we collect payments from our customers and pay carriers for transporting the loads. We report the results of our truck brokerage operations as part of our freight brokerage services, which include ancillary, asset-light services for expedite, intermodal and drayage.

Our truck brokerage capabilities are differentiated by scale, expertise and the critical advantages of our technology. As of December 31, 2020, we had approximately 75,000 independent carriers in our global brokerage network, giving us access to more than a million trucks. Our operating model allows us to reduce our costs when demand is soft and flex our resources to find trucks as demand returns.

XPO Connect™ is continually improving our brokerage service through automation, making us more productive and differentiating our service to customers. Our digital platform has become one of the most rapidly adopted technologies in the brokerage industry, and the tremendous potential of future applications establishes XPO Connect™ as a powerful growth level.

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

Additionally, we may assist customers with other supply chain needs, such as urgent shipping or intermodal freight movements, or customers may outsource the management of their freight transportation to us. As of December 31, 2020, we had approximately 10,000 independent contractors under contract to provide ancillary services to our customers.

A Culture with Purpose

In conveying our strengths, we believe that equal weight should be given to the human face of XPO. Our company employs over 100,000 extraordinary individuals who have great insights about our customers and our business. Our foremost priority — to keep our people safe — took on new dimensions in the COVID-19 pandemic. We acted quickly and implemented numerous measures to ensure the physical, mental and financial well-being of our employees.

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

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

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

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

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

Environmental Sustainability

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

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

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

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

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

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

Fourth Quarter 2020 Financial Highlights[1]

In the fourth quarter, our revenue, earnings and free cash flow were all much better than expected. The investments we made in our people and technology in 2020 helped us accelerate our top line, and we generated the highest revenue of any quarter in our history.

The rapid growth of e-commerce continued to be a major driver of our logistics revenue in both North America and Europe. In our transportation segment, we reported our best fourth quarter adjusted operating ratio yet. Within transportation, we delivered an outstanding performance in truck brokerage, with notable improvements in volumes, productivity and profitability.

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

Financial highlights for the quarter are:

- $4.67 billion of revenue
- $228 million of operating income
- $93 million of net income[2]
- $0.91 diluted earnings per share
- $121 million of adjusted net income[2]
- $1.19 adjusted diluted earnings per share[3]
- $449 million of adjusted EBITDA
- $193 million of cash flow from operations
- $91 million of free cash flow

2021 Guidance

The company issued the following full-year 2021 targets:

- Adjusted EBITDA of $1.725 billion to $1.8 billion, an increase of 24% to 29% year-over-year;
- Depreciation and amortization of $780 million to $800 million;
- Interest expense of $275 million to $285 million;
- Effective tax rate of 24% to 26%; and
- *Adjusted diluted EPS of $5.10 to $5.85[4].

With respect to 2021 cash flows, the company issued the following targets:

- Gross capital expenditures of $625 million to $675 million;
- Net capital expenditures of $475 million to $525 million; and
- Free cash flow of $600 million to $700 million.

* We will present adjusted net income and adjusted diluted EPS excluding the amortization of acquisition-related intangible assets, starting with 2021 reporting.

2021 guidance excludes impacts associated with our planned spin-off of the logistics segment; and assumes 113 million diluted shares outstanding.

In January 2021, we redeemed $1.2 billion of Senior Notes due 2022, using available cash, at a price of 100% of the principal amount plus accrued and unpaid interest.

[2] Net income attributable to common shareholders
[3] Includes acquisition-related intangible asset amortization of $0.25 per diluted share
[4] Excludes amortization of acquisition-related intangible assets estimated to be $145 million in 2021

Liquidity Position

On December 31, 2020, we had access to approximately $3.1 billion of total liquidity, including $2.1 billion of cash and cash equivalents and $1.0 billion of available borrowing capacity. The company has no significant debt maturing until mid-2023.

Strong Momentum Going Forward

We're continuing to execute our growth strategy by running the business efficiently and profitably, while remaining responsive to changes in our operating environment. This disciplined focus is a major reason why nearly 70% of Fortune 100 companies rely on our services.

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

Our contract with the Tour de France as its official transportation partner has been extended through 2024. Last year was the 40th consecutive year we partnered with the Tour, and we took great pride in supporting the competitors on the world stage — particularly given the intense COVID-19 precautions that allowed the event to go forward safely.

In 2016, we made the Fortune 500 list for the first time, and one year later, XPO was named the fastest-growing transportation company on the list. In 2018, *Fortune* named us to their Fortune Future 50 list, and in 2019, the Financial Times honored us as a European Diversity Leader. Gartner has ranked us as a Magic Quadrant 3PL leader for four consecutive years. We were named a Winning "W" Company by 2020 Women on Boards for the gender diversity of our board of directors.

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

This month, *Fortune* named XPO one of the World's Most Admired Companies for the fourth straight year. Two other recognitions that speak to our culture are our ranking by *Newsweek* in the top 100 of America's Most Responsible Companies, and by Statista as one of the most socially responsible companies in France. Both the Netherlands and France ranked XPO in the top three 3PLs in their respective countries.

Now we have the industry's biggest tailwinds at our back in 2021. Our full-year guidance this year is for $1.725 to $1.8 billion of adjusted EBITDA, which represents 24% to 29% growth year-over-year. We expect to achieve a similar level of growth in each of our segments of transportation and logistics.

We're making good progress on the planned spin-off of our logistics segment. We've named a world-class top management team from our own ranks and we're excited about the additional talent we're recruiting. We're targeting an investment grade rating.

We remain confident that the spin-off, if completed as planned, will enhance the growth prospects of both companies. Each will have greater flexibility to tailor strategic decision-making and capital allocations to their end-markets, with the benefit of strong positioning as customer-focused innovators. We believe that the planned spin-off is an effective way to unlock significant value for our customers, employees and shareholders.

There are a lot of reasons to feel bullish about 2021, and we're off to a strong start.

Thank you for your interest!

Non-GAAP Financial Measures

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

XPO's non-GAAP financial measures used in this document include: earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted EBITDA margin for the three and twelve-month periods ended December 31, 2020 and 2019 on a consolidated basis; EBITDA, adjusted EBITDA and adjusted EBITDA excluding truckload and adjusted EBITDA for our North American less-than-truckload business for the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; free cash flow for the three and twelve-month periods ended December 31, 2020 and 2019, and the twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015; adjusted net income attributable to common shareholders and adjusted earnings per share (basic and diluted) ("adjusted EPS") for the three and twelve-month periods ended December 31, 2020 and 2019; adjusted operating income and adjusted operating ratio for our North American less-than-truckload business for the three and twelve-month periods ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015.

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

Adjusted EBITDA, adjusted net income attributable to common shareholders and adjusted EPS include adjustments for transaction and integration, as well as restructuring costs and other adjustments as set forth in the attached tables. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition, divestiture or spin-off and may include transaction costs, consulting fees, retention awards, and internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and converging IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives.

Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating XPO's and each business segment's ongoing performance.

We believe that free cash flow is an important measure of our ability to repay maturing debt or fund other uses of capital that we believe will enhance stockholder value. We calculate free cash flow as adjusted net cash provided by operating activities, less payment for purchases of property and equipment plus proceeds from sale of property and equipment, with adjusted net cash provided by operating activities defined as net cash provided by operating activities plus cash collected on deferred purchase price receivables. We believe that EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA excluding truckload improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables that management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income attributable to common shareholders and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains that management has determined are not reflective of our core operating activities. We believe that adjusted operating income and adjusted operating ratio for our North American less-than-truckload business improves the comparability of our operating results from period to period by (i) removing the impact of certain transaction and integration and restructuring costs, as well as amortization expenses and (ii) including the impact of pension income incurred in the reporting period as set out in the attached tables.

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

Forward-looking Statements

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

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC and the following: economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to implement our cost and revenue initiatives; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; matters related to our intellectual property rights; fluctuations in currency exchange rates; fuel price and fuel surcharge changes; natural disasters, terrorist attacks or similar incidents; risks and uncertainties regarding the potential timing and expected benefits of the proposed spin-off of our logistics segment, including final approval for the proposed spin-off and the risk that the spin-off may not be completed on the terms or timeline currently contemplated, if at all; the impact of the proposed spin-off on the size and business diversity of our company; the ability of the proposed spin-off to qualify for tax-free treatment for U.S. federal income tax purposes; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; fluctuations in fixed and floating interest rates; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; and governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; and competition and pricing pressures.

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.