UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 8, 2022

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 7.01. Regulation FD Disclosure.

On February 8, 2022, XPO Logistics, Inc. (the "Company") released a slide presentation expected to be used by the Company in connection with certain future investor presentations, together with a corresponding script. Copies of the script and slide presentation are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

The slide presentation and script should be read together and with the Company's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Investor Presentation Script, dated February 8, 2022
99.2	Investor Presentation, dated February 8, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

Date: February 8, 2022	XPO LOGISTICS, INC.
	By: /s/ Ravi Tulsyan
	Ravi Tulsyan
	Chief Financial Officer

Exhibit 99.1

February 2022

Presentation Script and Slides

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

Thank you for joining us. We'll start with an overview of XPO Logistics today — our company operations and our value proposition for shareholders. We'll also give you the highlights of our fourth quarter financial performance, and our 2022 guidance.

Over the last decade, we built XPO into one of the world's leading providers of supply chain services — then successfully spun off our logistics business in August 2021. This simplified XPO to two segments: 1) North American Less-Than-Truckload (LTL); and 2) Brokerage and Other Services, of which truck brokerage is the core component. Together, North American LTL and truck brokerage generate the majority of our revenue and more than 90% of our operating income.

The spin-off also simplified our growth strategy as a pure-play freight transportation company. Our leadership, technology resources and frontline execution are intensely focused on driving revenue and margin higher, even in those parts of the company where our performance is already industry-best. We're resolute in our commitment to deliver outsized returns to our shareholders.

We're off to a great start as a pure-play, with a fourth quarter 2021 performance that achieved some key financial records. We reported the highest revenue and highest adjusted diluted EPS of any quarter in our history, as well as adjusted EBITDA that was a fourth quarter record, and exceeded our guidance for both the quarter and the year. We also continued deleveraging to pursue an investment-grade credit rating.

Investment Highlights

We believe that our company has strong competitive advantages tailored to the opportunities in our addressable markets. XPO provides critically important services for the economy, and we're capitalizing on a combination of macro trends, secular tailwinds and company-specific initiatives:

- *Expansive, fragmented markets with growing penetration:* In North America, where we're a top provider of LTL and truck brokerage, our market share is in the single digits: approximately 8% share of the $42 billion LTL market, and 3% share of the $80 billion truck brokerage market. There's an estimated $360 billion of additional truckload spend in North America that could be going through brokers — a fertile environment for market share growth in our truck brokerage business.

- *Exposure to fast-growing verticals in highly compelling sectors:* We have deep exposure to verticals such as e-commerce that are growing much faster than the overall market, and to the recovering industrial sector.

- *Industry leader in technology:* Our first-mover advantage as an industry innovator is rooted in the more than $3 billion we've spent on technology on all operations since 2011. We have XPO-specific initiatives that are delivering growth and expanding our margins, positioning our company to thrive across market cycles. Most of these initiatives are managed within our digital ecosystem, where our digital brokerage platform also resides.

- *Benefits of scale:* Our scale in both LTL and brokerage is important to customers and gives us the ability to drive significant operating leverage, benefit from purchasing power and continue to innovate to differentiate our offerings. Companywide, our 42,000 employees serve more than 50,000 customers across 771 locations.

- *Disciplined capital allocation:* We have a long history of generating a high return on capital — for 2021, our companywide ROIC was 32%, and our ROIC from North American LTL was even higher. Our adjusted EBITDA growth and strong free cash flow support our continued investments in the business and our deleveraging to a net leverage ratio of 1.0x to 2.0x by the first half of 2023. This is a key step in our process to achieve an investment-grade credit rating.

- *Enviable record of superior shareholder value creation:* In the last decade, XPO was the 7th best-performing stock on the Fortune 500, according to Bloomberg market data, and we have a significant opportunity to continue to create superior shareholder value.

- *Strong culture:* Our secret sauce has always been the world-class people we attract to XPO — the thousands of professionals at every level who contribute to our performance while representing our values.

Specific drivers of growth and returns in our core businesses appear in the sections below.

Less-Than-Truckload (LTL)

Our North American LTL segment is asset-based. We provide customers with geographic density and day-definite regional, inter-regional and transcontinental freight services with one of the industry's largest networks of tractors, trailers, professional drivers and terminals. Our services include cross-border US freight movements to and from Mexico and Canada, as well as intra-Canada service.

The key factors driving growth and margin expansion in our North American LTL business are:

- *Critical capacity and national lane density, supported by 291 terminals in North America, with large economies of scale.* Our LTL business represents over three decades of investment, with network coverage of approximately 99% of all US zip codes and key routes in Canada. Our 12,000 professional XPO truck drivers are particularly valued by our customers, as the pervasive driver shortage is predicted to continue;

- *Our comprehensive action plan to enhance our LTL network in North America and drive growth.* We've taken a number of actions to enhance network efficiencies, with longer-term tactical actions underway. We're making good progress with the plan since we began executing it in October 2021 to resolve pressure on our operating ratio, and we expect to achieve a year-over-year improvement of more than 100 basis points in adjusted operating ratio this year. The five parts of our plan are:

    – *Improve network flow.* Our targeted fourth quarter initiatives have significantly improved network flows and customer satisfaction, while generating stronger service metrics in areas such as on-time transit and freight handling as the quarter progressed;

- *Drive pricing.* We pulled our typical January 2022 General Rate Increase forward to November 2021 and instituted accessorial charges for detained trailers, oversized freight and special handling; this contributed to record 11% growth in yield, excluding fuel, in the fourth quarter;

- *Expand the driver base.* We graduated approximately 900 professional drivers from XPO driver training schools in 2021, exceeding our goal, and we intend to double the number of 2021 graduates in 2022;

- *Increase trailer production.* We added a second production line at our Searcy, Arkansas trailer manufacturing facility, and we expect to double the number of units produced in 2022 year-over-year; and

- *Expand footprint by 900 net new doors (approximately 6%) by year-end 2023.* We opened three new terminals from October 2021 through January 2022, with a total of 314 doors: Chicago Heights, Illinois (264 doors); Sheboygan, Wisconsin (26 doors); and Texarkana, Arkansas (24 doors); and closed 165 doors as planned, resulting in 149 net doors added to the network. Additionally, we plan to open new fleet maintenance shops in Ohio, Florida, New York and Nevada in the first quarter of 2022.

· *Significant opportunities to leverage our LTL technology* to improve profitability beyond the sizable margin gains we've already achieved. Our proprietary technology underpins the improvements in our yield, and it's helped us improve adjusted operating margin by 910 basis points since 2015, excluding gains from sales of real estate;

· *Favorable industry fundamentals*, including limited commoditization, firm pricing dynamics in North America, rising industrial demand and the continued growth of e-commerce, which is driving more frequent shipments of freight that don't require a full truck; and

· *Over 30 years' experience and deep relationships* with tens of thousands of customers and providers.

The strong return on invested capital generated by North American LTL supports continuing investments in network density, fleet and technology. We anticipate that our 2022 gross capex for this business will be 8% to 9% of revenue.

We more than doubled our adjusted EBITDA in North American LTL four years after acquiring the operation in 2015, and we expect to generate at least $1 billion of adjusted EBITDA in North American LTL this year. Long-term, we have plans in place to improve our LTL margin by hundreds of basis points from current levels.

Our LTL team is laser-focused on the importance of delivering on-time, damage-free service at scale. We have approximately 25,000 LTL customers in North America alone, primarily local accounts. Using a modern fleet equipped with safety technologies, we delivered approximately 13 million shipments in 2021, and our network moved 18 billion pounds of LTL freight 758 million miles.

Our tech priority in LTL is to continuously improve our margin as we grow our revenue — primarily by optimizing pricing, linehaul, dock productivity and pickup-and-delivery routing. For example, we use intelligent route-building to move LTL freight across North America, increasing the utilization of our linehaul fleet and optimizing our load factor. We're also investing development resources in improving our ability to price in a dynamic market by adjusting for lane conditions. And, we deployed XPO Smart™ workforce planning tools in our yard and dock operations to enhance productivity.

In Europe, XPO is the largest LTL provider in France and Iberia (Spain / Portugal), and we have the largest single-owner LTL network in the UK. In total, we have approximately 130 LTL locations serving countries across Europe utilizing a blend of fleet operations determined by geography. This includes asset-based (XPO-owned) and asset-light (contracted carrier) capacity, supported by a network of terminals.

Truck Brokerage

XPO is the second largest truck broker in the world, and a top provider in North America, with leading positions in key European geographies: #1 in France and Iberia, and #3 in the UK.

For the full year 2021, our North American truck brokerage business grew revenue by 63% year-over-year, propelled by 29% load growth. This included 35% load growth from our top 20 brokerage customers. We have a long track-record of significant outperformance in our North American truck brokerage business, which is industry-best-in-class. From 2013 through 2021, our truck brokerage revenue CAGR in North America was 27% — three times the industry growth rate.

Our brokerage business is an agile, non-asset model that generates high ROIC and free cash flow conversion. It has a variable labor structure that enables us to reduce costs when demand is soft and deploy additional resources to find trucks as demand returns. Shippers create truckload demand and we place their freight with qualified carriers that supply the capacity. This service is priced on either a spot or contract basis.

Our growth in truck brokerage continues to be propelled by our massive capacity, cutting-edge technology and favorable industry tailwinds, specifically:

- *Our network of 98,000 independent carriers* — Our carrier pool represents more than a million trucks to serve high demand for truckload capacity, notably in the e-commerce and omnichannel retail sectors. As more and more shippers outsource their road freight needs, they increasingly prefer brokers like XPO that offer digital capabilities;

- *Our proprietary pricing technology and XPO Connect® digital platform* — XPO Connect® gives us the ability to adjust to market conditions in real time and can unlock incremental revenue and profit well beyond current levels. By continually improving the shipper and carrier experiences through automation, we're realizing significant volume growth and strong margins;

- *Our sticky blue-chip customer base* — Our top 10 brokerage customers have an average tenure of 13 years and low concentration risk. These relationships represent considerable potential to grow wallet share and leverage our expertise in key verticals;

- *A significant opportunity to increase market penetration* — While we're the second largest brokerage provider globally, we currently have just 3% share in North America, our primary region; and

- *An exceptional management team that has been together for many years* — Our brokerage leaders have successfully piloted the business to a position of strength, where it's large enough to satisfy the needs of any customer and nimble enough to pivot rapidly in dynamic environments.

Our Brokerage and Other Services segment also includes exposure to a fast-growing brokerage subsector — last mile logistics service for the home delivery of heavy goods. This asset-light business is benefitting from the consumer trend toward purchasing large products through e-commerce, omnichannel retail and direct-to-consumer channels.

XPO is the largest provider of last mile logistics for heavy goods in North America, with a rapidly growing last mile presence in Europe. The service levels required for heavy goods delivery are considerably higher than for parcel, and our stellar service metrics have helped cement our industry-leading position — for example, on average, we have only one claim out of approximately 600 North American last mile deliveries.

Proprietary Technology

XPO is the industry's original disruptor. We've been investing in transportation automation and digitization for more than a decade, innovating how goods move through supply chains. Our industry is evolving, and customers want to de-risk their operations. We believe that we're well-positioned to satisfy their demands for faster, more efficient supply chains with greater visibility, as evidenced by the rapid adoption of our XPO Connect® brokerage platform.

We use technology to increase our ROIC, enhance our competitive advantages and make the most of the talent and assets within our organization. Even with these benefits in hand, we believe the greatest rewards of our technology lie ahead in the form of additional revenue and profit growth from the proprietary digital ecosystem we've built, notably:

XPO Connect® and Freight Optimizer

We envisioned industry demand for a fully automated, cloud-based digital platform for transportation procurement a decade ago. XPO Connect® encompasses our Freight Optimizer system, shipper interface, pricing engine, carrier interface and our Drive XPO® mobile app for carriers. When our customers have truckload freight to move, XPO Connect® locates the optimal transportation provider based on a number of parameters, including price, market conditions, equipment, carrier profile and load profile.

Our advances in digitization are making our brokerage business much more efficient and reducing our costs. We can capture share by elevating customer service without large increases in headcount. In the fourth quarter, 70% of our brokerage orders in North America were created or covered digitally.

Importantly, the rapid adoption of XPO Connect® by both shippers and carriers is contributing to our above-market revenue and margin performance. In the fourth quarter of 2021, we had a 74% year-over-year increase in weekly average carrier users on XPO Connect, reflecting a substantial increase in truckload capacity providers available digitally to XPO customers.

Drive XPO®

Truck drivers can access XPO Connect® from the road through our proprietary mobile app, Drive XPO®. The app connects carriers to shippers with the capability for fully automated transactions, tracks freight during transit and includes intuitive tools for finding, bidding and booking loads. It gives our customers direct digital access to the capacity they need, regardless of market conditions.

Drive XPO® is a resounding success. In total, truck drivers have downloaded the app over 600,000 times as of year-end 2021, more than doubling the cumulative downloads of a year ago.

LTL Optimization

Some of our ongoing margin improvement in LTL will come from XPO Smart™, our proprietary suite of workforce planning tools for productivity improvement in LTL dock operations. Our smart analytics “learn” the operations site by site and can forecast how a decision made today could affect productivity in a future period. XPO Smart™ had an immediate impact that should gain further traction when the labor market settles down.

We have other proprietary technology for LTL that’s contributing to the positive trajectory of our yield — a metric we’ve improved every year that we’ve owned the business. We’ve developed data-driven pricing tools that optimize LTL rates for our local and regional accounts, while improving efficiency. Our elasticity tools help determine the best pricing for large, contractual customer relationships, and we recently created a new pricing platform that enables lead generation by mining historical pricing activity.

While each application of our LTL technology delivers its own benefits, there can be a strong synergistic effect on the business as a whole. For example, when we optimize truck routes, that benefits asset utilization, driver utilization and customer service, and reduces our carbon footprint.

Environmental Sustainability

Our entire business model is based on transporting freight as efficiently as possible, which helps our customers and our company meet ESG goals. XPO Connect® can improve the carbon footprint of customer supply chains by reducing empty miles, while our LTL business maintains a modern fleet, optimizes routes and trains our drivers in eco-friendly techniques.

In the US, XPO has been named a Top 75 Green Supply Chain Partner by Inbound Logistics for six consecutive years. We’ve made substantial investments in fuel-efficient Freightliner Cascadia tractors for our LTL business 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.

In Europe, over 90% of our diesel road fleet is compliant with Euro VI standards, and we have a natural gas-powered fleet of more than 250 total trucks in France, the UK, Spain and Portugal. We also use government-approved mega-trucks in Spain to transport more freight with fewer trips. We’re currently testing the use of longer, duo-trailer vehicles that have the potential to reduce CO2 emissions by an estimated 25% to 30% per trip, compared with the same freight moved on traditional trucks. Our last mile business uses electric vehicles for certain urban deliveries, reducing those emissions to zero.

In 2021, we piloted the first fully electric commercial trucks in our fleets in Spain and France. Electric vehicles show promise in commercial transport applications, particularly as an alternative to diesel for urban service. Our fleet experts are working with manufacturers to pilot the commercial viability of larger electric vehicles, advancing our understanding of how and where to best use this type of fleet.

People-First Culture

XPO’s strong culture puts the safety of our people first in all aspects of the workplace. 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 cohesive team. We foster both physical and 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 position of Chief Diversity Officer to lead our DE&I initiatives, followed by the formation of a global Diversity and Inclusion Steering Committee in 2021. We reinforce the importance of diversity through open-door management, the XPO University training curriculum, our Workplace virtual community, and equal opportunity hiring and promotion policies.

We also support diverse causes important to our employees, such as Soles4Souls, Girls With Impact, and Workfit programs for differently-abled people. We're proud to be the official transportation partner for the Susan G. Komen 3-Day Walks® through 2022, and a partner of Truckers Against Trafficking to help combat human trafficking.

XPO's 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, women receive up to 10 days or 80 hours of 100% paid prenatal leave for health and wellness and other preparations for the child's arrival.

Our women 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.

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.

The development of our culture will continue to be a steady march forward, as it has since our founding in 2011. Our XPO 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 current report can be downloaded from https://sustainability.xpo.com.

Fourth Quarter 2021 Financial Highlights[1]

Highlights of our fourth quarter 2021 financial performance include record revenue, adjusted diluted EPS and adjusted EBITDA:

- $3.361 billion of revenue, a 14% increase year-over-year — the highest revenue of any quarter in our history
- $126 million of net income[2]
- $174 million of operating income

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1 Reconciliations of non-GAAP financial measures used in this document are provided in the accompanying slide presentation
2 Net income from continuing operations attributable to common shareholders

- $1.08 diluted earnings per share[3]
- $98 million cash flow from operating activities[4]
- $155 million of adjusted net income[2]
- $1.34 adjusted diluted earnings per share[3] — the highest adjusted diluted EPS of any quarter in our history
- $323 million of adjusted EBITDA, a 12% increase year-over-year — the highest adjusted EBITDA of any fourth quarter in our history
- $57 million of free cash flow

2022 Guidance

XPO issued the following financial targets for 2022:

- Adjusted EBITDA of $1.36 billion to $1.40 billion, a year-over-year increase of 11% at the mid-point, including first quarter adjusted EBITDA of $280 million to $285 million[5]
  - North American LTL expected to generate at least $1 billion of full year adjusted EBITDA;
- Year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio[6];
- Depreciation and amortization of approximately $400 million, excluding amortization of acquisition-related intangible assets;
- Interest expense of $170 million to $180 million;
- Effective tax rate of 24% to 25%; and
- Adjusted diluted EPS of $5.00 to 5.45, a year-over-year increase of 22% at the mid-point
  - Excluding amortization of acquisition-related intangible assets, and assuming 117 million shares outstanding as of year-end 2022.

With respect to 2022 cash flows:

- Gross capital expenditures of $500 million to $550 million;
- Net capital expenditures of $425 million to $475 million; and
- Free cash flow of $400 million to $450 million.

Balance Sheet and Liquidity

On December 31, 2021, we had $1.3 billion of total liquidity. Our net leverage was 2.7x, calculated as net debt of $3.31 billion divided by adjusted EBITDA of $1.24 billion for the year ended December 31.

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3 Diluted earnings from continuing operations per share
4 Net cash provided by operating activities from continuing operations
5 For full year 2022, assumes gains from real estate sales of approximately $50 million dollars, compared with $62 million in 2021; for first quarter 2022, assumes no gain from real estate sales, compared with $17 million in 2021; the company currently plans to execute real estate sales in the second half of 2022
6 The company expects approximately 200 basis points of year-over-year degradation in LTL adjusted operating ratio, excluding gains from sales of real estate, for the first quarter of 2022

We’re committed to deleveraging to a net leverage ratio of 1.0x to 2.0x by the first half of 2023, as a key step to achieving our goal of an investment-grade credit rating.

In Conclusion

In 2021, we celebrated our first exhilarating decade in business with a great deal of pride, while continuing to run the business efficiently and profitably for our shareholders. We remain intensely committed to continuous improvement, as we have from day one. This a major reason why more than two-thirds of Fortune 100 companies trust XPO with their most important asset — their reputation.

When world-class companies show confidence in XPO, we know we’re delivering the quality our customers expect. The awards we receive from Dow, Ford, Intel, GM, Nissan, Nordstrom, Owens Corning, Raytheon, The Home Depot, Ulta Beauty, Whirlpool and others are the ultimate proof of our commitment to continuous improvement.

Numerous other recognitions reflect the caliber of our company. In 2016, XPO made the Fortune 500 list for the first time, in just our fourth full year in business. One year later, we were named the fastest-growing transportation company on the list, and we’ve been ranked No. 1 in the Fortune 500 category of Transportation and Logistics every year since then.

In 2018, *Fortune* named us to their Fortune Future 50 list. Gartner has ranked us as a Magic Quadrant 3PL leader for five consecutive years. *Forbes* ranked us as the top-performing US company on the Global 2000 and one of the best employers in the US.

In 2021, *Fortune* named us one of the World's Most Admired Companies for the fourth consecutive year. The *Financial Times* has honored us as a European Diversity Leader. We’ve been recognized for our commitment to gender diversity at the board level by 2020 Women on Boards, and as a top company for women to work for by the Women in Trucking Association. *Newsweek* ranked us in the top 100 of America's most responsible companies, and Statista named us one of the most socially responsible companies in France. In the UK, XPO was voted one of Glassdoor’s top three best places to work. We thank our employees for creating the culture that has led to these recognitions.

We believe that XPO’s industry leadership, technology advantage and deep bench of expertise equip our operations to continue to outperform, and our company-specific initiatives are leveraging powerful secular tailwinds. Our business model excels at delivering strong growth at both the top and bottom lines. We’re confident that investors will recognize the full value of the company we’ve built and the significant opportunity we have to continue to drive outsized returns.

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 this document.

This document contains the following non-GAAP financial measures: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") on a consolidated basis for the three months and years ended December 31, 2021 and 2020; adjusted EBITDA margin on a consolidated basis for the three months and years ended December 31, 2021 and 2020; adjusted net income from continuing operations attributable to common shareholders and adjusted diluted earnings from continuing operations per share ("adjusted EPS") on a consolidated basis for the three months and years ended December 31, 2021 and 2020; free cash flows for the three months and years ended December 31, 2021 and 2020; adjusted operating income (including and excluding gains on real estate transactions) and adjusted operating ratio (including and excluding gains on real estate transaction) for our North American less-than-truckload for the three months ended December 31, 2021 and 2020, and the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016 and 2015; margin (revenue less cost of transportation and services) for North American Truck Brokerage for the three months and years ended December 31, 2021 and 2020; return on invested capital (ROIC) on a consolidated basis for the year ended December 31, 2021; net leverage and net debt as of December 31, 2021..

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 from continuing operations attributable to common shareholders and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs, litigation settlements 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 net cash provided by operating activities from continuing operations, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA and adjusted EBITDA margin improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), litigation settlements, 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 from continuing operations 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, including amortization of acquisition-related intangible assets, litigation settlements, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables.

We believe that margin (revenue less cost of transportation and services) improves the comparability of our operating results from period to period by removing the cost of transportation and services, in particular the cost of fuel, incurred in the reporting period as set out in the attached tables. We believe that adjusted operating income and adjusted operating ratio improve the comparability of our operating results from period to period by (i) removing the impact of certain transaction and integration costs 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. We believe that return on invested capital (ROIC) is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for the year ended December 31, 2021 divided by invested capital as of December 31, 2021. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles. We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our year end reported adjusted EBITDA.

With respect to our financial targets for full year 2022 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 full year 2022 financial targets for adjusted EBITDA, depreciation and amortization (excluding amortization of acquisition-related intangible assets), interest expense, effective tax rate, adjusted diluted EPS (excluding amortization of acquisition-related intangible assets), gross capital expenditures, net capital expenditures, and free cash flow; our first quarter 2022 financial target for adjusted EBITDA; our expectation of year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio; our 2022 financial target of at least $1 billion of adjusted EBITDA in the North American LTL segment; our expectation that North American LTL adjusted operating ratio will inflect to year-over-year improvement mid-year 2022, our expectation to continue to deliver double-digit volume growth in North American truck brokerage in 2022 and going forward; our target net leverage ratio of 1.0x to 2.0x by the first half of 2023; and our goal of 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, including supply chain disruptions due to plant and port shutdowns and transportation delays, the global shortage of certain components such as semiconductor chips, strains on production or extraction of raw materials, cost inflation and labor and equipment shortages, which may lower levels of service, including the timeliness, productivity and quality of service, and government responses to these factors; 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; the effectiveness of our action plan, and other management actions, to improve our North American LTL business; our ability to benefit from a sale, spinoff or other divestiture of one or more business units, and the impact of anticipated material compensation and other expenses, including expenses related to the acceleration of equity awards, to be incurred in connection with a substantial disposition; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; goodwill impairment, including in connection with a business unit sale, spinoff or other divestiture; 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 expected benefits of the spin-off of our logistics segment; the impact of the spin-off of our logistics segment or a future spin-off of a business unit on the size and business diversity of our company; the ability of the spin-off of our logistics segment 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 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 and independent contractors; 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; 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.

Exhibit 99.2

XPO Logistics

FEBRUARY 2022

Investor Presentation

XPOLogistics

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 document 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: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") on a consolidated basis for the three months and years ended December 31, 2021 and 2020; adjusted EBITDA margin on a consolidated basis for the three months and years ended December 31, 2021 and 2020; adjusted net income from continuing operations attributable to common shareholders and adjusted diluted earnings from continuing operations per share ("adjusted EPS") on a consolidated basis for the three months and years ended December 31, 2021 and 2020; free cash flows for the three months and years ended December 31, 2021 and 2020; adjusted operating income (including and excluding gains on real estate transactions) and adjusted operating ratio (including and excluding gains on real estate transaction) for our North American less-than-truckload for the three months ended December 31, 2021 and 2020, and the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016 and 2015; margin (revenue less cost of transportation and services) for North American Truck Brokerage for the three months and years ended December 31, 2021 and 2020; return on invested capital (ROIC) on a consolidated basis for the year ended December 31, 2021; net leverage and net debt as of December 31, 2021.

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 from continuing operations attributable to common shareholders and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs, litigation settlements 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 net cash provided by operating activities from continuing operations, less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA and adjusted EBITDA margin improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), litigation settlements, 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 from continuing operations 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, including amortization of acquisition-related intangible assets, litigation settlements, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables. We believe that margin (revenue less cost of transportation and services) improves the comparability of our operating results from period to period by removing the cost of transportation and services, in particular the cost of fuel, incurred in the reporting period as set out in the attached tables. We believe that adjusted operating income and adjusted operating ratio improve the comparability of our operating results from period to period by (i) removing the impact of certain transaction and integration costs 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. We believe that return on invested capital (ROIC) is an important metric as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for the year ended December 31, 2021 divided by invested capital as of December 31, 2021. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles. We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our reported total debt and reporting net debt as a ratio of our year end reported adjusted EBITDA.

With respect to our financial targets for full year 2022 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.

Disclaimers (cont.)

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XPOLogistics

Table of contents

Why invest in XPO today?

1. A top provider in highly attractive less-than-truckload and truck brokerage sectors
2. High-ROIC businesses benefitting from secular tailwinds
3. Company-specific initiatives in LTL to improve operating ratio, increase volume and grow profit
4. Best-in-class truck brokerage business with soaring adoption of leading technology platform
5. Deleveraging while continuing to invest in growth, supported by strong adjusted EBITDA and free cash flow

Significant opportunity to continue to create outsized shareholder value

A leading provider of freight transportation services

STRONG POSITIONING OF CORE BUSINESSES

- Third largest provider of less-than-truckload (LTL) transportation in North America
- Second largest truck broker worldwide, and one of the largest in North America
- More than 90% of 2021 operating income derived from North American LTL and truck brokerage businesses
- Leading positions in Europe: France, the United Kingdom and Iberia (Spain / Portugal)

XPO KEY METRICS[1]

2021 revenue	$12.8 billion
Locations	771
Employees	~42,000
Customers	~50,000
LTL industry, North America[2]	~$42 billion
Truck brokerage industry, North America[3]	~$80 billion

XPO helps customers move their goods most efficiently through their supply chains. We deliver value in the form of technological innovations, process improvements, cost efficiencies and reliable outcomes.

[1] Global data for revenue, locations, customers and employees as of December 31, 2021; excludes logistics segment, which was spun off on August 2, 2021
[2] Third-party research: North American less-than-truckload industry size
[3] Third-party research: North American truck brokerage industry size; reflects brokered component of ~$440 billion total addressable truckload opportunity

XPO is a strategic partner to blue-chip customers in diverse sectors

Note: Partial list

Long track record of significant shareholder value creation

FOCUSED EXECUTION AND CAPITAL ALLOCATION DRIVING OUTSIZED RESULTS

- XPO was the 7th best-performing stock of the last decade on the Fortune 500, based on Bloomberg market data
- Spent more than $3 billion on technology on all operations over the past 10 years, including truck brokerage digitization and LTL optimization
- Delivered 910 bps of improvement in North American LTL adjusted operating margin since 2015, excluding gains from sales of real estate
- Delivered 27% revenue CAGR in North American truck brokerage 2013 – 2021, outperforming industry growth rate by 3x
- Robust adjusted EBITDA growth and free cash flow support continued deleveraging to 1.0x – 2.0x target leverage by the first half of 2023, from 2.7x[1]

High return on invested capital of 32% in 2021

[1] Calculated as net debt of $3.3 billion divided by adjusted EBITDA of $1.2 billion for year-end December 31, 2021; refer to page 13 for more information
Refer to the "Non-GAAP Financial Measures" section on page 2 and ROIC reconciliation in Supplemental Materials for related information

Long runway for revenue growth and margin expansion

XPO'S REVENUE DRIVERS

- **Transportation outsourcing:** XPO's ability to provide dependable capacity and enhanced visibility through technology continues to drive strong share gains in truck brokerage
- **XPO Connect®:** Customers value digital access to XPO's massive truckload carrier network via a user-friendly interface, with clear pricing visibility
- **E-commerce:** Demand is rising for LTL capacity as customers increasingly expect fast delivery of goods, compressing supply chains
- **Industrial recovery:** XPO is benefiting from the ongoing increase in industrial demand, as supply chains continue to recover from COVID-19

XPO'S MARGIN DRIVERS

- **Pricing optimization:** Utilizing machine learning and data science in both LTL and truck brokerage to capture higher-margin pricing opportunities and tailor sales strategies for customers of various sizes and supply chain needs
- **XPO Connect®**: Managing more volume at lower cost, as shipper and carrier demand continues to build for the industry's most accomplished digital brokerage ecosystem
- **LTL operational excellence:** Continuing to deploy proprietary technology to improve efficiency, optimize the network and ramp up cross-dock productivity with XPO Smart™

XPO's expected annual technology spend of ~$300 million will continue to differentiate the company as a leading industry innovator

XPOLogistics

Fourth quarter 2021 results

REVENUE	$3.361 billion
NET INCOME[1]	$126 million
OPERATING INCOME	$174 million
DILUTED EPS[2]	$1.08
CASH FLOW FROM OPERATING ACTIVITIES[3]	$98 million
ADJUSTED NET INCOME[1]	$155 million
ADJUSTED DILUTED EPS[2]	$1.34
ADJUSTED EBITDA	$323 million
FREE CASH FLOW	$57 million

Commentary

- Revenue increased 14% to $3.36 billion, a record for any quarter in the company's history
- Net income[1] was $126 million, or $1.08 diluted earnings per share, compared with $34 million, or $0.33 diluted earnings per share for Q4 2020
- Operating income was $174 million, compared with $153 million for Q4 2020
- Adjusted diluted EPS was $1.34, the highest of any quarter in the company's history
- Adjusted EBITDA was $323 million, up 12% YoY, exceeding the company's guidance range the highest adjusted EBITDA of any Q4 to date

[1] From continuing operations attributable to common shareholders
[2] Diluted earnings from continuing operations per share
[3] Net cash provided by operating activities from continuing operations
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

XPOLogistics

Full year 2021 results

REVENUE	$12.806 billion
NET INCOME[1]	$323 million
OPERATING INCOME	$616 million
DILUTED EPS[2]	$2.82
CASH FLOW FROM OPERATING ACTIVITIES[3]	$656 million
ADJUSTED NET INCOME	$491 million
ADJUSTED DILUTED EPS[2]	$4.30
ADJUSTED EBITDA	$1.239 billion
FREE CASH FLOW	$475 million

Commentary

- Full year results exclude the logistics segment, which was spun off on August 2, 2021
- Revenue of $12.806 billion is a full-year company record
  - North American Less-Than-Truckload segment increased revenue to $4.12 billion, compared with $3.54 million for 2020
  - Brokerage and Other Services segment increased revenue to $8.91 billion, compared with $6.80 billion for 2020
- Operating income was $616 million, compared with $228 million for 2020
- Adjusted EBITDA of $1.239 billion exceeded the company's full year guidance range

[1] Net income from continuing operations attributable to common shareholders
[2] Diluted earnings from continuing operations per share
[3] Net cash provided by operating activities from continuing operations
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

2022 guidance

- Adjusted EBITDA of $1.36 billion to $1.40 billion, including first quarter adjusted EBITDA of $280 million to $285 million[1];
  - North American LTL expected to generate at least $1 billion of full year adjusted EBITDA;
- Year-over-year improvement of more than 100 basis points in North American LTL adjusted operating ratio[2];
- Depreciation and amortization of approximately $400 million, excluding amortization of acquisition-related intangible assets;
- Interest expense of $170 million to $180 million;
- Effective tax rate of 24% to 25%; and
- Adjusted diluted EPS of $5.00 to $5.45, excluding amortization of acquisition-related intangible assets, and assuming 117 million shares outstanding at year-end 2022.

With respect to 2022 cash flows:

- Gross capital expenditures of $500 million to $550 million;
- Net capital expenditures of $425 million to $475 million; and
- Free cash flow of $400 million to $450 million.

Full year 2022 guidance reflects year-over-year increases of 11% in adjusted EBITDA and 22% in adjusted diluted EPS at the mid-points of each range

[1] For full year 2022, assumes gains from real estate sales of approximately $50 million dollars, compared with $62 million in 2021; for first quarter 2022, assumes no gain from real estate sales, compared with $17 million in 2021; the company currently plans to execute real estate sales in the second half of 2022

[2] The company expects approximately 200 basis points of year-over-year degradation in LTL adjusted operating ratio, excluding gains from sales of real estate, for the first quarter of 2022

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

XPOLogistics

Balance sheet and liquidity as of December 31, 2021[1]

NET DEBT[2]	$3.3 billion
NET LEVERAGE[3]	2.7x
TOTAL LIQUIDITY[4]	$1.3 billion

Commentary

- Reduced net leverage to 2.7x, from 2.8x the prior quarter
- In the full year 2021, the company paid down ~$3 billion of debt, including the retirement of Senior Notes due 2022, 2023 and 2024, using available cash from:
  - A cash distribution of $794 million, representing the net proceeds of debt issued to the GXO spin-off in July and paid to XPO in connection with the transaction
  - $384 million net proceeds realized through an offering of XPO common stock
  - Strong free cash flow generation

Target net leverage ratio of 1.0x – 2.0x by first half of 2023

[1] Excludes logistics segment, which was spun off on August 2, 2021
[2] Calculated as total debt of $3.57 billion less cash and cash equivalents of $260 million
[3] Calculated as net debt of $3.31 billion divided by adjusted EBITDA of $1.24 billion for the year ended December 31, 2021
[4] Includes approximately $1 billion of available borrowing capacity and $260 million of cash and cash equivalents
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

XPOLogistics

Strong ESG culture, with chief diversity officer leading DE&I

ESG targets tie to executive compensation program

Core DE&I objectives relate to recruitment and retention

- Working to significantly increase the diversity of talent in the pipeline by collaborating with historically black colleges and universities (HBCUs) and others
- Promoting women and minority employees to middle and senior management roles
- Communicating culture of belonging to an expanded range of underrepresented groups, replicating XPO's success with hiring LGBTQ+ community members and military veterans

ESG Scorecard Categories

Workforce and Talent	Information Security
Employee and Community Safety	Environmental and Sustainability
Diversity, Equity and Inclusion	Governance

Scorecard used to evaluate performance related to environmental, social and governance initiatives and incentivize long-term, successive achievements

Less-than-truckload (LTL)

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XPO is a top three provider of LTL transportation in North America

XPO'S REVENUE AND MARGIN GROWTH LEVERS IN LTL

- Significant competitive advantages in the US as one of the few national LTL networks, with many longstanding customer relationships among ~25,000 accounts served
- Favorable industry dynamics, including a firm pricing environment, as well as strong demand driven by rapid growth in e-commerce and ongoing recovery in industrial activity
- A large opportunity to enhance profitability through numerous XPO-specific initiatives that are largely independent of macro conditions, related to sales, operations, asset management and technology, including:
  - Optimization of annual linehaul spend of ~$1.1 billion, excluding fuel, through the application of XPO's proprietary LTL technology for routing, load-building and labor productivity; dynamic pricing tools; expansion of terminal footprint and in-house trailer manufacturing; and targeted sales pipeline management;
- Over 12,000 professional truck drivers, with many sourced through the company's driver training schools; XPO's driver resources are particularly valued by customers, as the truck driver shortage is predicted to continue
- High return on invested capital (ROIC) from capital allocated to grow network density, expand fleet and talent base, and enhance technology

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 is consolidated in the same trailer.

2021 North American LTL business profile

KEY METRICS

Industry size	~$42 billion[1]
XPO's industry share	~8%
Largest customer as % of 2021 revenue	2%
2021 shipments	~13 million
Terminals as of year-end	291
Employees as of year-end	~21,000
Tractors and trailers as of year-end	~7,900, 25,800

FOURTH QUARTER 2021

Revenue	$1.0 billion
Operating income	$137 million
Adjusted EBITDA	$210 million
Adjusted operating ratio[2]	87.5%

FULL YEAR 2021

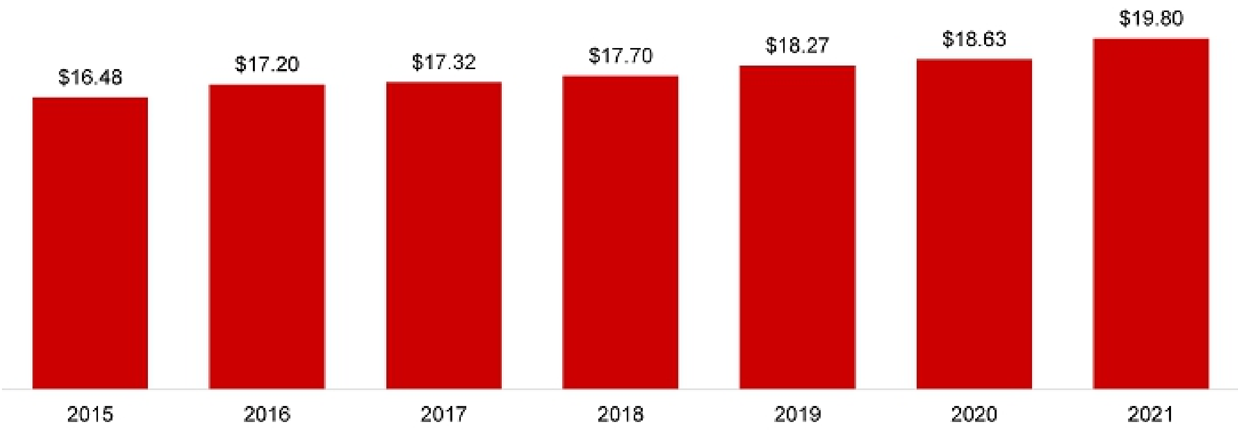
Revenue	$4.1 billion
Operating income	$618 million
Adjusted EBITDA	$904 million
Adjusted operating ratio[2]	84.3%

Expect to generate at least $1 billion of LTL adjusted EBITDA in 2022

[1] Source: Third-party research, North America
[2] Excluding gains from sales of real estate
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

North American LTL pricing fundamentals benefit XPO's long-term expansion

XPO LTL GROSS REVENUE PER HUNDREDWEIGHT[1]



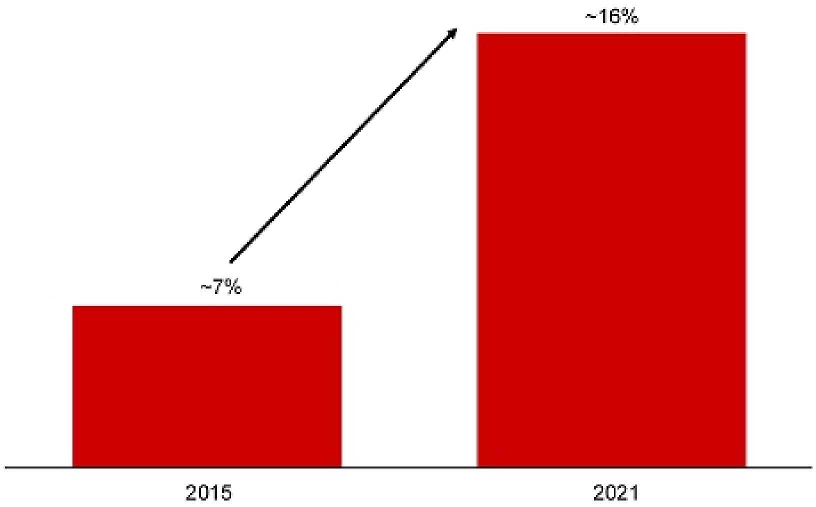
In Q4 2021, grew yield ex-fuel by a record 11% YoY

[1] Excludes the impact of fuel surcharges

XPOLogistics

910 bps improvement in LTL adjusted operating margin under XPO ownership

XPO NORTH AMERICAN LTL ADJUSTED OPERATING MARGIN[1]



In 2022, expect to achieve YOY improvement of more than 100 basis points in adjusted operating ratio

[1] Excluding gains from sales of real estate
Refer to the "Non-GAAP Financial Measures" section on page 2 and Supplemental Materials for related information

Significant opportunity to drive further gains with XPO's proprietary technology

Pricing

- Data-driven pricing tools optimize LTL rates for local and regional accounts, while improving efficiency
- Elasticity tools help determine best pricing for large, contractual customer relationships
- New pricing platform enables lead generation by mining historical pricing activity

Linehaul and network

- Opportunity to optimize annual linehaul spend of ~$1.1 billion ex-fuel by enhancing network tools
- Automated load-building increases trailer utilization while improving network fluidity

Pickup-and-delivery routing

- New planning tools deployed in 2021
- Deployment of new dispatch tools began in Q4 2021

Customer service

- New customer experience capabilities launching Q1 2022: online digital dashboard with self-service tools; piece-level tracking with automated notifications

Progress report on five-part action plan for LTL, initiated October 2021

Improving network flow:

- Targeted initiatives substantially improved freight flows and customer satisfaction in Q4 2021 as the quarter progressed
- Generated significantly stronger service metrics in key areas, such as on-time transit and freight handling

Driving pricing:

- Pulled typical January 2022 GRI forward to November 2021
- Instituted accessorial charges for detained trailers, oversized freight and special handling
- Actions contributed to record 11% growth in yield ex-fuel in Q4 2021

Expanding driver base:

- Graduated ~900 truck drivers from XPO driver training schools in 2021, exceeding goal
- Company intends to double driver graduate count in 2022 vs. 2021

Continued on next page

Progress report on five-part action plan for LTL (cont'd)

Increasing trailer production:

- Added second production line at Searcy, Arkansas trailer manufacturing facility
- In 2022, the company expects to produce twice the number of trailer units YoY

Expanding network footprint:

- The company intends to add 900 net new doors to its North American LTL network by YE 2023, increasing door count by ~6%
- Opened three new terminals from October 2021 through January 2022, with a total of 314 doors: Chicago Heights, Illinois (264 doors) pictured at right; Sheboygan, Wisconsin (26 doors); and Texarkana, Arkansas (24 doors); and closed 165 doors as planned, resulting in 149 net doors added to the network
- Plans to open new fleet maintenance shops in Ohio, Florida, New York and Nevada in Q1 2022

Action plan drove favorable trend in adjusted operating ratio every month in Q4 2021

Truck brokerage

XPO Logistics

XPO's best-in-class truck brokerage business is second largest worldwide

XPO'S REVENUE AND MARGIN GROWTH LEVERS IN TRUCK BROKERAGE

- Massive capacity of 98,000 carriers globally, representing a total of over one million trucks
- Flexible, non-asset model designed to profit in any market environment
- Highly experienced leadership team has worked together for many years, bringing agility and expertise to the business
- First-mover technology advantage with investments in automation starting in 2011, ahead of the curve
- Proprietary XPO Connect® digital brokerage platform with soaring adoption rates and proven ability to drive margin growth by managing more volume at less cost
- Blue-chip customer base across diverse verticals

Truck brokerage is a non-asset business that facilitates the movement of full truckloads of freight, typically from a single shipper. A broker purchases truck capacity from independent carriers.

2021 North American truck brokerage business profile

KEY METRICS

Industry size, North America	$80 billion[1]
XPO's industry share	~3%
Average tenure of XPO's top 10 customers	~13 years
Full truckload market opportunity, North America	$440 billion[1]

FOURTH QUARTER 2021

Revenue	$846 million
Margin[2]	$128 million

FULL YEAR 2021

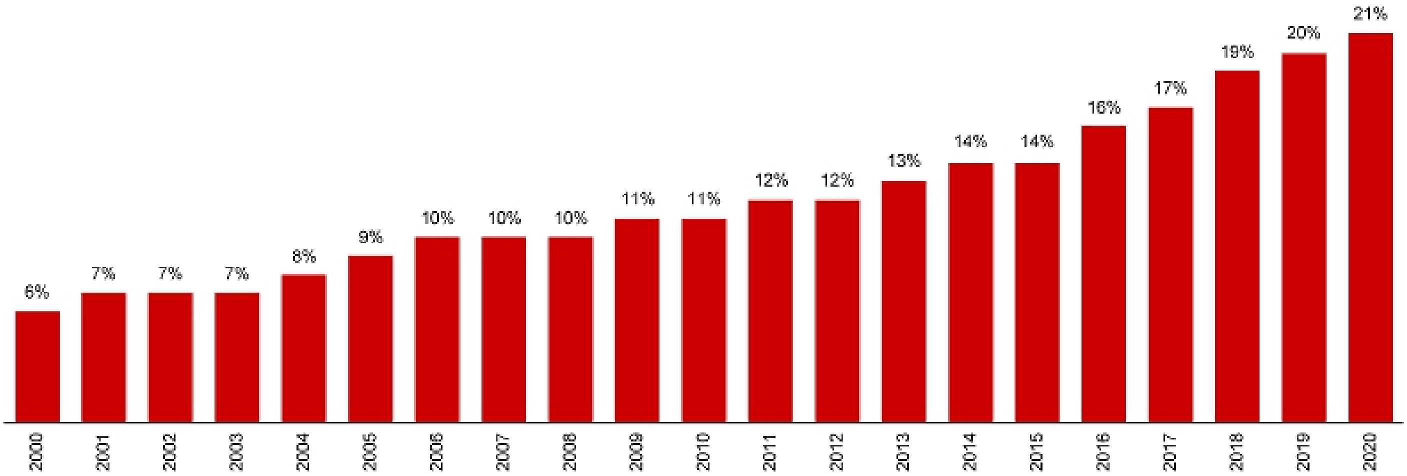
Revenue	$2.7 billion
Margin[2]	$427 million

Grew truck brokerage revenue by 63% and loads by 29% year-over-year in 2021, including 35% load growth from top 20 customers

[1] Source: Third-party research; North American truck brokerage industry size reflects brokered component of $440 billion total addressable truckload opportunity
[2] Margin is calculated as revenue less cost of transportation and services (exclusive of depreciation and amortization)
Note: North American truck brokerage is the largest component of the company's Brokerage and Other Services segment
Refer to the "Non-GAAP Financial Measures" section on page 2 and reconciliation in Supplemental Materials for related information

Brokers have been steadily capturing truckload share for decades

BROKER PENETRATION OF NORTH AMERICAN TRUCKLOAD INDUSTRY

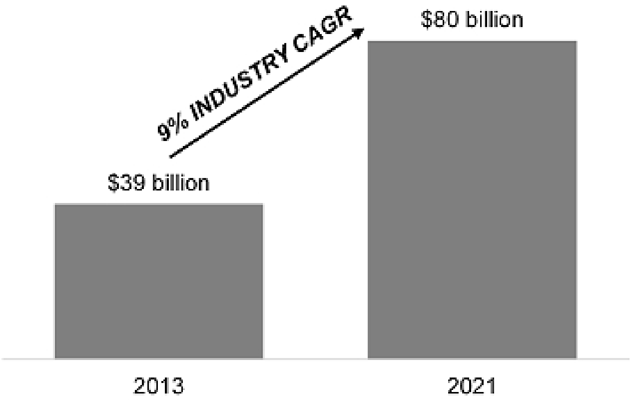


Outsourced freight transportation is shifting from asset-based trucking companies to brokers, as shippers seek reliable access to capacity and real-time pricing

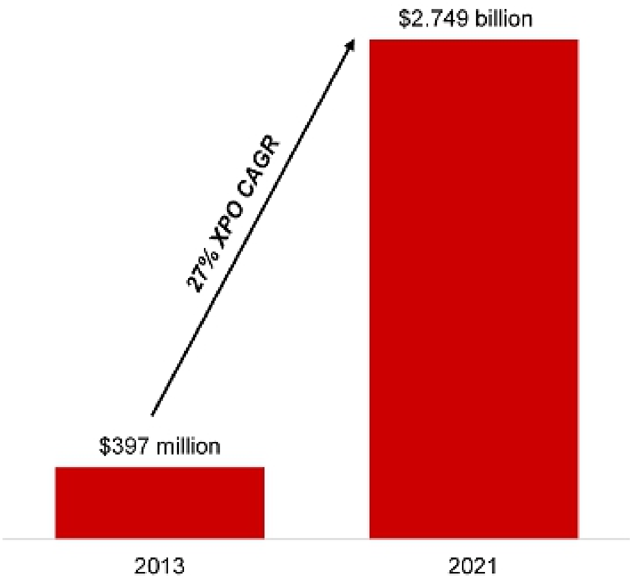
Source: Third-party research

XPO is growing North American truck brokerage 3x faster than the industry

US BROKERAGE INDUSTRY GROWTH FROM 2013 TO 2021[1]



XPO BROKERAGE REVENUE GROWTH FROM 2013 TO 2021



Expect to generate double-digit truck brokerage volume growth in 2022 and going forward

[1] Third-party research: North American truck brokerage industry size; reflects brokered component of ~$440 billion total addressable truckload opportunity

Fastest-growing digital brokerage platform in the industry

CUSTOMER AND CARRIER DEMAND FOR XPO CONNECT® IS OUTPACING THE SECULAR SHIFT TO BROKERAGE AUTOMATION, DRIVING SHARE GAINS

- In Q4 2021, 70% of XPO's brokerage orders in North America were created or covered digitally
- Automation drives productivity in XPO's brokerage operation — grew loads at approximately 2x the rate of headcount from Q4 2016 to Q4 2021
- Improves transportation procurement by providing deep visibility into available capacity and market conditions
- Proprietary pricing engine provides customers with dynamic analysis of carrier bids
- Optimizes shipper services by sourcing the best carrier for each load profile and providing tracking from pickup to delivery in real time
- Integrates with customer TMS systems and provides real-time pricing that is backed by service and capacity
- Equips truck drivers to find, win and book loads, negotiate rates and locate backhauls to reduce empty miles, using XPO's mobile app
- Gives shippers and carriers the ability to interact directly when tendering loads for maximum efficiency

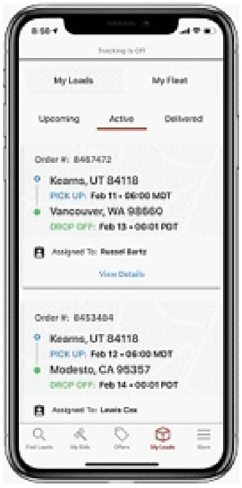
XPO Connect® is a breakthrough technology that helps shippers and carriers make informed decisions, leveraging an integrated platform tailored for every mode of transportation.

XPOLogistics

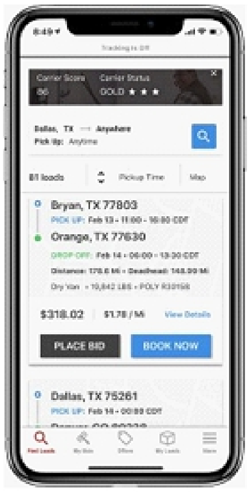
Drivers have downloaded the Drive XPO® app over 600,000 times

- Proprietary mobile app gives truck 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

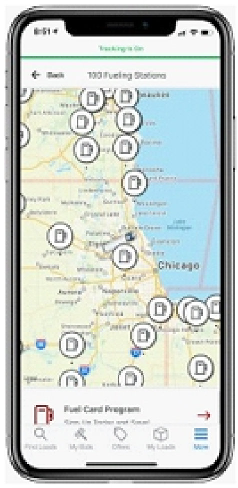
CAPACITY POSTING



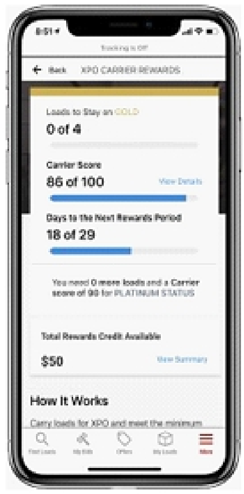
LOAD BOOKING



FREIGHT MANAGEMENT



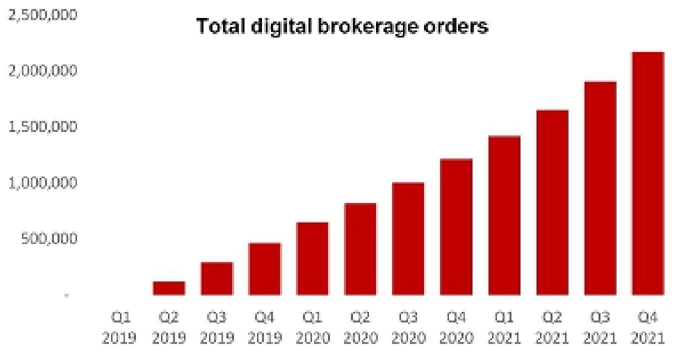
CARRIER SCORE AND REWARDS

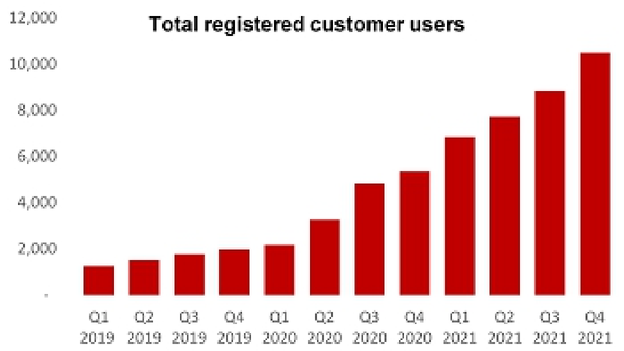


74% increase in weekly average carrier users on the platform in Q4 YoY

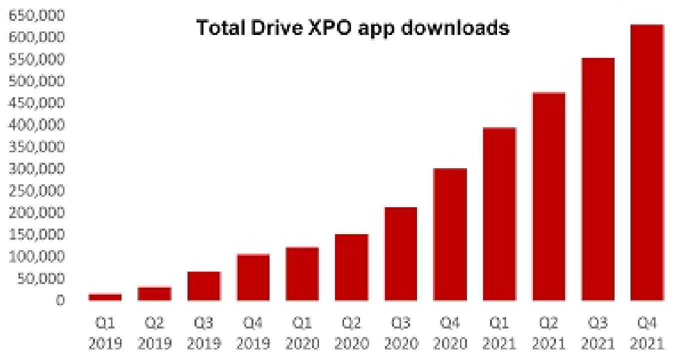
XPO's digital marketplace is widely adopted and growing hyper-fast

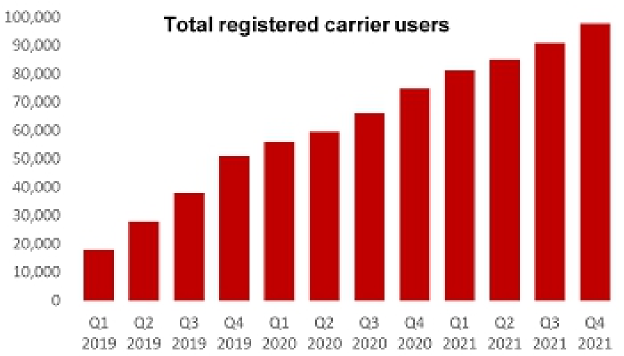
CUSTOMERS WANT DIGITAL ACCESS TO XPO'S DEEP POOL OF TRUCKS AND DRIVERS





CARRIERS WANT THE INCOME OPPORTUNITIES THAT XPO CONNECT® PROVIDES





Note: All data is global and cumulative as of December 31, 2021

Supplemental materials

XPOLogistics

Highly skilled management team

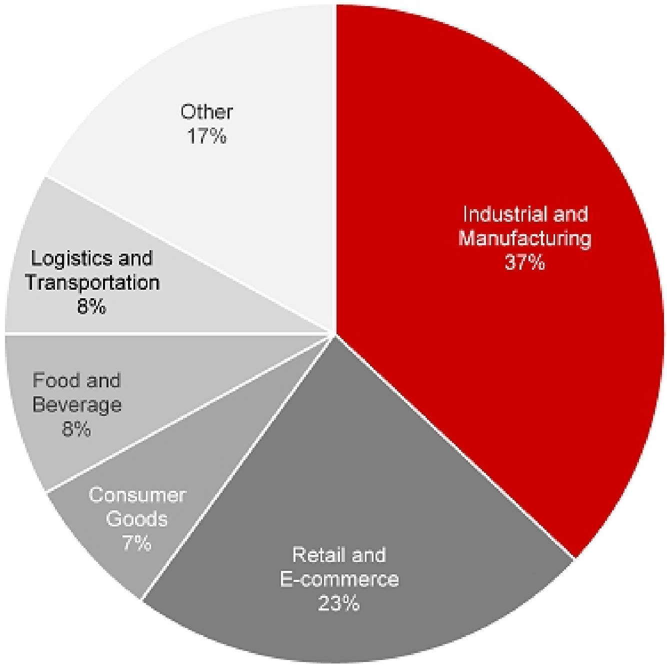
LEADERSHIP	PRIOR EXPERIENCE
Brad Jacobs *Chief Executive Officer*	United Rentals, United Waste
Lou Amo *President, Truck Brokerage – North America*	Electrolux, Union Pacific, Odyssey Logistics
Josephine Berisha *Chief Human Resources Officer*	Morgan Stanley
Erik Caldwell *President, Last Mile Logistics – North America*	Hudson's Bay, Luxottica
Matthew Fassler *Chief Strategy Officer*	Goldman Sachs
Luis-Angel Gómez Izaguirre *Managing Director, Transport – Europe*	Norbert Dentressangle
Mario Harik *Chief Information Officer; Acting President, LTL – North America*	Oakleaf Waste Management
Tavio Headley *Chief Investor Relations Officer*	Jefferies, American Trucking Associations
LaQuenta Jacobs *Chief Diversity Officer*	Delta Air Lines, Home Depot, Turner Broadcasting
Heidi Ratti *Senior Vice President, Human Resources, LTL – North America*	Pacer
Christine Robinne *Chief Information Officer – Europe*	Heineken, Quaker Oats
Ravi Tulsyan *Chief Financial Officer*	ADT, Tyco, PepsiCo
Drew Wilkerson *President, Transportation – North America*	C.H. Robinson

Note: Partial list

XPOLogistics

Highly diversified revenue across attractive verticals

XPO 2021 REVENUE DIVERSIFICATION BY VERTICALS



#1 last mile logistics provider for heavy goods

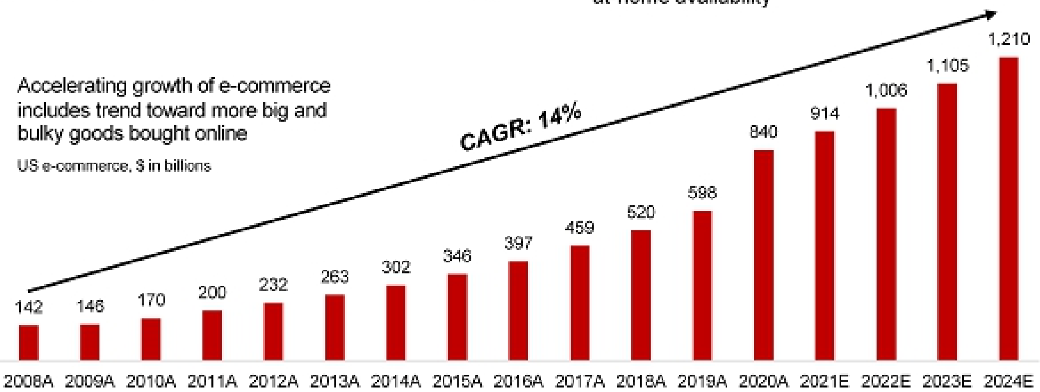
Note: Last mile logistics is the facilitation of deliveries to consumer homes, often with white-glove service. XPO specializes in last mile logistics for heavy goods, such as appliances, furniture and large electronics. North American industry size: ~$16 billion[1].

XPO KEY METRICS[2]

2021 revenue	$1 billion
Hub locations	85
Employees[3]	~1,700
Independent carrier-owned vehicles	~4,100
2021 deliveries and installations	Over 11 million

INDUSTRY LEADER IN NORTH AMERICA

- XPO is the largest last mile provider for heavy goods
- Outstanding customer satisfaction levels resulting from in-house expertise, digital consumer engagement via XPO technology and high-quality network of independent contractors
- 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
- XPO Connect® tools balance route efficiency with consumer at-home availability



[1] Source: Third-party research
[2] North American data as of December 31, 2021
[3] ~800 temporary workers in addition to employee count

XPO holds leading transportation positions in key European geographies

TRUCK BROKERAGE

#1 broker in France and Iberia (Spain / Portugal)

#3 broker in the UK

LESS-THAN-TRUCKLOAD

#1 LTL provider in France and Iberia

#1 single-owner LTL network in the UK

- LTL network of ~130 locations serving countries across Europe
- Optimal LTL operating model utilized for each coverage area: contracted capacity, owned capacity or blended capacity

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, 2021
- Named a Top Company for Women to Work for in Transportation by Women in Trucking Association, 2021
- Named one of America's Most Responsible Companies by Newsweek, 2020, 2022
- Named one of Spain's Best Companies to Work For by Forbes, 2019, 2020, 2021
- Named a Leader in the Magic Quadrant for 3PL Providers by Gartner, 2017, 2018, 2019, 2020, 2021
- Received first-place ranking in all categories of 2022 Institutional Investor All-America Executive Team; voted Brad Jacobs best CEO in transportation space
- Received Intel's Supplier Achievement Award for COVID response, 2021
- Recognized by General Motors with Supplier of the Year Award for aftermarket distribution 2019, managed transportation 2020, 2021
- Received Ulta Beauty's "Improve Always" Award, 2021
- Named a Top 100 3PL by Inbound Logistics, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021
- Named one of Best Leadership Teams and Best CEOs for Diversity by Comparably, 2021
- Winner of Dow Chemical's Sustainability Award for road transportation, 2021
- Named LTL Collaborator of the Year by GlobalTranz, 2021
- Named a Top 100 Trucker by Inbound Logistics, 2016, 2017, 2018, 2019, 2020, 2021
- Named a Freight.Tech Disruptive Technology Leader by FreightWaves, 2018, 2019, 2020, 2021
- Recognized by Ford Motor Company with World Excellence Awards, 2019, 2020, 2021
- Awarded BRC certification for food safety in transport operations for Arla Foods distribution, 2021
- Honored with Whirlpool Corporation Intermodal Carrier of the Year Award and Maytag Dependability Award, 2020
- Ranked #7 of the Top 20 UK Companies for Quality of Workplace Culture by the Chartered Management Institute, 2020
- Recognized by Owens Corning as Supplier of the Year Award, 2020
- Recognized by Raytheon Company with EPIC Supplier Excellence Award for on-time delivery, 2019
- Named a European Diversity Leader by the Financial Times, 2019
- Named a Winning "W" Company by 2020 Women on Boards for gender diversity of the board of directors, 2019
- Recognized by Nissan Manufacturing UK for excellence at Operational Logistics Awards, 2014, 2015, 2016, 2017, 2018, 2019
- Awarded Best Employer Practice Award for partnership with DS Workfit by British Association for Supported Employment, 2019
- CEO Jacobs ranked #10 on Barron's readers list of World's Best CEOs, 2018
- Named to the Fortune Future 50 list of US companies best positioned for breakout growth, 2018

Selected highlights of XPO's people-first culture

- Appointed a Chief Diversity Officer and launched a Diversity and Inclusion Council in 2020
- Launching a global Sustainability Steering Committee, planned for Q2 2022
- Created a global Diversity and Inclusion Steering Committee under the leadership of Chief Diversity Officer, 2021
- Launched a Sustainability Steering Committee and a Diversity and Inclusion Steering Committee in Europe in 2020
- Named transportation partner of 3-Day Walks® for Susan G. Komen Foundation in its fight against breast cancer through 2022
- Partnered with Hispanic Association of Colleges and Universities to provide financial support for HACU's objectives
- Partnered with Truckers Against Trafficking to help combat human trafficking
- Recognized by Human Rights Campaign on the Corporate Equality Index (CEI) for LGBTQ+ inclusion, 2020, 2021
- Recognized by Disability:IN and the American Association of People with Disabilities on the Disability Equality Index, 2021
- Donated services to Soles4Souls, a non-profit committed to disrupting the cycle of poverty
- 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®
- Company celebrates Black History, Women's History, Hispanic Heritage, LGBTQ+ Pride and Military Appreciation months
- Honored for 35% or more female representation on XPO's board of directors by Women's Forum of New York, 2021
- Signed national Diversity Charters in Spain and France, committing to diversity and inclusion in the workplace

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, or up to two paid weeks as a secondary caregiver
- Women receive up to 10 days or 80 hours 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 remain eligible for wage increases, while her pregnancy accommodations are in effect

XPO is strongly committed to sustainability

- CarbonNET, XPO's proprietary, cloud-based calculator, helps document emission sources, activity data and CO_2 calculations
- Named a Top 75 Green Supply Chain Partner by Inbound Logistics for 2016, 2017, 2018, 2019, 2020, 2021
- Joined Lean & Green National Project in Spain as part of pan-European initiative to cut greenhouse gas emissions in supply chains
- 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; now over 250 natural gas trucks in Europe
- Piloted the first fully electric trucks in XPO fleets in Spain and France
- Partnered with Daimler Trucks North America to conduct a nine-month pilot of Daimler's battery-electric commercial trucks
- Invested 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
- Official transport partner of Tour de France for 41 years; tested biofuel Oleo100 in Euro 6 diesel truck at the 2021 Tour
- Partnered with ENGIE Solutions, a leading provider of sustainable mobility, to transport natural gas in cryogenic tanks capable of maintaining extremely low temperatures
- XPO mega-trucks in Spain can reduce CO_2 emissions by up to 20% by transporting more freight per trip
- 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
- Utilizing electronic waybills and documentation in global operations to reduce paper and other waste

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

Business glossary

XPO SERVICES

- **Less-than-truckload (LTL):** LTL is the transportation of a quantity of freight that is larger than a parcel but doesn't 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 a national network that 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.
- **Truck brokerage:** Truck brokerage is a variable-cost business that facilitates the trucking of freight by procuring carriers through the use of technology, typically referred to as a TMS (transportation management system). Brokerage margin 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 one of the largest in North America. The company matches shippers' loads with third-party independent contractors that have the ability to interact directly on the company's proprietary XPO Connect® digital platform (see below). Truck brokers have steadily increased their share of the for-hire trucking market throughout cycles, and shippers and carriers increasingly value automation, making digital truck brokerage one of the strongest trends in the freight transportation industry.

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 globally.
- **XPO Smart™:** XPO's proprietary, intelligent labor optimization tools improve productivity in cross-dock operations at XPO's LTL network terminals.

XPOLogistics

Financial reconciliations

The following table reconciles XPO's income (loss) from continuing operations for the periods ended December 31, 2021 and 2020 to adjusted EBITDA for the same periods.

RECONCILIATION OF INCOME (LOSS) FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA

$ in millions (unaudited)	Three Months Ended December 31,			Years Ended December 31,		
	2021	2020	Change %	2021	2020	Change %
Income (loss) from continuing operations	$ 126	$ 66	90.9%	$ 323	$ (13)	NM
Debt extinguishment loss	-	-		54	-	
Interest expense	35	81		211	307	
Income tax provision (benefit)	27	14		87	(22)	
Depreciation and amortization expense	119	119		476	470	
Unrealized (gain) loss on foreign currency option and forward contracts	-	-		1	(1)	
Litigation settlements	2	-		31	-	
Transaction and integration costs	11	9		37	75	
Restructuring costs	3	-		19	31	
Adjusted EBITDA	$ 323	$ 289	11.8%	$ 1,239	$ 847	46.3%
Revenue	$ 3,361	$ 2,938	14.4%	$ 12,806	$ 10,199	25.6%
Adjusted EBITDA margin (1)	9.6%	9.8%		9.7%	8.3%	

NM = not meaningful

1 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 (loss) from continuing operations attributable to common shareholders for the periods ended December 31, 2021 and 2020 to adjusted net income from continuing operations attributable to common shareholders for the same periods.

RECONCILIATIONS OF ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE

$ in millions, except per-share data (unaudited)	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Years Ended December 31, 2021	Years Ended December 31, 2020
Net income (loss) from continuing operations attributable to common shareholders	$ 126	$ 34	$ 323	$ (41)
Preferred stock conversion charge (1)	-	22	-	22
Debt extinguishment loss	-	-	54	-
Unrealized (gain) loss on foreign currency option and forward contracts	-	-	1	(1)
Amortization of acquisition-related intangible assets	21	22	86	87
ABL amendment cost	-	-	1	-
Litigation settlements	2	-	31	-
Transaction and integration costs	11	9	37	75
Restructuring costs	3	-	19	31
Income tax associated with the adjustments above (2)	(7)	(31)	(56)	(66)
Discrete and other tax-related adjustments (3)	(1)	-	(5)	-
Allocation of undistributed earnings	-	(2)	-	(15)
Adjusted net income from continuing operations attributable to common shareholders	$ 155	$ 54	$ 491	$ 92
Adjusted diluted earnings from continuing operations per share	$ 1.34	$ 0.53	$ 4.30	$ 1.01
Weighted-average common shares outstanding				
Diluted weighted-average common shares outstanding	116	102	114	92

1 Charge relating to the 2020 conversion of 69,445 shares of the company's Series A Preferred Stock

2 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 Discrete tax items reflect a tax benefit related to a tax planning initiative that resulted in the recognition of a long-term capital loss, offset by tax expense due to valuation allowances that were recognized as a result of the spin-off of the company's logistics business

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 from continuing operations for the quarters ended December 31, 2021 and 2020, and the years ended December 31, 2021, 2020 and 2019 to free cash flow for the same periods.

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS TO FREE CASH FLOW

$ in millions (unaudited)	Three Months Ended December 31,		Years Ended December 31,		
	2021	2020	2021	2020	2019
Net cash provided by operating activities from continuing operations	$ 98	$ 96	$ 656	$ 388	$ 629
Cash collected on deferred purchase price receivable	-	-	-	-	75
Adjusted net cash provided by operating activities from continuing operations	98	96	656	388	704
Payment for purchases of property and equipment	(101)	(83)	(313)	(303)	(379)
Proceeds from sales of property and equipment	60	46	132	183	237
Free Cash Flow	$ 57	$ 59	$ 475	$ 268	$ 562

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 quarters ended December 31, 2021 and 2020, and the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, to adjusted operating income, adjusted operating ratio and adjusted EBITDA for the same periods.

RECONCILIATIONS OF NORTH AMERICAN LESS-THAN-TRUCKLOAD ADJUSTED OPERATING RATIO AND ADJUSTED EBITDA

$ in millions (unaudited)	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Years Ended December 31, 2021	2020	2019	2018	2017	2016	2015
Revenue (excluding fuel surcharge revenue)	$ 838	$ 806	$ 3,486	$ 3,106	$ 3,259	$ 3,230	$ 3,140	$ 3,035	$ 3,081
Fuel surcharge revenue	166	110	632	433	532	552	455	370	448
Revenue	1,004	916	4,118	3,539	3,791	3,782	3,595	3,405	3,529
Salaries, wages and employee benefits	473	453	1,907	1,740	1,783	1,751	1,697	1,676	1,728
Purchased transportation	118	88	452	334	397	400	438	438	508
Fuel and fuel-related taxes	75	48	282	186	264	293	234	191	230
Other operating expenses	123	117	553	494	471	590	555	514	629
Depreciation and amortization	57	55	226	224	227	243	233	203	164
Rents and leases	21	18	79	65	49	44	42	41	49
Transaction, integration and rebranding costs	-	-	1	5	-	-	19	24	21
Restructuring costs	-	(1)	-	4	3	3	-	-	
Operating income [1]	137	138	618	487	597	458	377	318	202
Operating ratio [2]	86.4%	84.9%	85.0%	86.2%	84.3%	87.9%	89.5%	90.7%	94.3%
Other income [3]	15	10	58	43	22	29	12	-	-
Amortization expense	8	9	33	34	34	33	34	34	10
Transaction, integration and rebranding costs	-	-	1	5	-	-	19	24	21
Restructuring costs	-	(1)	-	4	3	3	-	-	-
Depreciation adjustment from updated purchase price allocation of acquired assets	-	-	-	-	-	-	-	(2)	-
Adjusted operating income [1]	$ 160	$ 156	$ 710	$ 573	$ 656	$ 523	$ 442	$ 374	$ 233
Adjusted operating ratio [4]	84.0%	83.0%	82.7%	83.8%	82.7%	86.2%	87.7%	89.0%	93.4%
Depreciation expense	49	46	193	190	193	210	199	169	154
Other	1	-	1	1	2	-	6	4	(6)
Adjusted EBITDA [1] [5]	$ 210	$ 202	$ 904	$ 764	$ 851	$ 733	$ 647	$ 547	$ 381
Adjusted EBITDA Margin [6]	20.9%	22.1%	21.9%	21.6%					
Gains on real estate transactions	(35)	(14)	(62)	(77)					
Adjusted operating income, excluding gains on real estate transactions	$ 125	$ 142	$ 648	$ 496					
Adjusted operating ratio, excluding gains on real estate transactions [4]	87.5%	84.5%	84.3%	86.0%					

[1] Operating income, adjusted operating income and adjusted EBITDA include real estate gains of $35 million and $14 million for the three months ended December 31, 2021 and 2020, respectively, and $62 million and $77 million for the years ended December 31, 2021 and 2020, respectively
[2] Operating ratio is calculated as (1 - (operating income divided by revenue))
[3] Other income primarily consists of pension income
[4] Adjusted operating ratio is calculated as (1 - (adjusted operating income divided by revenue)); adjusted operating margin is the inverse of adjusted operating ratio
[5] Adjusted EBITDA is used by our chief operating decision maker to evaluate segment profit (loss) in accordance with ASC 280
[6] Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue
Note: Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

Financial reconciliations (cont.)

The following table reconciles XPO's revenue attributable to its North American Truck Brokerage business for the periods ended December 31, 2021 and 2020 to margin for the same periods.

RECONCILIATION OF NORTH AMERICAN TRUCK BROKERAGE MARGIN

$ in millions (unaudited)	Three Months Ended December 31,			Years Ended December 31,		
	2021	2020	Change %	2021	2020	Change %
Revenue	$ 846	$ 622	36.0%	$ 2,749	$ 1,684	63.2%
Cost of transportation and services (exclusive of depreciation and amortization)	718	506		2,322	1,398	
Margin [(1)]	$ 128	$ 116	10.3%	$ 427	$ 286	49.3%

[(1)] Margin is calculated as revenue less cost of transportation and services (exclusive of depreciation and amortization)
Refer to the "Non-GAAP Financial Measures" section on page 2 of this document

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Financial reconciliations (cont.)

We believe that return on invested capital (ROIC) is an important metric, as it measures how effectively we deploy our capital base. ROIC is calculated as net operating profit after tax (NOPAT) for the year ended December 31, 2021, divided by invested capital as of December 31, 2021. NOPAT is calculated as adjusted EBITDA less depreciation expense, real estate gains and cash taxes plus operating lease interest. Invested capital is calculated as equity plus debt and operating lease liabilities less cash and goodwill and intangibles.

RETURN ON INVESTED CAPITAL

$ in millions
(unaudited)

Select income statement items	Year Ended December 31, 2021		Select balance sheet items	As of December 31, 2021	
Adjusted EBITDA	$	1,239	Equity	$	1,138
(-) Depreciation		390	(+) Debt		3,572
(-) Real estate gains		68	(+) Operating lease liabilities		922
(+) Operating lease interest		35	(-) Cash		260
(-) Cash taxes		84	(-) Goodwill and intangibles		3,059
Net operating profit after tax (NOPAT)	**$**	**732**	**Invested capital**	**$**	**2,313**

32% return on invested capital in 2021

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