GXO Achieves Key Milestone in Acquisition of Clipper Logistics plc

May 24, 2022

Announces completion of cash and stock offer, providing certainty to customers and employees; U.K. regulatory review expected to conclude later in 2022

GREENWICH, Conn., May 24, 2022 (GLOBE NEWSWIRE) -- GXO Logistics, Inc. (NYSE: GXO), the world's largest pure-play contract logistics provider, announced that, effective today, it has completed its cash and share offer for Clipper Logistics plc (the "Acquisition"), following the Court's sanction of the scheme of arrangement two business days prior to this announcement.

GXO Chief Executive Officer Malcolm Wilson, said: "We are very pleased to achieve this important milestone. Through this powerful combination, GXO will accelerate our business growth and enhance the value we bring to all stakeholders by providing enhanced offerings to a diversified and expanded customer base. We're very much looking forward to welcoming the Clipper team to GXO and believe our complementary capabilities and offerings in high growth areas, shared focus on innovation and technology, and great cultural fit will enhance our position as a leading pure-play logistics firm."

As is customary in such circumstances, GXO and Clipper Logistics will continue to be run independently until the U.K. Competition and Markets Authority (CMA) has completed its review, which is expected later in 2022. The Polish Office of Competition and Consumer Protection (Prezes Urzędu Ochrony Konkurencji i Konsumentów) ("UOKiK") approved the acquisition earlier this month.

The transaction, announced on February 28, 2022, brings together two logistics industry leaders with highly complementary service offerings, customer portfolios, and footprints in the United Kingdom and Europe. Clipper adds geographic presence in Germany and Poland, as well as presence in life sciences and reverse logistics and returns management, which are key growth areas for GXO. The combination also enhances GXO's ESG leadership position, by adding Clipper's developed reverse logistics and circular economy offerings and its robust internal targets to minimize carbon emissions and waste. The company expects to realize significant productivity opportunities and cost synergies within two years from transaction close.

About GXO Logistics

GXO Logistics, Inc. (NYSE: GXO) is the world's largest pure-play contract logistics provider and is benefiting from the rapid growth of ecommerce, automation and outsourcing. GXO is committed to providing a diverse, world-class workplace for approximately 120,000 team members across more than 900 facilities totaling approximately 200 million square feet. The company partners with the world's leading blue-chip companies to solve complex logistics challenges with technologically advanced supply chain and ecommerce solutions, at scale and with speed. GXO corporate headquarters is in Greenwich, Connecticut, USA. Visit GXO.com for more information and connect with GXO on LinkedIn, Twitter, Facebook, Instagram and YouTube.

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Freshfields Bruckhaus Deringer LLP is retained as legal adviser to GXO.

Forward Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition and other information published by GXO and Clipper include statements which are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including statements with respect to the financial condition, strategies, results of operations and businesses of GXO and Clipper and their respective groups and certain plans and objectives with respect to the Enlarged Group, including, without limitation, GXO's and Clipper's 2022 financial targets for organic revenue growth, adjusted EBITDA, depreciation and amortization expense and net capital expenditures and the expected run rate cost synergies for the Enlarged Group. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "would," "should," "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 the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes 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, but are not limited to, the risks discussed in GXO’s filings with the SEC and the following: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; economic conditions generally; supply chain challenges, including labor shortages; competition and pricing pressures; the GXO Group’s and/or the Clipper Group's ability to align the GXO Group’s and/or the Clipper Group’s investments in capital assets, including equipment, service centres and warehouses, to their respective customers’ demands; the GXO Group’s and/or the Clipper Group’s ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; acquisitions may be unsuccessful or result in other risks or developments that adversely affect the GXO Group’s and/or the Clipper Group’s financial condition and results; the GXO Group’s and/or the Clipper Group’s ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; the GXO Group’s and/or the Clipper Group’s ability to raise debt and equity capital; litigation; labor matters, including the GXO Group’s and/or the Clipper Group’s ability to manage its subcontractors, and risks associated with labor disputes at the GXO Group’s and/or the Clipper Group’s customers and efforts by labor organizations to organize its employees; risks associated with defined benefit plans for the GXO Group’s and/or the Clipper Group’s current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to the GXO Group’s and/or the Clipper Group’s intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; natural disasters, terrorist attacks or similar incidents; a material disruption of the GXO Group’s and/or the Clipper Group’s operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits of the Acquisition, and uncertainties regarding the Acquisition, including the risk that the Acquisition will not produce the desired benefits; a determination by a tax authority that a distribution or certain related Acquisition on transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed estimates; and the impact of the separation on GXO’s businesses, operations, relationships with customers, suppliers, employees and other business counterparties, and the risk that the separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on GXO’s resources, systems, procedures and controls, disruption of ongoing business, and diversion of management’s attention from other business concerns. All forward-looking statements set forth in this announcement are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the GXO Group or the Clipper Group will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or its business or operations. Forward-looking statements set forth in this announcement speak only as of the date hereof, and neither GXO nor Clipper 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.



Source: GXO Logistics