

First Quarter 2023 Results

May 9, 2023



Disclaimer

Non-GAAP Financial Measures

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

GXO's non-GAAP financial measures in this presentation include: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EBITDA margin, adjusted earnings before interest, taxes and amortization ("adjusted EBITA"), adjusted EBITA margin, adjusted EBITA, net of income taxes paid, adjusted net income attributable to GXO and adjusted earnings per share (basic and diluted) ("adjusted EPS"), free cash flow, organic revenue, organic revenue growth, net leverage ratio, net debt and return on invested capital ("ROIC").

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, GXO's 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 used by other companies. GXO's non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Adjusted EBITDA, adjusted EBITA, adjusted net income attributable to GXO and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the financial tables included in the attached appendix. 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, 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 separating IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives.

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 less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA, adjusted EBITDA margin, adjusted EBITA, adjusted EBITA margin, and adjusted EBITA, net of income taxes paid improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables, which management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. We believe that adjusted net income attributable to GXO and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains, which management has determined are not reflective of our core operating activities, including amortization of acquisition-related intangible assets. We believe that organic revenue and organic revenue growth are important measures because they exclude the impact of foreign currency exchange rate fluctuations, revenue from acquired businesses and revenue from deconsolidated operations. We believe that net leverage ratio and net debt are important measures of our overall liquidity position and are calculated by removing cash and cash equivalents from our total debt and net debt as a ratio of our trailing twelve months adjusted EBITDA. We calculate ROIC as our trailing twelve months adjusted EBITA, net of income taxes paid, divided by invested capital. We believe ROIC provides investors with an important perspective on how effectively GXO deploys capital and use this metric internally as a high-level target to assess overall performance throughout the business cycle.

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

With respect to our financial targets for full-year 2023 organic revenue growth, adjusted EBITDA, free cash flow, and adjusted diluted EPS, 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 statements of income and cash flows prepared in accordance with GAAP, that would be required to produce such a reconciliation.

Non-GAAP Valuation Measure

Adjusted EBITDAR is a valuation measure that is not specified in GAAP. Adjusted EBITDAR excludes rent expense from adjusted EBITDA and is useful to management and investors in evaluating GXO's relative performance because adjusted EBITDAR considers the performance of GXO's operations, excluding decisions made with respect to capital investment, financing and other non-recurring charges. Adjusted EBITDAR is also a measure commonly used by management, research analysts and investors to value companies in the logistics industry. Since adjusted EBITDAR excludes interest expense and rent expense, it allows research analysts and investors to compare the value of different companies without regard to differences in capital structures and leasing arrangements. As such, our presentation of Adjusted EBITDAR should not be construed as a financial performance or operating measure.

With respect to our target for full-year 2023 adjusted EBITDAR, a reconciliation of this non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from this non-GAAP target measure. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income, prepared in accordance with GAAP, that would be required to produce such a reconciliation.

Forward-Looking Statements

This presentation 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. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including our 2023 financial targets for organic revenue growth, adjusted EBITDA, adjusted diluted EPS and free cash flow, expected incremental revenue impact of new customer contracts in 2023 and 2024; our 2023 valuation target for adjusted EBITDAR; and our goals of (i) 80% global operations using LED lightning by 2025, (ii) 80% global landfill diversion rate by 2025, (iii) 50% renewable energy in global operations by 2030, (iv) reducing greenhouse gas emissions (Scope 1&2) by 30% by 2030 vs. 2019 baseline, (v) being 100% carbon neutral (Scope 1&2) by 2040, (vi) reducing Total Recordable Incident Rate by 15% vs. 2022 baseline in Americas and Asia Pacific operations, and (vii) reducing Lost Time Incident Rate by 15% vs. 2022 baseline in U.K. and European operations. 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 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 our filings with the SEC and the following: the impact of the COVID-19 pandemic; economic conditions generally; supply chain challenges, including labor shortages; our ability to align our investments in capital assets, including equipment, and warehouses, to our customers' demands; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; unsuccessful acquisitions or other risks or developments that adversely affect our financial condition and results; 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; litigation; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers' facilities and efforts by labor organizations to organize our employees; risks associated with defined benefit plans for our current and former employees; our inability to attract or retain necessary talent; the increased costs associated with labor; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; seasonal fluctuations; environmental laws; issues related to our intellectual property rights; 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; natural disasters, terrorist attacks or similar incidents, including the conflict between Russia and Ukraine; a material disruption of the company'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; our ability to achieve our Environmental, Social and Governance goals; and a determination by the IRS that the distribution or certain related spin-off transactions should be treated as taxable transactions.

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



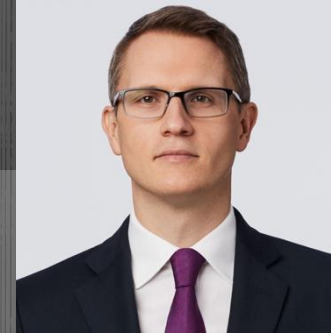
Presenters



Malcolm Wilson
Chief Executive Officer



Baris Oran
Chief Financial Officer



Mark Manduca
Chief Investment Officer



Bill Fraine
Chief Commercial Officer

Highlights

1Q 2023

Revenue

\$2.3 billion

Organic revenue growth⁽¹⁾

7%

Net income⁽²⁾

\$25 million

Adjusted EBITDA⁽¹⁾

\$158 million

Operating cash flow

\$39 million

Free cash flow⁽¹⁾

\$(43) million

- New business wins in 1Q 2023 expected to generate \$162 million of annualized⁽³⁾ revenue.
- \$782 million of new FY 2023 revenue won through 1Q 2023, equivalent to 9%YoY revenue growth⁽⁴⁾.
- 1Q 2023 Adjusted EBITDA of \$158 million compared to \$155 million in 1Q 2022⁽¹⁾.
- Diluted EPS \$0.21 in 1Q 2023. Adjusted Diluted EPS of \$0.49 in 1Q 2023, compared to \$0.59 in 1Q 2022⁽¹⁾.
- Free cash flow \$(43) million in 1Q 2023 compared to \$(16) million in 1Q 2022⁽¹⁾.
- Operating return on invested capital well above target 30%⁽¹⁾.

(1) Refer to the 'Non-GAAP Financial Measures' and 'Non-GAAP Valuation Measures' section on slide 2 and Appendix for related information

(2) Net income attributable to GXO

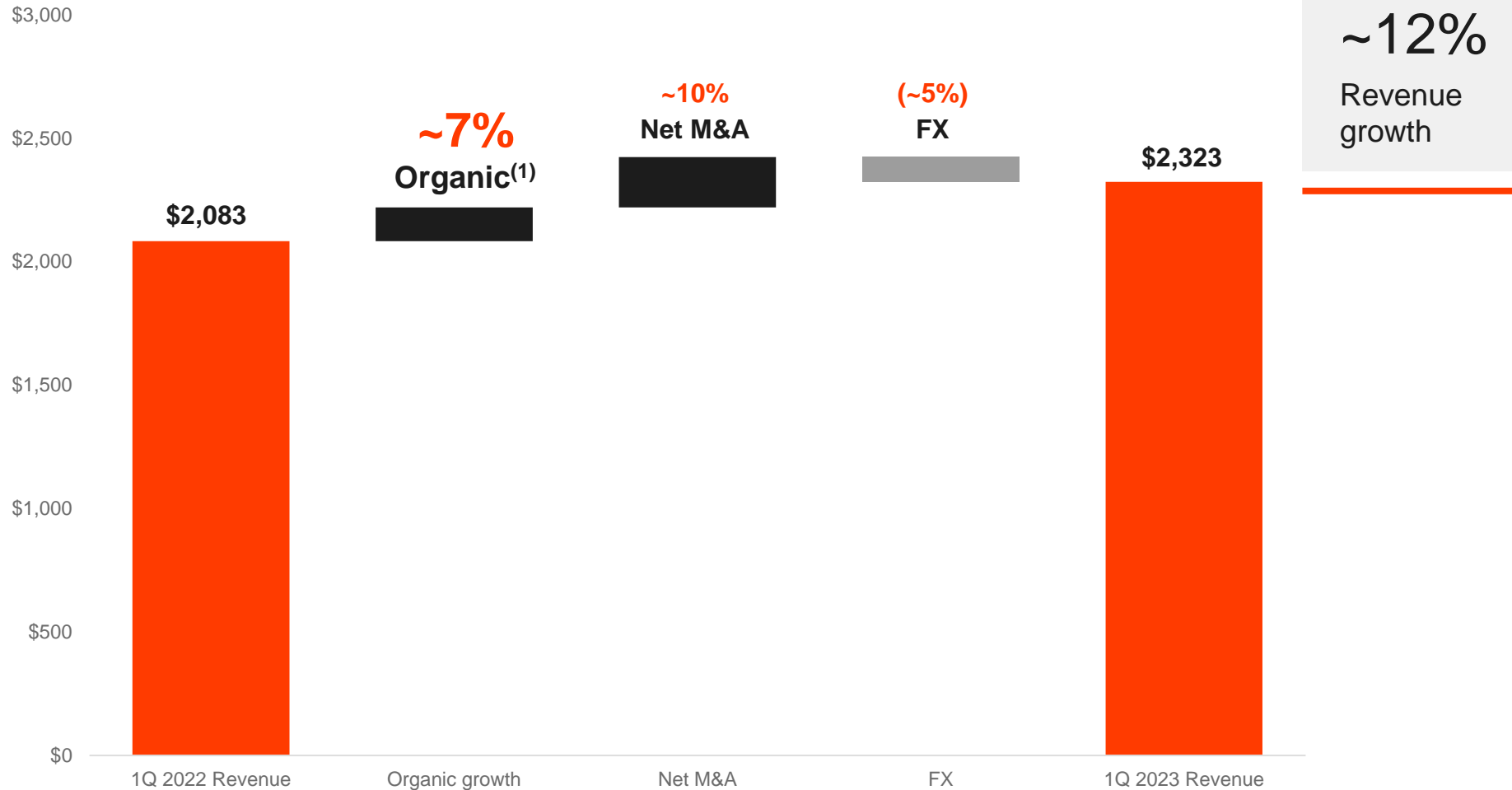
(3) Based on closing March 31, 2023 FX rates of 1.23 GBPUSD and 1.08 EURUSD

(4) Based on average 2023 FX rate of 1.21 GBPUSD and 1.07 EURUSD



1Q 2023: Revenue growth

(In millions USD)

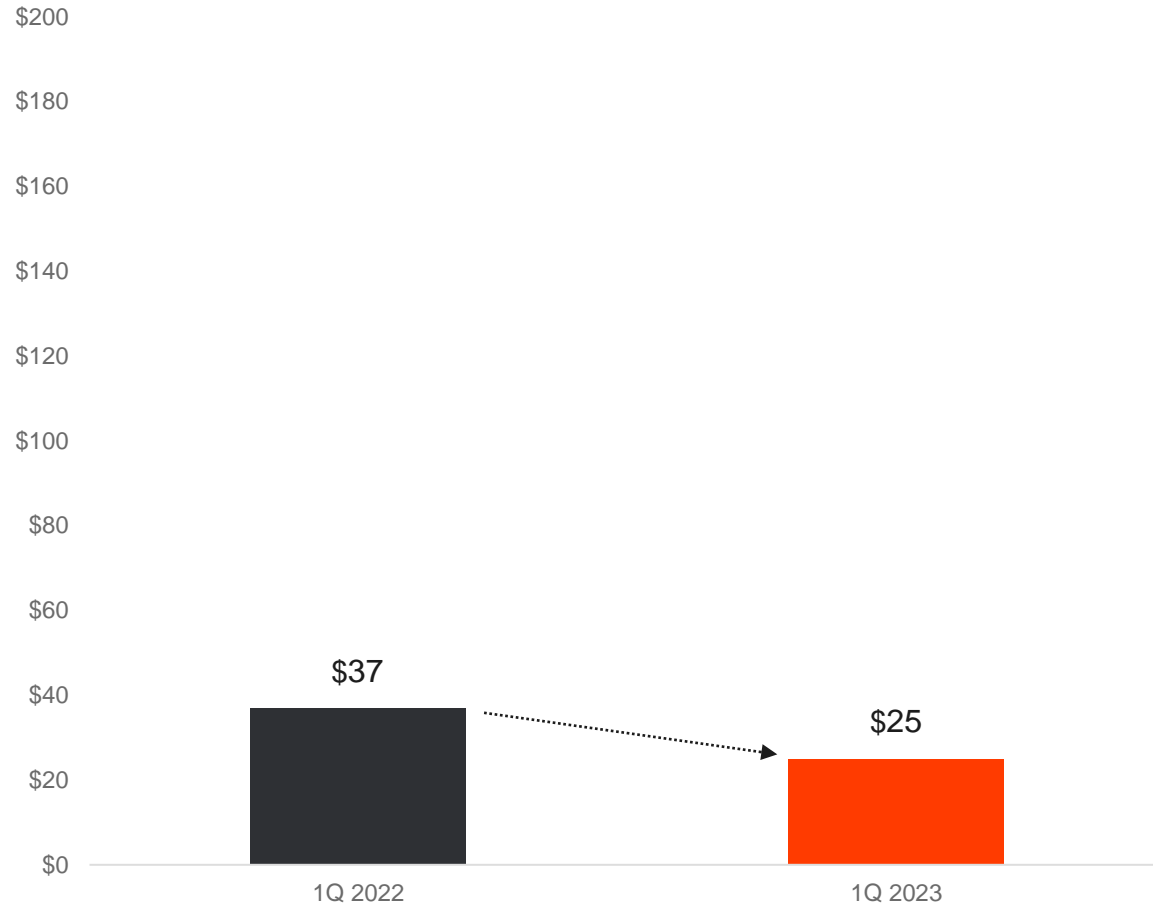


(1) Refer to the 'Non-GAAP Financial Measures' section on slide 2 and Appendix for related information

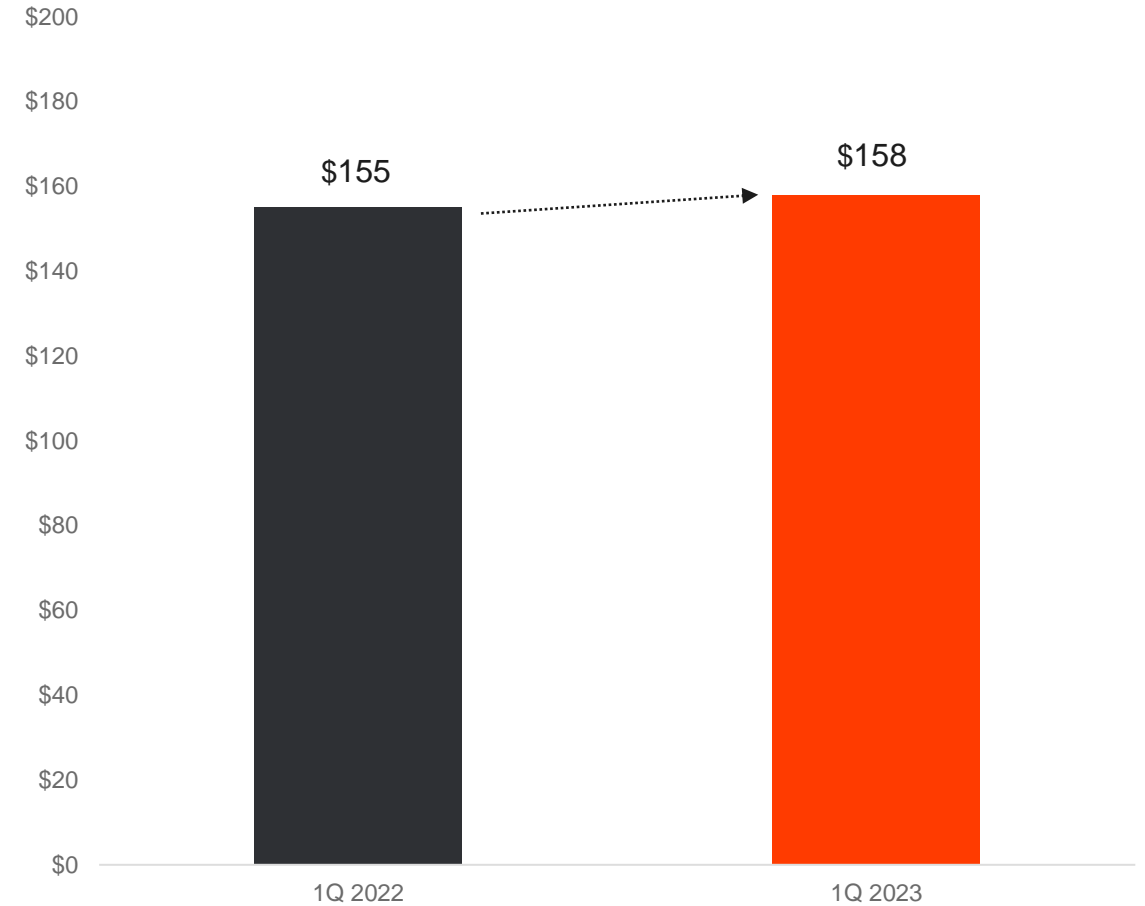
1Q 2023: Resilient profits

(In millions USD)

Net income ⁽¹⁾



Adjusted EBITDA ⁽²⁾



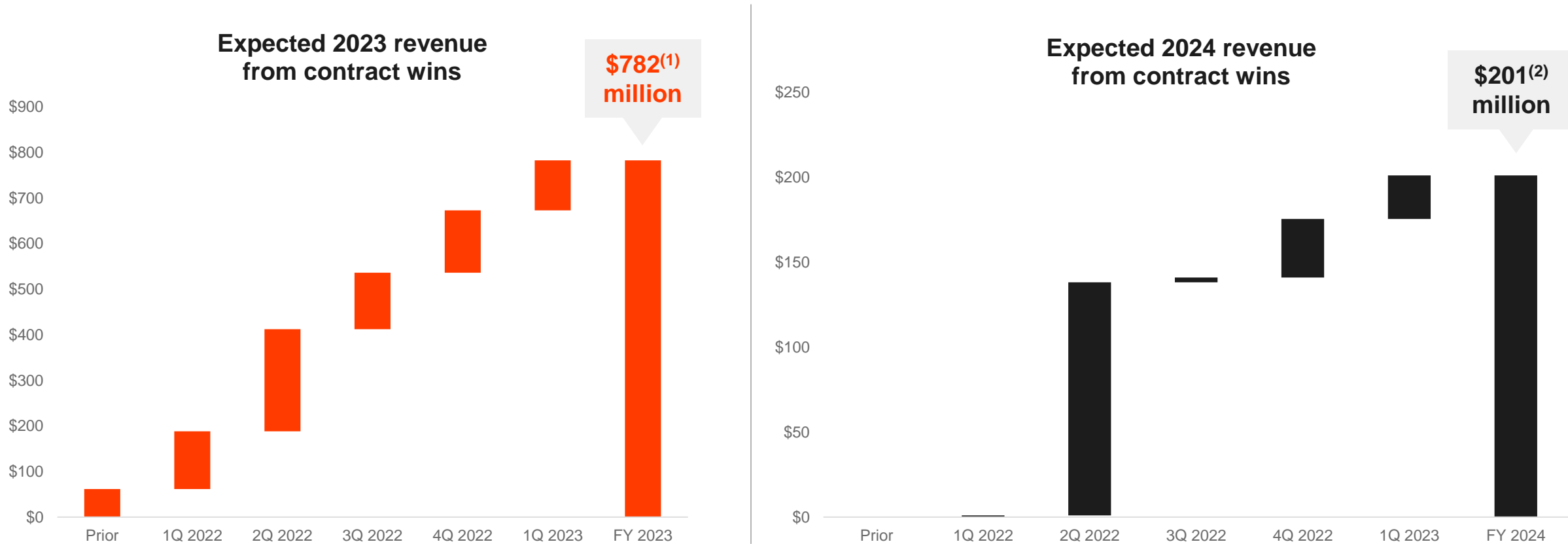
(1) Net income attributable to GXO
(2) Refer to the 'Non-GAAP Financial Measures' section on slide 2 and Appendix for related information.

Recent wins and expansions



New contract wins underpin 2023 and 2024 revenue growth

(In millions USD)

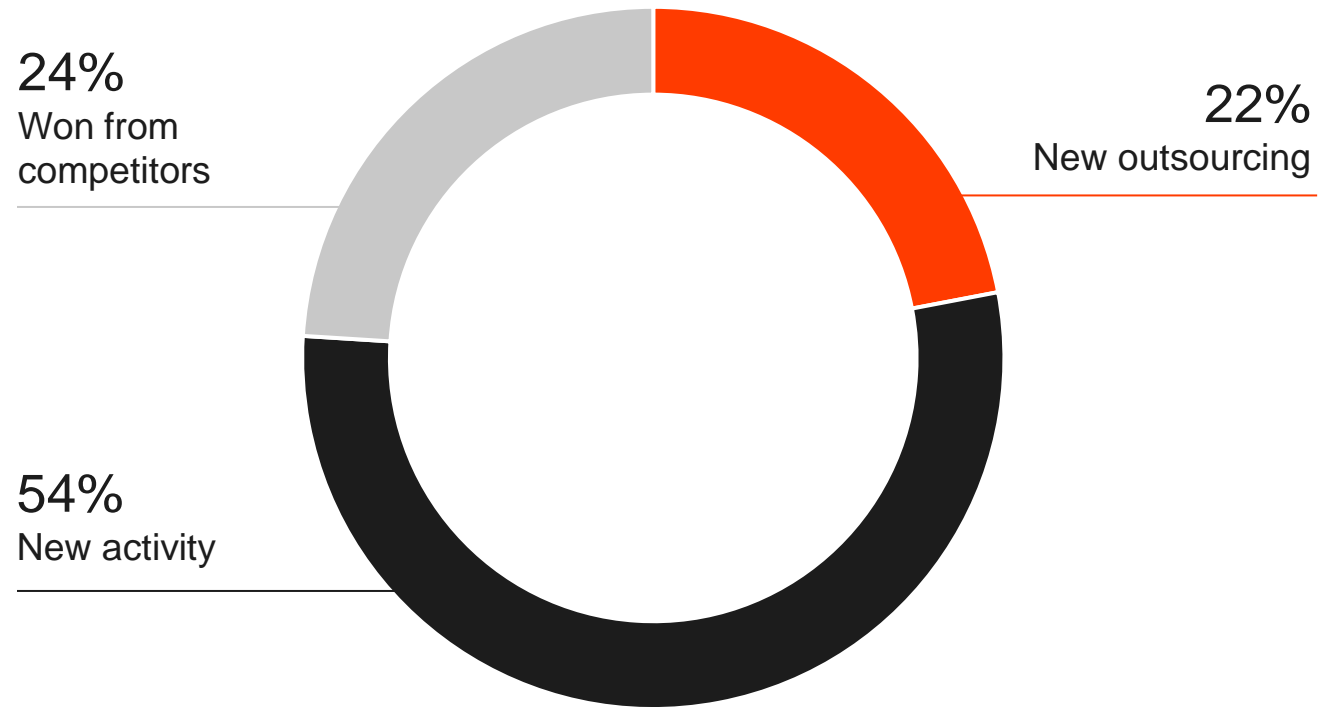


Expected 2024 revenue from contract wins through April is \$362 million, up +38% YoY⁽³⁾.



(1) Based on 2023 average FX rates of 1.21 GBPUSD and 1.07 EURUSD
 (2) Based on closing March 31, 2023 FX rates of 1.23 GBPUSD and 1.08 EURUSD
 (3) Excluding the impact of FX and M&A

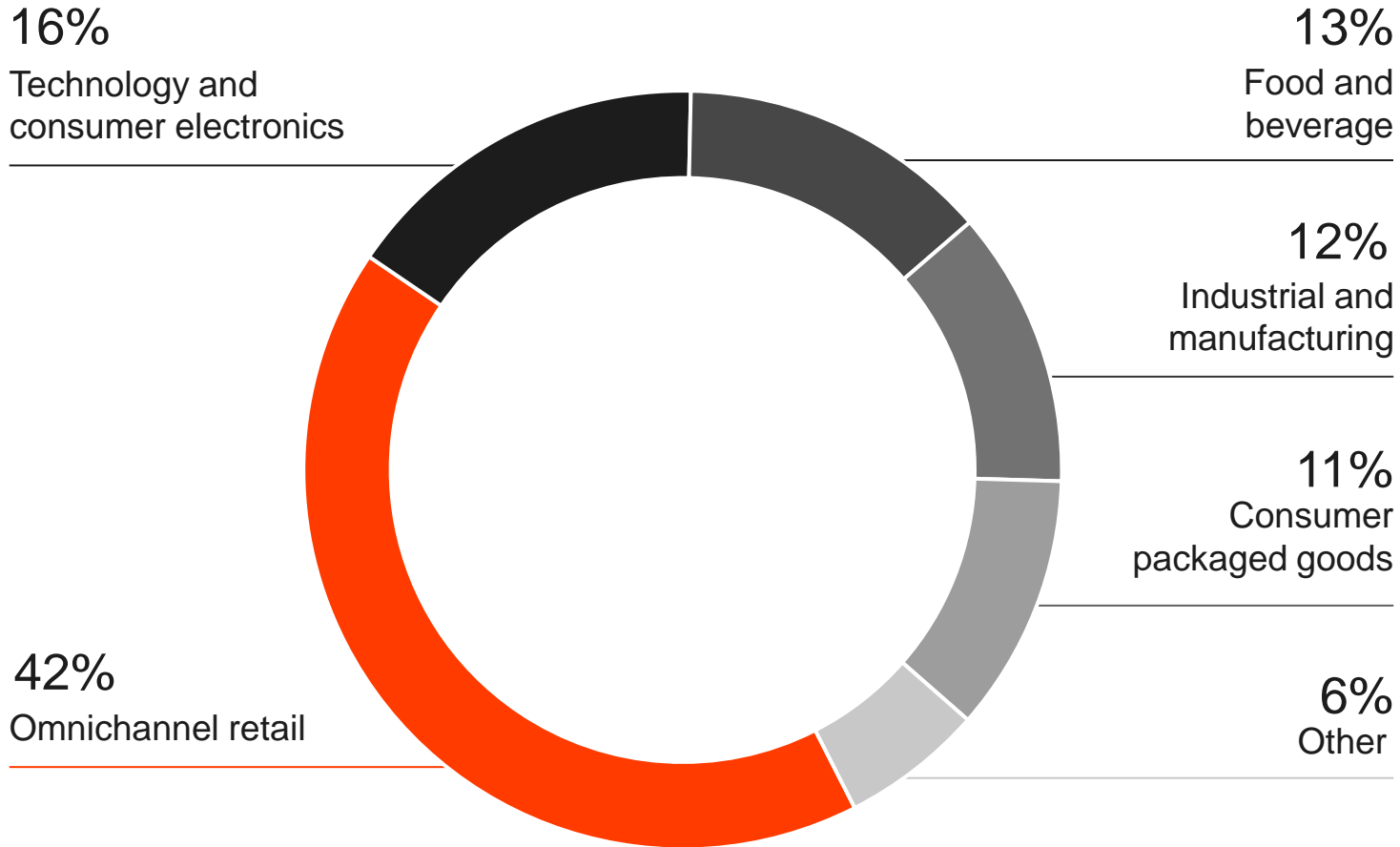
1Q 2023 contract wins by source



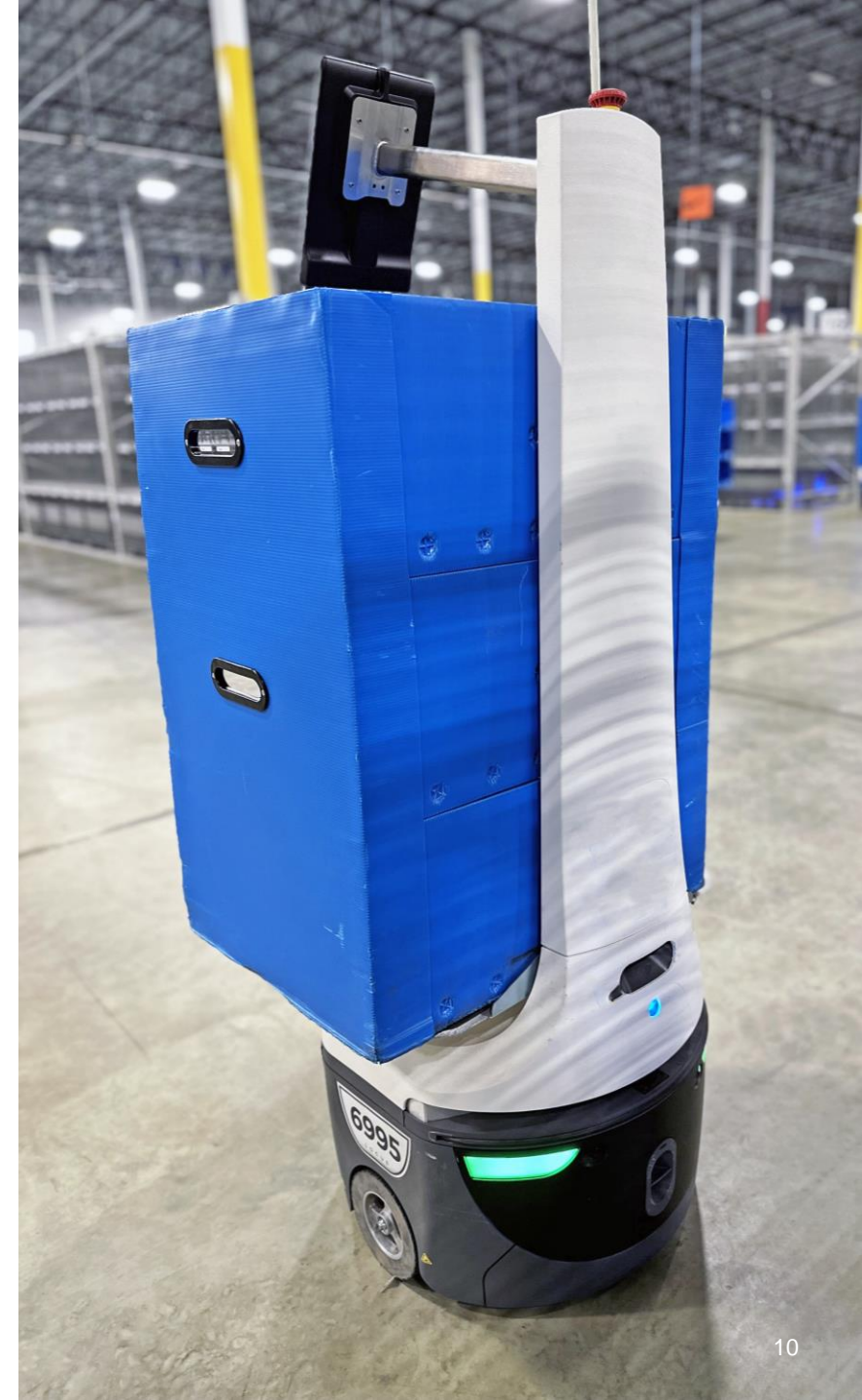
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Diversified revenue by vertical in 1Q 2023



©GXO Logistics, Inc.



Resilient business model with flexible cost structure

High revenue visibility

- ~\$2.3 billion sales pipeline⁽¹⁾
- \$782 million of incremental revenue in 2023 from new contract wins⁽²⁾
- ~5-year average contract duration for new wins⁽³⁾
- Mid-to-high 90s revenue retention rate

Inflation pass-through

- ~45% of revenue from 'open-book' (cost-plus) contracts⁽³⁾
- Remainder of closed-book/hybrid contracts typically include inflation escalators and protections

Stable earnings structure

- High exposure to predictable contract structures
- Minimum volume guarantees
- ~76% variable costs vs. ~24% fixed costs⁽⁴⁾
- ~26% of total labor costs relates to third-party staffing⁽³⁾

Diverse revenue base

- No customer more than 4% of revenue
- Diversified mix of verticals across industrial and consumer customers
- Geographic diversity across North America, UK and Europe

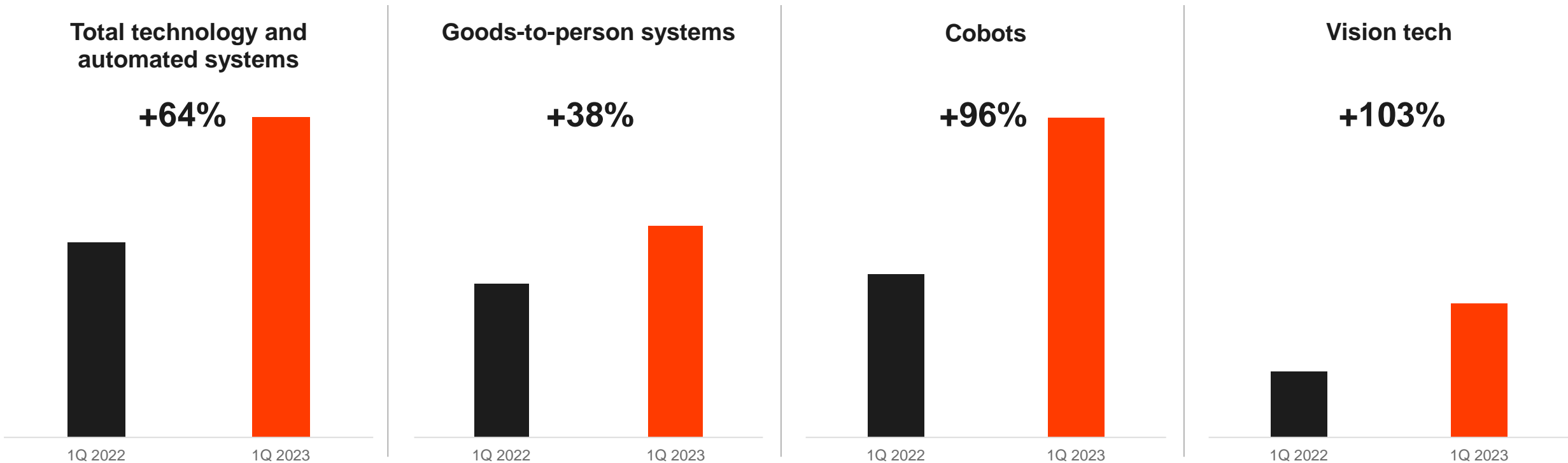
(1) Based on closing March 31, 2023 FX rates of 1.23 GBPUSD and 1.08 EURUSD

(2) Based on 2023 average FX rates of 1.21 GBPUSD and 1.07 EURUSD

(3) Based on FY 2022

(4) Based on direct operating expenses, sales, general and administrative expenses, and depreciation expense and based on FY 2022

Accelerating automation and adaptive technology leadership



Revenue from automated operations is up +18% YoY, outpacing company growth.

FY balance sheet and free cash flow

Balance sheet

Total debt⁽¹⁾

\$1,781 million

Reduced debt by \$25 million in 1Q 2023

Net debt⁽²⁾

\$1,355 million

Mostly fixed-rate borrowings

Net leverage⁽²⁾

1.9x

Investment grade rated

Cash flow

Cash flow from operations

\$39 million

1Q 2022: \$46 million

Free cash flow⁽²⁾

\$(43) million

1Q 2022: \$(16) million

~50% of capex spend in last 12 months is technology

Additional \$35 million of term loan debt repaid in April 2023.



(1) Includes finance leases and other debt of \$139 million at March 31, 2023

(2) Refer to the 'Non-GAAP Financial Measures' section on slide 2 and Appendix for related information

Updated FY 2023 guidance⁽¹⁾

	Current	Prior
Organic revenue growth ⁽²⁾	6% - 8%	6% - 8%
Adjusted EBITDA ⁽²⁾ (millions)	\$715 - \$745	\$700 - \$730
Adjusted EBITDA ⁽²⁾ to free cash flow conversion	~30%	~30%
Adjusted diluted EPS ⁽²⁾	\$2.40 - \$2.60	\$2.30 - \$2.50
Adjusted EBITDAR ⁽³⁾ (billions)	\$1.700 - \$1.750	\$1.675 - \$1.725

(1) Our guidance reflects average Q1 foreign currency exchange rates

(2) Refer to the 'Non-GAAP Financial Measures' and 'Non-GAAP Valuation Measures' section on slide

(3) Adjusted EBITDAR is a valuation measure that is not specified in GAAP. Adjusted EBITDAR is commonly used by management, research analysts and Investors to value companies in the logistics industry. Adjusted EBITDAR should not be construed as a financial performance or operating measure



Enabling the circular economy

Our intention is to decrease environmental impacts across our operations and those of our customers.

Three organizing principles:

- **Reduce**
- **Reuse/Repair**
- **Recycle**



Scan for GXO's 2022 ESG Report



Environmental goals: Reduce environmental impact

Targets

80% Global operations using LED lighting by 2025

80% Global landfill diversion rate by 2025

50% Renewable energy globally by 2030

30% GHG emissions (Scopes 1&2) reduction by 2030 vs. 2019 baseline

100% Carbon neutral (Scopes 1&2) by 2040

2022 progress

61% global LED coverage

78% global landfill diversion

7% renewable electricity

17% absolute reduction since 2019

15% reduction emissions intensity by revenue YoY

Social goals: Ensure a culture of safety, belonging and development

New safety targets

15% Reduction in Total Recordable Incident Rate by 2027 across Americas and Asia Pacific operations vs 2022 baseline

15% Reduction in Lost Time Incident Rate by 2027 across UK and European operations vs 2022 baseline

2022 results

- **7** Business Resource Groups launched
- **1.2+ million** hours training provided: more than 15 hours per employee

Governance goals: Maintain best-in-class information security and ethics

2022 highlights:

- Controls and operating processes align to ISO27001
- 5 hours Annual Compliance Education coursework on average assigned to employees

We continue to develop ambitious targets to support our goals.

Appendix

GxO

GXO Logistics, Inc.
Reconciliation of Net Income to Adjusted EBITDA and Adjusted EBITA
and Adjusted EBITDA and Adjusted EBITA Margins
(Unaudited)

<i>(In millions)</i>	Three Months Ended March 31,		Year Ended December 31, 2022	Trailing Twelve Months Ended March 31, 2023
	2023	2022		
Net income attributable to GXO	\$ 25	\$ 37	\$ 197	\$ 185
Net income attributable to noncontrolling interest	1	1	3	3
Net income	\$ 26	\$ 38	\$ 200	\$ 188
Interest expense, net	13	4	29	38
Income tax expense	3	11	64	56
Depreciation and amortization expense	83	76	329	336
Transaction and integration costs	13	19	61	55
Restructuring costs and other	21	13	32	40
Unrealized (gain) loss on foreign currency options and other	(1)	(6)	13	18
Adjusted EBITDA⁽¹⁾	\$ 158	\$ 155	\$ 728	\$ 731
Less: Depreciation	66	62	261	265
Adjusted EBITA⁽¹⁾	\$ 92	\$ 93	\$ 467	\$ 466
Revenue	\$ 2,323	\$ 2,083		
Adjusted EBITDA margin⁽¹⁾⁽²⁾	6.8 %	7.4 %		
Adjusted EBITA margin⁽¹⁾⁽³⁾	4.0 %	4.5 %		

(1) See the "Non-GAAP Financial Measures" section for additional information.
(2) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.
(3) Adjusted EBITA margin is calculated as adjusted EBITA divided by revenue.

GXO Logistics, Inc.
Reconciliation of Net Income to Adjusted Net Income
and Adjusted Earnings Per Share
(Unaudited)

<i>(Dollars in millions, shares in thousands, except per share amounts)</i>	Three Months Ended March 31,	
	2023	2022
Net income attributable to GXO	\$ 25	\$ 37
Amortization expense	17	14
Transaction and integration costs	13	19
Restructuring costs and other	21	13
Unrealized gain on foreign currency options	(1)	(6)
Income tax associated with the adjustments above ⁽¹⁾	(11)	(9)
Discrete tax benefit ⁽²⁾	(5)	—
Adjusted net income attributable to GXO⁽³⁾	\$ 59	\$ 68
Adjusted basic earnings per share⁽³⁾	\$ 0.50	\$ 0.59
Adjusted diluted earnings per share⁽³⁾	\$ 0.49	\$ 0.59
Weighted-average common shares outstanding		
Basic	118,781	114,731
Diluted	119,231	115,569

(1) The income tax rate applied to items is based on the GAAP annual effective tax rate.

(2) Discrete tax benefit from the release of valuation allowances.

(3) See the "Non-GAAP Financial Measures" section for additional information.



GXO Logistics, Inc.
Other Reconciliations
(Unaudited)

Reconciliation of Cash Flows from Operating Activities to Free Cash Flow:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$ 39	\$ 46
Payment for purchases of property and equipment	(91)	(65)
Proceeds from sale of property and equipment	9	3
Free Cash Flow⁽¹⁾	\$ (43)	\$ (16)

(1) See the "Non-GAAP Financial Measures" section for additional information.

The Company calculates free cash flow conversion as free cash flow divided by adjusted EBITDA, expressed as a ratio.

Reconciliation of Revenue to Organic Revenue:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 2,323	\$ 2,083
Revenue from acquired business	(224)	—
Revenue from deconsolidation	—	(20)
Foreign exchange rates	100	—
Organic revenue⁽¹⁾	\$ 2,199	\$ 2,063

Revenue growth⁽²⁾ 11.5%

Organic revenue growth⁽¹⁾⁽³⁾ 6.6%

(1) See the "Non-GAAP Financial Measures" section for additional information.

(2) Revenue growth is calculated as the change in the period-over-period revenue divided by the prior period, expressed as a percentage.

(3) Organic revenue growth is calculated as the change in the period-over-period organic revenue divided by the prior period, expressed as a percentage.

GXO Logistics, Inc.
Liquidity Reconciliations
(Unaudited)

Reconciliation of Total Debt and Net Debt:

<i>(In millions)</i>	March 31, 2023
Current debt	\$ 84
Long-term debt	1,697
Total debt	\$ 1,781
Less: Cash and cash equivalents	(426)
Net debt⁽¹⁾	\$ 1,355

(1) See the "Non-GAAP Financial Measures" section for additional information.

Reconciliation of Total debt to Net income attributable to GXO Ratio:

<i>(In millions)</i>	March 31, 2023
Total debt	\$ 1,781
Trailing twelve months net income attributable to GXO	\$ 185
Debt to net income attributable to GXO ratio	9.6x

Reconciliation of Net Leverage Ratio:

<i>(In millions)</i>	March 31, 2023
Net debt	\$ 1,355
Trailing twelve months adjusted EBITDA ⁽¹⁾	\$ 731
Net leverage ratio⁽¹⁾	1.9x

(1) See the "Non-GAAP Financial Measures" section for additional information.



GXO Logistics, Inc.
Return on Invested Capital
(Unaudited)

Adjusted EBITA, net of income taxes paid

<i>(In millions)</i>	Three Months Ended March 31,		Year Ended	Trailing Twelve
	2023	2022	December 31, 2022	Months Ended March 31, 2023
Adjusted EBITA⁽¹⁾	\$ 92	\$ 93	\$ 467	\$ 466
Less: Cash paid for income taxes	—	(5)	(111)	(106)
Adjusted EBITA⁽¹⁾, net of income taxes paid	\$ 92	\$ 88	\$ 356	\$ 360

(1) See the "Non-GAAP Financial Measures" section of additional information.

Operating Return on Invested Capital

<i>(In millions)</i>	March 31,		Average
	2023	2022	
Selected Assets:			
Accounts receivable, net	\$ 1,605	\$ 1,492	\$ 1,549
Other current assets	280	226	253
Property and equipment, net	964	833	899
Selected Liabilities:			
Accounts payable	\$ (652)	\$ (549)	\$ (601)
Accrued expenses	(908)	(940)	(924)
Other current liabilities	(209)	(146)	(178)
Invested Capital	\$ 1,080	\$ 916	\$ 998

Ratio of Return on Invested Capital⁽¹⁾⁽²⁾

36.1%

(1) The ratio of return on invested capital is calculated as trailing twelve months adjusted EBITA, net of income taxes paid, divided by invested capital.

(2) See the "Non-GAAP Financial Measures" section for additional information.



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