



## GXO Reports Second Quarter 2024 Results

- **Second quarter revenue increased 19% year over year to a record \$2.8 billion, with organic revenue growth of 2%**
- **Signed new business wins of approximately \$270 million in annualized revenue during 2Q 2024**
- **Sales pipeline increased to new twelve-month high of \$2.3 billion**
- **Completed Wincanton acquisition**

**GREENWICH, Conn. — August 6, 2024** — GXO Logistics, Inc. (NYSE: GXO) today announced results for the second quarter 2024.

Malcolm Wilson, chief executive officer of GXO, said, “In the second quarter, GXO delivered record revenue of \$2.8 billion, reflecting growth of 19% year over year, along with sequential improvement in organic revenue growth and strong free cash flow.

“We signed about \$270 million of new business wins. We’re also seeing contract lengths increase as customers look to outsource to a trusted partner. Our pipeline grew to \$2.3 billion, a new twelve-month high, and we’re on track to sign a record amount of new business this year.

“We’re particularly proud of our growth in Germany, where we’ve started operations on our 20-year contract with Levi’s and signed a new deal with Tchibo, a leading retailer and coffee distributor. During the quarter, we also completed our acquisition of Wincanton, which will provide a platform for GXO to grow in aerospace & defense and industrials across Europe.

“Given the momentum in our business, combined with strengthening consumer demand in the UK and European markets, we’re reaffirming our full-year 2024 guidance.”

### **Second Quarter 2024 Results**

Revenue increased to \$2.8 billion, up 19% year over year, compared with \$2.4 billion for the second quarter 2023. Organic revenue<sup>1</sup> grew by 2%.

Net income was \$39 million, compared with \$66 million for the second quarter 2023. Diluted earnings per share was \$0.32, compared with \$0.54 for the second quarter 2023.

Adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA<sup>1</sup>”) was \$187 million, compared with \$190 million for the second quarter 2023. Adjusted diluted EPS<sup>1</sup> was \$0.55, compared with \$0.70 for the second quarter 2023.

GXO generated \$115 million of cash flows from operations, compared with \$61 million for the second quarter 2023. In the second quarter of 2024, GXO generated \$31 million of free cash flow<sup>1</sup>, compared with \$3 million of free cash flow<sup>1</sup> for the second quarter 2023.

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<sup>1</sup> For definitions of non-GAAP measures see the “Non-GAAP Financial Measures” section in this press release.

## Cash Balances and Outstanding Debt

As of June 30, 2024, cash and cash equivalents and debt outstanding were \$469 million and \$2.8 billion, respectively.

## Guidance

The company reaffirms its guidance for the full year 2024 as follows:

### 2024 Guidance<sup>2</sup>

- Organic revenue growth<sup>1</sup> of 2% to 5%;
- Adjusted EBITDA<sup>1</sup> of \$805 million to \$835 million;
- Adjusted diluted EPS<sup>1</sup> of \$2.73 to \$2.93; and
- Free cash flow conversion<sup>1</sup> of 30% to 40% of adjusted EBITDA<sup>1</sup>.

## Conference Call

GXO will hold a conference call on Tuesday, August 6, 2024, at 8:30 a.m. Eastern Time. Participants can call toll free (from US/Canada) 877-407-8029; international callers dial +1 201-689-8029. Conference ID: 13747664. A live webcast of the conference will be available on the Investor Relations area of the company's website, investors.gxo.com. The conference will be archived until August 20, 2024. To access the replay by phone, call toll-free (from US/Canada) 877-660-6853; international callers dial +1 201-612-7415. Use participant passcode 13747664.

## About GXO Logistics

GXO Logistics, Inc. (NYSE: GXO) is the world's largest pure-play contract logistics provider and is capitalizing on the rapid growth of ecommerce and automation. GXO is committed to providing a world-class, diverse workplace for more than 130,000 team members in more than 970 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. GXO is headquartered in Greenwich, Connecticut, USA. Visit **GXO.com** for more information and connect with GXO on **LinkedIn, X, Facebook, Instagram** and **YouTube**.

## 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 press release to the most directly comparable measure under GAAP, which are set forth in the financial tables below.

GXO's non-GAAP financial measures in this press release 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, net of income taxes paid, adjusted EBITA margin, adjusted net income attributable to GXO, adjusted earnings per share (basic and diluted) ("adjusted EPS"), free cash flow, free cash flow conversion, organic revenue, organic revenue growth, net leverage ratio, net debt, and operating 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

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<sup>2</sup> Our guidance reflects current FX rates.

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, litigation expenses as well as restructuring costs and other adjustments as set forth in the financial table below. 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. Litigation expenses primarily relate to the settlement of ongoing legal matters. Restructuring costs primarily relate to severance costs associated with business optimization initiatives.

We believe that adjusted EBITDA, adjusted EBITDA margin, adjusted EBITA, adjusted EBITA, net of income taxes paid, and adjusted EBITA margin, 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 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 disposed business.

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 free cash flow and free cash flow conversion are important measures 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 cash flows from operations less capital expenditures plus proceeds from sale of property and equipment. We calculate free cash flow conversion as free cash flow divided by adjusted EBITDA, expressed as a percentage.

We believe that net debt and net leverage ratio are important measures of our overall liquidity position and are calculated by adding bank overdrafts and removing cash and cash equivalents from our total debt and net debt as a ratio of our adjusted EBITDA. We calculate ROIC as our trailing twelve months adjusted EBITA, net of income taxes paid, divided by the average 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 2024 organic revenue growth, adjusted EBITDA, adjusted diluted EPS, and free cash flow conversion, 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.

## **Forward-Looking Statements**

*This press release 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 full-year 2024 guidance and the expected impact of the acquisition of Wincanton and growth in Germany on our results of 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: economic conditions generally; supply chain challenges, including labor shortages; competition and pricing pressures; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our respective customers’ demands; our ability to successfully integrate and realize anticipated benefits, synergies, cost savings and profit improvement opportunities with respect to acquired companies, including the acquisition of Wincanton; acquisitions may be unsuccessful or result in 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 its subcontractors, and risks associated with labor disputes at our customers’ facilities and efforts by labor organizations to organize its employees; risks associated with defined benefit plans for our current and former employees; our ability to attract or retain necessary talent; the increased costs associated with labor; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; fluctuations in customer confidence and spending; issues related to our intellectual property rights; governmental regulation, including environmental laws, 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; damage to our reputation; a material disruption of our 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; failure in properly handling the inventory of our customers; the impact of potential cyber-attacks and information technology or data security breaches; and the inability to implement technology initiatives or business systems successfully; our ability to achieve 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. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.*

*All forward-looking statements set forth in this release 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 release 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.*

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**GXO Logistics, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>				
<b>Revenue</b>	\$ 2,846	\$ 2,394	\$ 5,302	\$ 4,717
Direct operating expense	2,389	1,957	4,445	3,863
Selling, general and administrative expense	270	245	519	503
Depreciation and amortization expense	99	84	191	167
Transaction and integration costs	15	6	34	19
Restructuring costs and other	1	3	17	24
Litigation expense <sup>(1)</sup>	(3)	—	60	—
<b>Operating income</b>	75	99	36	141
Other income, net	1	1	7	1
Interest expense, net	(23)	(14)	(36)	(27)
<b>Income before income taxes</b>	53	86	7	115
Income tax expense	(14)	(20)	(4)	(23)
<b>Net income</b>	39	66	3	92
Net income attributable to Noncontrolling Interests ("NCI")	(1)	(1)	(2)	(2)
<b>Net income attributable to GXO</b>	<u>\$ 38</u>	<u>\$ 65</u>	<u>\$ 1</u>	<u>\$ 90</u>
<b>Earnings per share</b>				
Basic	\$ 0.32	\$ 0.55	\$ 0.01	\$ 0.76
Diluted	\$ 0.32	\$ 0.54	\$ 0.01	\$ 0.75
<b>Weighted-average common shares outstanding</b>				
Basic	119,427	118,927	119,350	118,854
Diluted	119,683	119,415	119,680	119,323

(1) On June 14, 2024, the Company's subsidiary GXO Warehouse Company, Inc. entered into a Confidential Settlement Agreement (the "Settlement Agreement") to settle all claims in connection with a dispute between the Company and one of its customers related to the start-up of the customer's warehouse that occurred in 2018 (the "Dispute"). A payment under the Settlement Agreement was made by the Company on July 5, 2024. As of July 10, 2024, the Dispute, which was litigated under the caption Lindt et al. v. GXO Warehouse Company, Inc., docket no. 4:22-cv-00384-BP, in Federal District Court for the Western District of Missouri, was dismissed with prejudice, each side to bear their own costs and fees, and the Court retains jurisdiction to enforce the terms of the Confidential Settlement Agreement. Among other things in the Settlement Agreement, the parties each denied the allegations and counterclaims asserted in the Dispute, and agreed to a mutual release of claims arising from, under or otherwise in connection with their prior business relationship and the Dispute, in exchange for a payment by the Company of \$45 million. The Company intends to pursue reimbursement in connection with this Dispute under its existing insurance policies. The Company recognized \$60 million expense for the six months ended June 30, 2024 for the settlement, associated legal fees, costs and other related expenses.

**GXO Logistics, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

<i>(Dollars in millions, shares in thousands, except per share amounts)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 469	\$ 468
Accounts receivable, net of allowance of \$15 and \$11	1,909	1,753
Other current assets	419	347
<b>Total current assets</b>	<b>2,797</b>	<b>2,568</b>
<b>Long-term assets</b>		
Property and equipment, net of accumulated depreciation of \$1,637 and \$1,545	1,093	953
Operating lease assets	2,344	2,201
Goodwill	3,664	2,891
Intangible assets, net of accumulated amortization of \$563 and \$528	942	567
Other long-term assets	520	327
<b>Total long-term assets</b>	<b>8,563</b>	<b>6,939</b>
<b>Total assets</b>	<b>\$ 11,360</b>	<b>\$ 9,507</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 690	\$ 709
Accrued expenses	1,286	966
Current debt	219	27
Current operating lease liabilities	672	597
Other current liabilities	402	327
<b>Total current liabilities</b>	<b>3,269</b>	<b>2,626</b>
<b>Long-term liabilities</b>		
Long-term debt	2,551	1,620
Long-term operating lease liabilities	1,981	1,842
Other long-term liabilities	626	473
<b>Total long-term liabilities</b>	<b>5,158</b>	<b>3,935</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Common Stock, \$0.01 par value per share; 300,000 shares authorized, 119,437 and 119,057 issued and outstanding	1	1
Preferred Stock, \$0.01 par value per share; 10,000 shares authorized, none issued and outstanding	—	—
Additional Paid-In Capital ("APIC")	2,610	2,598
Retained earnings	553	552
Accumulated Other Comprehensive Income (Loss) ("AOCIL")	(263)	(239)
<b>Total stockholders' equity before NCI</b>	<b>2,901</b>	<b>2,912</b>
NCI	32	34
<b>Total equity</b>	<b>2,933</b>	<b>2,946</b>
<b>Total liabilities and equity</b>	<b>\$ 11,360</b>	<b>\$ 9,507</b>

**GXO Logistics, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

<i>(In millions)</i>	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	\$ 3	\$ 92
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation and amortization expense	191	167
Stock-based compensation expense	19	18
Deferred tax benefit	(16)	(17)
Other	10	10
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	56	(29)
Other assets	(8)	18
Accounts payable	(82)	(107)
Accrued expenses and other liabilities	(8)	(52)
<b>Net cash provided by operating activities</b>	<b>165</b>	<b>100</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(161)	(150)
Proceeds from sale of property and equipment	10	10
Acquisition of businesses, net of cash acquired	(863)	—
<b>Net cash used in investing activities</b>	<b>(1,014)</b>	<b>(140)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from debt, net	1,085	—
Repayments of debt, net	(196)	(138)
Repayments of finance lease obligations	(19)	(16)
Taxes paid related to net share settlement of equity awards	(7)	(6)
Other	(6)	5
<b>Net cash provided by (used in) financing activities</b>	<b>857</b>	<b>(155)</b>
Effect of exchange rates on cash and cash equivalents	(7)	5
<b>Net increase (decrease) in cash, restricted cash and cash equivalents</b>	<b>1</b>	<b>(190)</b>
<b>Cash, restricted cash and cash equivalents, beginning of period</b>	<b>470</b>	<b>495</b>
<b>Cash, restricted cash and cash equivalents, end of period</b>	<b>\$ 471</b>	<b>\$ 305</b>
<b>Reconciliation of cash, restricted cash and cash equivalents</b>		
Cash and cash equivalents	\$ 469	\$ 305
Restricted Cash (included in Other long-term assets)	2	—
<b>Total cash, restricted cash and cash equivalents</b>	<b>\$ 471</b>	<b>\$ 305</b>

**GXO Logistics, Inc.**  
**Key Data**  
**Disaggregation of Revenue**  
**(Unaudited)**

Revenue disaggregated by geographical area was as follows:

<i>(In millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
United Kingdom	\$ 1,289	\$ 893	\$ 2,202	\$ 1,737
United States	731	692	1,478	1,406
Netherlands	220	198	438	394
France	201	217	401	419
Spain	145	136	274	263
Italy	97	94	190	182
Other	163	164	319	316
<b>Total</b>	<b>\$ 2,846</b>	<b>\$ 2,394</b>	<b>\$ 5,302</b>	<b>\$ 4,717</b>

The Company's revenue can also be disaggregated by the customer's primary industry. Revenue disaggregated by industries was as follows:

<i>(In millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Omnichannel retail	\$ 1,316	\$ 1,026	\$ 2,338	\$ 1,990
Technology and consumer electronics	363	355	745	721
Food and beverage	326	335	642	642
Industrial and manufacturing	331	270	597	540
Consumer packaged goods	290	232	585	458
Other	220	176	395	366
<b>Total</b>	<b>\$ 2,846</b>	<b>\$ 2,394</b>	<b>\$ 5,302</b>	<b>\$ 4,717</b>

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

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31, 2023	Trailing Twelve Months Ended June 30, 2024
	2024	2023	2024	2023		
<b>Net income attributable to GXO</b>	\$ 38	\$ 65	\$ 1	\$ 90	\$ 229	\$ 140
Net income attributable to NCI	1	1	2	2	4	4
<b>Net income</b>	<b>\$ 39</b>	<b>\$ 66</b>	<b>\$ 3</b>	<b>\$ 92</b>	<b>\$ 233</b>	<b>\$ 144</b>
Interest expense, net	23	14	36	27	53	62
Income tax expense	14	20	4	23	33	14
Depreciation and amortization expense	99	84	191	167	361	385
Transaction and integration costs	15	6	34	19	34	49
Restructuring costs and other	1	3	17	24	32	25
Litigation expense	(3)	—	60	—	—	60
Unrealized gain on foreign currency contracts and other	(1)	(3)	(4)	(4)	(5)	(5)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 187</b>	<b>\$ 190</b>	<b>\$ 341</b>	<b>\$ 348</b>	<b>\$ 741</b>	<b>\$ 734</b>
<b>Revenue</b>	<b>\$ 2,846</b>	<b>\$ 2,394</b>	<b>\$ 5,302</b>	<b>\$ 4,717</b>		
<b>Operating income</b>	<b>\$ 75</b>	<b>\$ 99</b>	<b>\$ 36</b>	<b>\$ 141</b>		
<b>Operating income margin<sup>(2)</sup></b>	<b>2.6%</b>	<b>4.1%</b>	<b>0.7%</b>	<b>3.0%</b>		
<b>Adjusted EBITDA margin<sup>(1)(3)</sup></b>	<b>6.6%</b>	<b>7.9%</b>	<b>6.4%</b>	<b>7.4%</b>		

(1) See the "Non-GAAP Financial Measures" section of this press release.

(2) Operating income margin is calculated as operating income divided by revenue for the period.

(3) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue for the period.

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

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31, 2023	Trailing Twelve Months Ended June 30, 2024
	2024	2023	2024	2023		
<b>Net income attributable to GXO</b>	\$ 38	\$ 65	\$ 1	\$ 90	\$ 229	\$ 140
Net income attributable to NCI	1	1	2	2	4	4
<b>Net income</b>	<b>\$ 39</b>	<b>\$ 66</b>	<b>\$ 3</b>	<b>\$ 92</b>	<b>\$ 233</b>	<b>\$ 144</b>
Interest expense, net	23	14	36	27	53	62
Income tax expense	14	20	4	23	33	14
Amortization expense	22	19	41	36	71	76
Transaction and integration costs	15	6	34	19	34	49
Restructuring costs and other	1	3	17	24	32	25
Litigation expense	(3)	—	60	—	—	60
Unrealized gain on foreign currency contracts and other	(1)	(3)	(4)	(4)	(5)	(5)
<b>Adjusted EBITA<sup>(1)</sup></b>	<b>\$ 110</b>	<b>\$ 125</b>	<b>\$ 191</b>	<b>\$ 217</b>	<b>\$ 451</b>	<b>\$ 425</b>
<b>Revenue</b>	<b>\$ 2,846</b>	<b>\$ 2,394</b>	<b>\$ 5,302</b>	<b>\$ 4,717</b>		
<b>Adjusted EBITA margin<sup>(1)(2)</sup></b>	<b>3.9%</b>	<b>5.2%</b>	<b>3.6%</b>	<b>4.6%</b>		

(1) See the "Non-GAAP Financial Measures" section of this press release.

(2) Adjusted EBITA margin is calculated as adjusted EBITA divided by revenue for the period.

**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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net income</b>	\$ 39	\$ 66	\$ 3	\$ 92
Net income attributable to NCI	(1)	(1)	(2)	(2)
<b>Net income attributable to GXO</b>	<b>\$ 38</b>	<b>\$ 65</b>	<b>\$ 1</b>	<b>\$ 90</b>
Amortization expense	22	19	41	36
Transaction and integration costs	15	6	34	19
Restructuring costs and other	1	3	17	24
Litigation expense	(3)	—	60	—
Unrealized gain on foreign currency contracts and other	(1)	(3)	(4)	(4)
Income tax associated with the adjustments above <sup>(1)</sup>	(6)	(6)	(29)	(17)
Discrete tax benefit <sup>(2)</sup>	—	—	—	(5)
<b>Adjusted net income attributable to GXO<sup>(3)</sup></b>	<b>\$ 66</b>	<b>\$ 84</b>	<b>\$ 120</b>	<b>\$ 143</b>
<b>Adjusted basic EPS<sup>(3)</sup></b>	<b>\$ 0.55</b>	<b>\$ 0.71</b>	<b>\$ 1.01</b>	<b>\$ 1.20</b>
<b>Adjusted diluted EPS<sup>(3)</sup></b>	<b>\$ 0.55</b>	<b>\$ 0.70</b>	<b>\$ 1.00</b>	<b>\$ 1.20</b>
<b>Weighted-average common shares outstanding</b>				
Basic	119,427	118,927	119,350	118,854
Diluted	119,683	119,415	119,680	119,323

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

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

(3) See the "Non-GAAP Financial Measures" section of this press release.

**GXO Logistics, Inc.**  
**Other Reconciliations**  
**(Unaudited)**

Reconciliation of Cash Flows from Operations to Free Cash Flow:

<i>(In millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operations<sup>(1)</sup></b>	\$ 115	\$ 61	\$ 165	\$ 100
Capital expenditures	(88)	(59)	(161)	(150)
Proceeds from sale of property and equipment	4	1	10	10
<b>Free cash flow<sup>(2)</sup></b>	<b>\$ 31</b>	<b>\$ 3</b>	<b>\$ 14</b>	<b>\$ (40)</b>

(1) Net cash provided by operating activities.

(2) See the "Non-GAAP Financial Measures" section of this press release.

Reconciliation of Revenue to Organic Revenue:

<i>(In millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	\$ 2,846	\$ 2,394	\$ 5,302	\$ 4,717
Revenue from acquired business <sup>(1)</sup>	(396)	—	(459)	—
Revenue from disposed business <sup>(1)</sup>	—	(3)	(1)	(7)
Foreign exchange rates	—	—	(50)	—
<b>Organic revenue<sup>(2)</sup></b>	<b>\$ 2,450</b>	<b>\$ 2,391</b>	<b>\$ 4,792</b>	<b>\$ 4,710</b>
<b>Revenue growth<sup>(3)</sup></b>	18.9%		12.4%	
<b>Organic revenue growth<sup>(2)(4)</sup></b>	2.5%		1.7%	

(1) The Company excludes revenue from acquired and disposed businesses for periods that are not comparable.

(2) See the "Non-GAAP Financial Measures" section of this press release.

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

(4) 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>	<b>June 30, 2024</b>
Current debt	\$ 219
Long-term debt	2,551
<b>Total debt</b>	<b>\$ 2,770</b>
Plus: Bank overdrafts	3
Less: Cash and cash equivalents	(469)
<b>Net debt<sup>(1)</sup></b>	<b>\$ 2,304</b>

(1) See the "Non-GAAP Financial Measures" section of this press release.

Reconciliation of Total debt to Net income Ratio:

<i>(In millions)</i>	<b>June 30, 2024</b>
Total debt	\$ 2,770
Trailing twelve months net income	\$ 144
<b>Debt to net income ratio</b>	<b>19.2x</b>

Reconciliation of Net Leverage Ratio:

<i>(In millions)</i>	<b>June 30, 2024</b>
Net debt	\$ 2,304
Trailing twelve months adjusted EBITDA <sup>(1)</sup>	\$ 734
<b>Net leverage ratio<sup>(1)</sup></b>	<b>3.1x</b>

(1) See the "Non-GAAP Financial Measures" section of this press release.

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

Adjusted EBITA, net of income taxes paid:

<i>(In millions)</i>	<u>Six Months Ended June 30,</u>			<b>Trailing Twelve Months Ended June 30, 2024</b>
	<b>2024</b>	<b>2023</b>	<b>Year Ended December 31, 2023</b>	
<b>Adjusted EBITA<sup>(1)</sup></b>	\$ 191	\$ 217	\$ 451	\$ 425
Less: Cash paid for income taxes	(19)	(32)	(84)	(71)
<b>Adjusted EBITA, net of income taxes paid<sup>(1)</sup></b>	<b>\$ 172</b>	<b>\$ 185</b>	<b>\$ 367</b>	<b>\$ 354</b>

(1) See the "Non-GAAP Financial Measures" section of this press release.

Return on Invested Capital (ROIC):

<i>(In millions)</i>	<u>June 30,</u>		<b>Average</b>
	<b>2024</b>	<b>2023</b>	
<b>Selected Assets:</b>			
Accounts receivable, net	\$ 1,909	\$ 1,719	\$ 1,814
Other current assets	419	282	351
Property and equipment, net	1,093	965	1,029
<b>Selected Liabilities:</b>			
Accounts payable	(690)	(566)	(628)
Accrued expenses	(1,286)	(950)	(1,118)
Other current liabilities	(402)	(284)	(343)
<b>Invested capital</b>	<b>\$ 1,043</b>	<b>\$ 1,166</b>	<b>\$ 1,105</b>

<b>Trailing twelve months net income to average invested capital</b>	<b>13.0%</b>
<b>Operating return on invested capital<sup>(1)(2)</sup></b>	<b>32.0%</b>

(1) See the "Non-GAAP Financial Measures" section of this press release.

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