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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number: 001-40470

GXO

GXO Logistics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**86-2098312**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Two American Lane	
Greenwich, Connecticut	**06831**
(Address of principal executive offices)	(Zip Code)

(203) 489-1287
Registrant's telephone number, including area code

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 $0.01 per share	**GXO**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2024, there were 119,482,559 shares of the registrant's common stock, par value $0.01 per share, outstanding.

GXO Logistics, Inc.

Form 10-Q

For the Quarterly Period Ended September 30, 2024

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions, shares in thousands, except per share amounts)	2024	2023	2024	2023
Revenue	$ 3,157	$ 2,471	$ 8,459	$ 7,188
Direct operating expense	2,671	2,012	7,116	5,875
Selling, general and administrative expense	265	258	784	761
Depreciation and amortization expense	111	101	302	268
Transaction and integration costs	21	3	55	22
Restructuring costs and other	9	7	26	31
Litigation expense	(1)	—	59	—
Operating income	81	90	117	231
Other income (expense), net	(6)	7	1	8
Interest expense, net	(33)	(14)	(69)	(41)
Income before income taxes	42	83	49	198
Income tax expense	(7)	(15)	(11)	(38)
Net income	35	68	38	160
Net income attributable to Noncontrolling Interests (“NCI”)	(2)	(2)	(4)	(4)
Net income attributable to GXO	$ 33	$ 66	$ 34	$ 156
Earnings per share				
Basic	$ 0.28	$ 0.55	$ 0.28	$ 1.31
Diluted	$ 0.28	$ 0.55	$ 0.28	$ 1.31
Weighted-average common shares outstanding				
Basic	119,461	118,941	119,387	118,883
Diluted	119,793	119,645	119,718	119,430

See accompanying Notes to Condensed Consolidated Financial Statements.

GXO Logistics, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2024**	**2023**	**2024**	**2023**
Net income	$ 35	$ 68	$ 38	$ 160
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	173	(69)	145	(39)
Cash flow hedges	(4)	—	(3)	1
Pension plans	(6)	1	(4)	2
Other comprehensive income (loss), net of tax	163	(68)	138	(36)
Comprehensive income, net of tax	198	—	176	124
Less: Comprehensive income attributable to NCI	3	—	4	3
Comprehensive income attributable to GXO	$ 195	$ —	$ 172	$ 121

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(Dollars in millions, shares in thousands, except per share amounts)	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 548	$ 468
Accounts receivable, net of allowance of $14 and $11	1,968	1,753
Other current assets	443	347
Total current assets	2,959	2,568
Long-term assets		
Property and equipment, net of accumulated depreciation of $1,723 and $1,545	1,161	953
Operating lease assets	2,501	2,201
Goodwill	3,676	2,891
Intangible assets, net of accumulated amortization of $612 and $528	1,061	567
Other long-term assets	542	327
Total long-term assets	8,941	6,939
Total assets	$ 11,900	$ 9,507
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 748	$ 709
Accrued expenses	1,411	966
Current debt	223	27
Current operating lease liabilities	681	597
Other current liabilities	369	327
Total current liabilities	3,432	2,626
Long-term liabilities		
Long-term debt	2,556	1,620
Long-term operating lease liabilities	2,067	1,842
Other long-term liabilities	704	473
Total long-term liabilities	5,327	3,935
Commitments and Contingencies (Note 13)		
Stockholders' Equity		
Common Stock, $0.01 par value per share; 300,000 shares authorized, 119,472 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")	2,620	2,598
Retained earnings	586	552
Accumulated Other Comprehensive Income (Loss) ("AOCIL")	(101)	(239)
Total stockholders' equity before NCI	3,106	2,912
NCI	35	34
Total equity	3,141	2,946
Total liabilities and equity	$ 11,900	$ 9,507

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(In millions)	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 38	$ 160
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	302	268
Stock-based compensation expense	30	25
Deferred tax benefit	(37)	(29)
Other	11	16
Changes in operating assets and liabilities		
Accounts receivable	50	(23)
Other assets	(21)	(39)
Accounts payable	(29)	(69)
Accrued expenses and other liabilities	19	34
Net cash provided by operating activities	363	343
Cash flows from investing activities:		
Capital expenditures	(255)	(205)
Proceeds from sale of property and equipment	16	13
Acquisition of businesses, net of cash acquired	(863)	—
Cross-currency swap agreements settlement	(5)	—
Net cash used in investing activities	(1,107)	(192)
Cash flows from financing activities:		
Proceeds from debt, net	1,085	—
Repayments of debt, net	(216)	(139)
Repayments of finance lease obligations	(32)	(24)
Taxes paid related to net share settlement of equity awards	(8)	(7)
Net cash provided by (used in) financing activities	829	(170)
Effect of exchange rates on cash and cash equivalents	14	(2)
Net increase (decrease) in cash, restricted cash and cash equivalents	99	(21)
Cash, restricted cash and cash equivalents, beginning of period	470	495
Cash, restricted cash and cash equivalents, end of period	$ 569	$ 474
Reconciliation of cash, restricted cash and cash equivalents		
Cash and cash equivalents	$ 548	$ 473
Restricted Cash (included in Other long-term assets)	21	1
Total cash, restricted cash and cash equivalents	$ 569	$ 474

See accompanying Notes to Condensed Consolidated Financial Statements.

GXO Logistics, Inc.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(Shares in thousands, dollars in millions)	Common Stock								
	Shares	Amount	APIC	Retained Earnings	AOCIL	Equity Before NCI	NCI	Total Equity
Balance as of June 30, 2024	119,437	$ 1	$ 2,610	$ 553	$ (263)	$ 2,901	$ 32	$ 2,933
Net income	—	—	—	33	—	33	2	35
Other comprehensive Income	—	—	—	—	162	162	1	163
Stock-based compensation	—	—	11	—	—	11	—	11
Vesting of stock compensation awards	61	—	—	—	—	—	—	—
Tax withholding on vesting of stock-based compensation awards	(26)	—	(1)	—	—	(1)	—	(1)
Balance as of September 30, 2024	119,472	$ 1	$ 2,620	$ 586	$ (101)	$ 3,106	$ 35	$ 3,141

(Shares in thousands, dollars in millions)	Common Stock							
	Shares	Amount	APIC	Retained Earnings	AOCIL	Equity Before NCI	NCI	Total Equity
Balance as of December 31, 2023	119,057	$ 1	$ 2,598	$ 552	$ (239)	$ 2,912	$ 34	$ 2,946
Net income	—	—	—	34	—	34	4	38
Other comprehensive Income	—	—	—	—	138	138	—	138
Stock-based compensation	—	—	30	—	—	30	—	30
Vesting of stock compensation awards	570	—	—	—	—	—	—	—
Tax withholding on vesting of stock-based compensation awards	(155)	—	(8)	—	—	(8)	—	(8)
Other	—	—	—	—	—	—	(3)	(3)
Balance as of September 30, 2024	119,472	$ 1	$ 2,620	$ 586	$ (101)	$ 3,106	$ 35	$ 3,141

See accompanying Notes to Condensed Consolidated Financial Statements.

GXO Logistics, Inc.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(Shares in thousands, dollars in millions)	Common Stock Shares	Common Stock Amount	APIC	Retained Earnings	AOCIL	Equity Before NCI	NCI	Total Equity
Balance as of June 30, 2023	118,932	$ 1	$ 2,587	$ 413	$ (223)	$ 2,778	$ 33	$ 2,811
Net income	—	—	—	66	—	66	2	68
Other comprehensive loss	—	—	—	—	(66)	(66)	(2)	(68)
Stock-based compensation	—	—	7	—	—	7	—	7
Vesting of stock compensation awards	30	—	—	—	—	—	—	—
Tax withholding on vesting of stock compensation awards	(11)	—	(1)	—	—	(1)	—	(1)
Balance as of September 30, 2023	118,951	$ 1	$ 2,593	$ 479	$ (289)	$ 2,784	$ 33	$ 2,817

(Shares in thousands, dollars in millions)	Common Stock Shares	Common Stock Amount	APIC	Retained Earnings	AOCIL	Equity Before NCI	NCI	Total Equity
Balance as of December 31, 2022	118,728	$ 1	$ 2,575	$ 323	$ (254)	$ 2,645	$ 33	$ 2,678
Net income	—	—	—	156	—	156	4	160
Other comprehensive loss	—	—	—	—	(35)	(35)	(1)	(36)
Stock-based compensation	—	—	25	—	—	25	—	25
Vesting of stock compensation awards	366	—	—	—	—	—	—	—
Tax withholding on vesting of stock compensation awards	(143)	—	(7)	—	—	(7)	—	(7)
Other	—	—	—	—	—	—	(3)	(3)
Balance as of September 30, 2023	118,951	$ 1	$ 2,593	$ 479	$ (289)	$ 2,784	$ 33	$ 2,817

See accompanying Notes to Condensed Consolidated Financial Statements.

GXO Logistics, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements of GXO Logistics, Inc. (“GXO” or the “Company”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and pursuant to the rules of the U.S. Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included.

Operating results for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The Company’s Condensed Consolidated Financial Statements include the accounts of GXO and its majority-owned subsidiaries and variable interest entities of which the Company is the primary beneficiary. The Company has eliminated intercompany accounts and transactions.

The accompanying Condensed Consolidated Financial Statements and Notes thereto should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 2023. Certain amounts reported for prior periods have been reclassified to conform to the current period’s presentation.

The Company presents its operations as one reportable segment.

Accounting Pronouncements Issued But Not Yet Adopted

In March 2024, the SEC adopted final rules designed to enhance public company disclosures related to the risks and impacts of climate-related matters. The new rules include disclosures relating to climate-related risks and risk management, as well as the board and management’s governance of such risks. In addition, the rules include requirements to disclose the financial effects of severe weather events and other natural conditions in the audited financial statements. Larger registrants will also be required to disclose information about greenhouse gas emissions, which will be subject to a phased-in assurance requirement. The disclosures are required for annual periods ending December 31, 2025. In April 2024, the SEC issued an order staying the implementation of the new climate-related disclosure rules pending completion of judicial review of consolidated changes to the rules by the U.S. Court of Appeals for the Eighth Circuit. The Company continues to monitor developments and evaluate the potential impact of these rules on its Consolidated Financial Statements.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which provides for expanded disclosures primarily related to income taxes paid and the rate reconciliation. The amendments are effective for annual periods beginning after December 15, 2024 and early adoption is permitted. The guidance can be applied prospectively or retrospectively. The Company is currently evaluating the impact of this ASU on its Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires disclosure of incremental segment information on an annual and interim basis. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements and early adoption is permitted. The Company does not expect the adoption of this new standard to impact its Consolidated Financial Statements other than incremental disclosures on its Annual Report on Form 10-K for the year ending December 31, 2024.

2. Revenue Recognition

Revenue disaggregated by geographical area was as follows:

(In millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
United Kingdom	$ 1,525	$ 958	$ 3,727	$ 2,695
United States	771	711	2,249	2,117
Netherlands	242	216	680	610
France	195	207	596	626
Spain	147	133	421	396
Italy	98	97	288	279
Other	179	149	498	465
Total	$ 3,157	$ 2,471	$ 8,459	$ 7,188

The Company's revenue can also be disaggregated by various verticals, reflecting the customer's principal industry. Revenue disaggregated by industry was as follows:

(In millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Omnichannel retail	$ 1,479	$ 1,051	$ 3,817	$ 3,041
Technology and consumer electronics	392	360	1,137	1,081
Food and beverage	344	362	986	1,004
Industrial and manufacturing	376	263	973	803
Consumer packaged goods	311	231	896	689
Other	255	204	650	570
Total	$ 3,157	$ 2,471	$ 8,459	$ 7,188

Contract Assets and Liabilities

The contract asset and contract liability balances from contracts with customers were as follows:

(In millions)	September 30, 2024	December 31, 2023
Contract assets included in:		
Other current assets	$ 21	$ 21
Other long-term assets	187	160
Total contract assets	$ 208	$ 181
Contract liabilities included in:		
Other current liabilities	$ 255	$ 210
Other long-term liabilities	104	115
Total contract liabilities	$ 359	$ 325

Revenue recognized included the following:

(In millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Amounts included in the beginning of year contract liability balance	$ 16	$ 11	$ 169	$ 109

Remaining Performance Obligations

The remaining performance obligations relate to firm customer contracts for which services have not been performed and future revenue recognition is expected. As permitted in determining the remaining performance obligation, the Company omits obligations that have original expected durations of one year or less or contain variable consideration.

As of September 30, 2024, the fixed consideration component of the Company's remaining performance obligation was approximately $3.9 billion, and the Company expects to recognize approximately 77% of that amount over the next three years and the remainder thereafter. The Company estimates remaining performance obligations at a point in time, and actual amounts may differ from these estimates due to changes in foreign currency exchange rates and contract revisions or terminations.

3. Leases

The Company has operating leases for real estate, warehouse equipment, trucks, trailers, containers and material handling equipment. In addition, the Company has finance leases for warehouse equipment.

The following amounts were recorded in the Condensed Consolidated Balance Sheets related to leases:

(In millions)	September 30, 2024	December 31, 2023
Operating leases:		
Operating lease assets	$ 2,501	$ 2,201
Current operating lease liabilities	$ 681	$ 597
Long-term operating lease liabilities	2,067	1,842
Total operating lease liabilities	$ 2,748	$ 2,439
Finance leases:		
Property and equipment, net	$ 198	$ 107
Current debt	$ 37	$ 26
Long-term debt	205	90
Total finance lease liabilities	$ 242	$ 116

The components of lease expense recorded in the Condensed Consolidated Statements of Operations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2024	2023	2024	2023
Operating leases:				
Operating lease cost	$ 239	$ 163	$ 616	$ 561
Short-term lease cost	53	78	153	170
Variable lease cost	27	36	113	93
Total operating lease cost (1)	$ 319	$ 277	$ 882	$ 824
Finance leases:				
Amortization of leased assets	$ 10	$ 10	$ 24	$ 23
Interest expense on lease liabilities	3	1	5	3
Total finance lease cost	$ 13	$ 11	$ 29	$ 26
Total operating and finance lease cost	$ 332	$ 288	$ 911	$ 850

(1) Operating lease cost is primarily included in Direct operating expense in the Condensed Consolidated Statements of Operations.

Supplemental cash flow information was as follows:

	Nine Months Ended September 30,	
(In millions)	2024	2023
Leased assets obtained in exchange for new lease obligations:		
Operating leases, including $246 from an acquisition in 2024	$ 758	$ 389
Finance leases, including $36 from an acquisition in 2024	150	8

4. Acquisitions

Wincanton Acquisition

On February 29, 2024, the Company and the board of directors of Wincanton plc, a logistics company based in Chippenham, United Kingdom (“Wincanton”), reached an agreement on the terms of a cash offer by the Company for the acquisition of the entire issued ordinary share capital of Wincanton (the “Wincanton Acquisition”). Under the terms of the agreement, Wincanton shareholders received 605 pence ($7.64 as of the acquisition date) in cash for each Wincanton share held.

On April 10, 2024, the Wincanton shareholders approved the Wincanton Acquisition and on April 29, 2024, the Company completed the Wincanton Acquisition for total consideration of approximately £762 million ($958 million). The Wincanton Acquisition is subject to a review by the Competition and Markets Authority (the “CMA”) in the U.K. On November 1, 2024, the CMA announced that it intends to refer the Wincanton Acquisition for an in-depth Phase 2 investigation unless acceptable undertakings are agreed between the Company and the CMA by November 15, 2024.

Wincanton is a logistics provider specializing in both warehousing and transportation solutions in the U.K. and Ireland. Wincanton provides services to customers in grocery, retail and manufacturing, consumer goods, ecommerce, healthcare, defense, industrial, and energy industries.

The Company incurred acquisition costs related to the Wincanton Acquisition of $19 million and $45 million for the three and nine months ended September 30, 2024, respectively, which are included in Transaction and integration costs in the Condensed Consolidated Statements of Operations.

In connection with the Wincanton Acquisition, (i) the Company entered into a bridge term loan credit agreement (the “Bridge Term Loan”), (ii) the Company entered into a three-year term loan credit agreement (“Three-Year Term Loan due 2027”), and (iii) in April 2024, the Company issued $1.1 billion aggregate principal amount of senior notes (the “Unsecured Notes”). For additional information regarding the financing agreements entered in connection with the Wincanton Acquisition, see Note 6. Debt and Financing Arrangements.

Wincanton’s results of operations are included in the Condensed Consolidated Statements of Operations from the date of acquisition. For the three months ended September 30, 2024, the Company recorded $529 million and $4 million of revenue and loss before income taxes, respectively. For the nine months ended September 30, 2024, the Company recorded $862 million and $1 million of revenue and loss before income taxes, respectively.

The following table summarizes the fair values of assets acquired and liabilities assumed at the acquisition date:

(In millions)

ASSETS		
Current assets		
Cash and cash equivalents	$	91
Accounts receivable		259
Other current assets		76
Total current assets		426
Long-term assets		
Property and equipment		90
Operating lease assets		246
Intangible assets [(1)]		519
Other long-term assets		151
Total long-term assets		1,006
Total assets	$	1,432
LIABILITIES		
Current liabilities		
Accounts payable	$	68
Accrued expenses		322
Current debt		13
Current operating lease liabilities		81
Other current liabilities		114
Total current liabilities		598
Long-term liabilities		
Long-term debt		162
Long-term operating lease liabilities		165
Other long-term liabilities		222
Total long-term liabilities		549
Total liabilities	$	1,147
Net assets purchased	$	285
Purchase price [(2)]	$	958
Goodwill recorded [(3)]	$	673

(1) The Company acquired $519 million of intangible assets, comprised of customer relationships, trade names, and intellectual property with weighted-average useful lives of 12.5 years.
(2) The Company recorded a realized foreign currency gain of $5 million which represents the change in foreign currency rates from the acquisition date through the settlement date. The gain is included as a component of “Transaction and Integration costs” on the Condensed Consolidated Statements of Operations.
(3) Goodwill represents the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. Goodwill acquired was recorded in the U.K. and Ireland reporting unit and was primarily attributed to anticipated synergies. The Company does not expect the goodwill recognized in connection with the Wincanton Acquisition to be deductible for income tax purposes.

The fair values of the assets acquired and liabilities assumed are considered preliminary and subject to adjustment as additional information is obtained and reviewed. The final allocation of the purchase price may differ from the preliminary allocation based on completion of the valuation. The Company expects to finalize the purchase price allocation within the measurement period, which will not exceed one year from the acquisition date.

The following unaudited pro forma information presents the Company’s results of operations as if the Wincanton Acquisition occurred on January 1, 2023. The pro forma results reflect the impact of incremental interest expense to finance the acquisition and amortization expense on acquired intangible assets. Adjustments have also been made to remove transaction related costs. The unaudited pro forma information is not necessarily indicative of what the results of operations of the combined company would have been had the Wincanton Acquisition been completed as of January 1, 2023.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2024**	**2023**	**2024**	**2023**
Revenue	$ 3,157	$ 2,914	$ 9,033	$ 8,482
Income (loss) before income taxes [(1)(2)]	61	67	(8)	135

(1) Included in the Income (loss) before income taxes on a pro forma basis for the nine months ended September 30, 2024 were long-lived asset impairment charges of $90 million recorded by Wincanton.
(2) Included in the Income (loss) before income taxes on a pro forma basis for the three and nine months ended September 30, 2024 were foreign currency losses of $11 million and $12 million, respectively, compared with foreign currency gains of $5 million and $2 million for the three and nine months ended September 30, 2023, respectively.

PFSweb Acquisition

On September 13, 2023, the Company entered into an Agreement and Plan of Merger to acquire PFSweb, Inc., a Delaware corporation headquartered in Irving, Texas (“PFS”), and on October 23, 2023, the Company completed its acquisition of PFS (the “PFS Acquisition”). The Company acquired the shares of PFS at a price per share of $7.50 in cash, totaling approximately $149 million, net of cash acquired. PFS is a global provider of omnichannel commerce solutions, including a broad range of technology, infrastructure and professional services, in the United States, Canada and Europe. PFS’s service offerings include order fulfillment, fulfillment-as-a-service, order management and customer care.

The Company recorded the fair value of assets acquired and liabilities assumed on the date of acquisition, including intangible assets comprising customer relationships, trademarks, trade names and developed technology of $55 million with a weighted-average amortization period of 13 years. Goodwill acquired in connection with the acquisition was $80 million, recorded in the Americas and Asia-Pacific reporting unit, and was attributed to anticipated synergies. The Company does not expect the goodwill recognized in connection with the PFS Acquisition to be deductible for U.S. income tax purposes.

5. Goodwill

The following table presents the changes in Goodwill for the nine months ended September 30, 2024:

(In millions)	
Balance as of December 31, 2023	$ 2,891
Acquisition [(1)]	677
Impact of foreign exchange translation [(2)]	108
Balance as of September 30, 2024	$ 3,676

(1) Includes $673 million and $4 million for the preliminary purchase price allocation for the Wincanton Acquisition and adjustments to the purchase price allocation for the PFS Acquisition, respectively.
(2) Changes to goodwill amounts resulting from foreign currency translation after the acquisition date are presented as the impact of foreign exchange translation.

As of September 30, 2024 and December 31, 2023, there were no accumulated goodwill impairment losses.

6. Debt and Financing Arrangements

The following table summarizes the carrying value of the Company's debt:

(In millions, except percentages)	**Rate [(1)]**	**September 30, 2024**	**December 31, 2023**
Unsecured notes due 2026 [(2)]	1.65 %	$ 399	$ 398
Unsecured notes due 2029 [(3)]	6.25 %	593	—
Unsecured notes due 2031 [(4)]	2.65 %	397	397
Unsecured notes due 2034 [(5)]	6.50 %	490	—
Three-Year Term Loan due 2025 [(6)]	5.83 %	185	235
Five-Year Term Loan due 2027 [(7)(8)]	6.20 %	399	499
Finance leases and other debt	Various	316	118
Total debt		2,779	1,647
Less: Current debt		223	27
Total Long-term debt		$ 2,556	$ 1,620

(1) Interest rate as of September 30, 2024.
(2) Net of unamortized debt issuance costs of $1 million and $2 million as of September 30, 2024 and December 31, 2023, respectively.
(3) Net of unamortized debt issuance costs of $7 million as of September 30, 2024.
(4) Net of unamortized debt issuance costs of $3 million as of September 30, 2024 and December 31, 2023.
(5) Net of unamortized debt issuance costs of $10 million as of September 30, 2024.
(6) On June 27, 2024, the Company repaid $50 million of the Three-Year Term Loan due 2025.
(7) Net of unamortized debt issuance costs of $1 million as of September 30, 2024 and December 31, 2023.
(8) On May 6, 2024, the Company repaid $100 million of the Five-Year Term Loan due 2027.

Unsecured Notes

On April 25, 2024, the Company entered into an underwriting agreement to issue and sell $1.1 billion of Unsecured Notes, consisting of $600 million in aggregate principal amount of its 6.25% senior notes due 2029 (the "2029 Notes") and $500 million in aggregate principal amount of its 6.50% senior notes due 2034 (the "2034 Notes," and together with the 2029 Notes, the ‘‘Unsecured Notes") in a registered public offering to fund the Wincanton Acquisition. The closing of the sale of the Unsecured Notes occurred on May 6, 2024.

The 2029 Notes bear interest at a rate of 6.25% per annum payable semiannually on May 6 and November 6 of each year, beginning on November 6, 2024, and maturing on May 6, 2029. The 2034 Notes bear interest at a rate of 6.50% per annum payable semiannually on May 6 and November 6 of each year, beginning on November 6, 2024, and maturing on May 6, 2034.

Three-Year Term Loan due 2027

On March 29, 2024, the Company entered into a three-year term loan credit agreement with the lenders and other parties from time to time party thereto and Bank of America N.A., as an administrative agent, that provided a three-year multicurrency £250 million unsecured term facility to fund the Wincanton Acquisition. Concurrently with the closing of the Unsecured Notes, the Company terminated the commitments under the Three-Year Term Loan due 2027. No amounts were drawn under the Three-Year Term Loan due 2027.

Bridge Term Loan

On February 29, 2024, the Company entered into a 364-day bridge term loan credit agreement that provided a £763 million unsecured Bridge Term Loan facility to fund the Wincanton Acquisition.

Concurrently with the closing of the Unsecured Notes, the Company terminated the commitments under the Bridge Term Loan. No amounts were drawn under the Bridge Term Loan.

Revolving Credit Facilities

On March 29, 2024, the Company terminated its previous revolving credit agreement expiring in 2026 and entered into a new revolving credit agreement with Bank of America N.A., as administrative agent and an issuing lender (the "Revolving Credit Agreement"). The Revolving Credit Agreement is a five-year unsecured, multicurrency revolving facility expiring in 2029. The aggregate commitment of all lenders under the Revolving Credit Agreement will be equal to $800 million, of which $100 million is available for the issuance of letters of credit.

Loans under the Revolving Credit Agreement will bear interest at a fluctuating rate per annum equal to (a) with respect to borrowings in U.S. Dollars, at the Company's option the alternate base rate or term Secured Overnight Financing Rate ("SOFR"), (b) with respect to borrowings in Canadian Dollars, term Canadian Overnight Repo Rate Average ("CORRA"), (c) with respect to borrowings in Pounds Sterling, daily simple Sterling Overnight Index Average Rate ("SONIA") and (d) with respect to borrowings in Euros, Euro Interbank Offered Rate ("EURIBOR"), in each case, plus an applicable margin calculated based on the Company's credit ratings. No amounts were outstanding under the previous or new revolving credit agreements as of September 30, 2024 or December 31, 2023.

In connection with the Wincanton Acquisition, the Company assumed a revolving credit facility agreement (the "Wincanton Revolving Credit Agreement") under which it may borrow up to approximately £175 million ($234 million as of September 30, 2024) in aggregate at any time, expiring in March 2027. Loans under the Wincanton Revolving Credit Agreement will bear interest at daily simple SONIA plus a fixed margin. As of September 30, 2024, the Company had £55 million ($74 million) of borrowings outstanding under the Wincanton Revolving Credit Agreement.

Amounts drawn and repaid in 90 days or less under the revolving credit facilities are presented net in the Condensed Consolidated Statements of Cash Flows.

Factoring Programs

The Company sells certain of its trade receivables on a non-recourse basis to third-party financial institutions under various factoring agreements.

Information related to the trade receivables sold was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2024	2023	2024	2023
Receivables sold in period	$ 536	$ 288	$ 1,191	$ 820
Cash consideration	533	286	1,182	815
Net cash provided by operating cash flows	140	27	158	27

Covenants and Compliance

The covenants for the Company's debt securities, which are customary for financings of this type, limit the Company's ability to incur indebtedness and grant liens, among other restrictions. In addition, the facilities require the Company to maintain a consolidated leverage ratio below a specified maximum.

As of September 30, 2024, the Company complied with the covenants contained in its debt and financing arrangements.

7. Fair Value Measurements and Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The levels of inputs used to measure fair value are:

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3—Valuations based on inputs that are unobservable, generally utilizing pricing models or other valuation techniques that reflect management's judgment and estimates.

Assets and Liabilities

The Company bases its fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and current maturities of long-term debt approximated their fair values as of September 30, 2024 and December 31, 2023, due to their short-term nature.

Debt

The fair value of debt was as follows:

		September 30, 2024		December 31, 2023	
(In millions)	Level	Fair Value	Carrying Value	Fair Value	Carrying Value
Unsecured notes due 2026	2	$ 380	$ 399	$ 362	$ 398
Unsecured notes due 2029	2	629	593	—	—
Unsecured notes due 2031	2	338	397	326	397
Unsecured notes due 2034	2	527	490	—	—
Three-Year Term Loan due 2025	2	183	185	231	235
Five-Year Term Loan due 2027	2	396	399	493	499

Financial Instruments

The Company directly manages its exposure to risks arising from business operations and economic factors, including fluctuations in interest rates and foreign currencies. The Company uses derivative instruments to manage the volatility related to these exposures.

The notional amount and fair value of derivative instruments were as follows:

	September 30, 2024		December 31, 2023		
(In millions)	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**	**Balance Sheet Location**
Derivatives designated as net investment hedges:					
Cross-currency swap agreements	$ —	$ —	$ 487	$ 3	Other long-term assets
Cross-currency swap agreements (1)	150	7	165	7	Other current liabilities
Cross-currency swap agreements (2)(3)	1,800	65	883	49	Other long-term liabilities
Foreign currency forward contracts (4)	111	—	—	—	Other current liabilities
Derivatives designated as cash flow hedge:					
Interest rate swaps (5)	$ —	$ —	$ 125	$ 2	Other current assets
Interest rate swaps	125	2	125	3	Other long-term assets
Interest rate swaps (6)	125	1	—	—	Other long-term liabilities
Derivatives not designated as hedges:					
Foreign currency option contracts	$ 439	$ 4	$ 397	$ 8	Other current assets
Foreign currency option contracts	68	2	—	—	Other long-term assets
Foreign currency option contracts	68	—	—	—	Other current liabilities
Foreign currency forward contracts	9	—	1	—	Other current assets
Foreign currency forward contracts	72	2	—	—	Other current liabilities

(1) In September 2024, a cross-currency swap of the Company with a notional amount of $85 million matured.
(2) In April 2024, the Company amended four cross-currency swaps with an aggregate notional amount of $315 million, scheduled to mature in 2027 and 2028. In May 2024 and in September 2024, the Company entered into cross-currency swaps with an aggregate notional amount of $300 million and $200 million, scheduled to mature in 2029 and 2025, respectively.
(3) In October 2024, the Company amended the rate of two of its cross-currency swap with a notional amount of $200 million.
(4) In September 2024, the Company entered into a foreign currency forward with a notional amount of $111 million, scheduled to mature in 2024.
(5) In June 2024, an interest rate swap of the Company with a notional amount of $125 million matured.
(6) In January 2024, the Company entered into an interest rate swap with a notional amount of $125 million, scheduled to mature in 2025.

As of September 30, 2024 and December 31, 2023, the derivatives were classified as Level 2 within the fair value hierarchy. The derivatives are valued using inputs other than quoted prices such as foreign exchange rates and yield curves.

The effect of hedges on AOCIL and in the Condensed Consolidated Statements of Operations was as follows:

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
(In millions)	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative	Gain (Loss) Reclassified from AOCIL into Net Income [(1)]	Gain (Loss) Recognized in Net Income on Derivative (Excluded from effectiveness testing) [(1)]	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative	Gain (Loss) Reclassified from AOCIL into Net Income [(1)]	Gain (Loss) Recognized in Net Income on Derivative (Excluded from effectiveness testing) [(1)]
Derivatives designated as net investment hedges						
Cross-currency swap agreements	$ (71)	$ (2)	$ 1	$ (24)	$ —	$ 2
Derivatives designated as cash flow hedges						
Interest rate swaps	$ (5)	$ —	$ —	$ (4)	$ —	$ —

(1) Amounts reclassified to Net income are reported within Interest expense, net in the Condensed Consolidated Statements of Operations.

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
(In millions)	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative	Gain (Loss) Reclassified from AOCIL into Net Income [(1)]	Gain (Loss) Recognized in Net Income on Derivative (Excluded from effectiveness testing) [(1)]	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative	Gain (Loss) Reclassified from AOCIL into Net Income [(1)]	Gain (Loss) Recognized in Net Income on Derivative (Excluded from effectiveness testing) [(1)]
Derivatives designated as net investment hedges						
Cross-currency swap agreements	$ 36	$ (3)	$ 1	$ 2	$ (3)	$ 2
Derivatives designated as cash flow hedges						
Interest rate swaps	$ 1	$ —	$ —	$ 2	$ —	$ —

(1) Amounts reclassified to Net income are reported within Interest expense, net in the Condensed Consolidated Statements of Operations.

Derivatives Not Designated as Hedges

Gains and losses recognized in Other income, net in the Condensed Consolidated Statements of Operations for foreign currency options and forward contracts were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2024	2023	2024	2023
Realized loss	$ (4)	$ (3)	$ (6)	$ (9)
Unrealized gain (loss)	(8)	8	(4)	12
Foreign currency gain (loss)	$ (12)	$ 5	$ (10)	$ 3

8. Earnings per Share

The computations of basic and diluted earnings per share were as follows:

(Dollars in millions, shares in thousands, except per share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net income attributable to common shares	$ 33	$ 66	$ 34	$ 156
Basic weighted-average common shares	119,461	118,941	119,387	118,883
Diluted weighted-average common shares	119,793	119,645	119,718	119,430
Basic earnings per share	$ 0.28	$ 0.55	$ 0.28	$ 1.31
Diluted earnings per share	$ 0.28	$ 0.55	$ 0.28	$ 1.31
Antidilutive shares excluded from diluted weighted-average common shares	1,138	1,306	1,095	1,576

9. Stockholders' Equity

The following tables summarize the changes in AOCIL by component:

	Foreign Currency Adjustment					
(In millions)	Foreign Currency Translation Adjustments	Net Investment Hedges	Cash Flow Hedges	Defined Benefit Plans	Less: AOCIL attributable to NCI	AOCIL attributable to GXO
As of June 30, 2024	$ (145)	$ (13)	$ 6	$ (111)	$ —	$ (263)
Other comprehensive income (loss) before reclassifications	227	(71)	(5)	(7)	(1)	143
Amounts reclassified to net income	—	1	—	—	—	1
Tax amounts	—	16	1	1	—	18
Other comprehensive income (loss), net of tax	227	(54)	(4)	(6)	(1)	162
As of September 30, 2024	$ 82	$ (67)	$ 2	$ (117)	$ (1)	$ (101)

	Foreign Currency Adjustment					
(In millions)	Foreign Currency Translation Adjustments	Net Investment Hedges	Cash Flow Hedges	Defined Benefit Plans	Less: AOCIL attributable to NCI	AOCIL attributable to GXO
As of December 31, 2023	$ (83)	$ (47)	$ 5	$ (113)	$ (1)	$ (239)
Other comprehensive income (loss) before reclassifications	164	(24)	(4)	(7)	—	129
Amounts reclassified to net income (loss)	—	(2)	—	2	—	—
Tax amounts	1	6	1	1	—	9
Other comprehensive income (loss), net of tax	165	(20)	(3)	(4)	—	138
As of September 30, 2024	$ 82	$ (67)	$ 2	$ (117)	$ (1)	$ (101)

(In millions)	Foreign Currency Adjustment: Foreign Currency Translation Adjustments	Foreign Currency Adjustment: Net Investment Hedges	Cash Flow Hedges	Defined Benefit Plans	Less: AOCIL attributable to NCI	AOCIL attributable to GXO
As of June 30, 2023	$ (99)	$ (20)	$ 8	$ (111)	$ (1)	$ (223)
Other comprehensive income (loss) before reclassifications	(98)	36	1	—	2	(59)
Amounts reclassified to net income	—	2	—	1	—	3
Tax amounts	—	(9)	(1)	—	—	(10)
Other comprehensive income (loss), net of tax	(98)	29	—	1	2	(66)
As of September 30, 2023	$ (197)	$ 9	$ 8	$ (110)	$ 1	$ (289)

(In millions)	Foreign Currency Adjustment: Foreign Currency Translation Adjustments	Foreign Currency Adjustment: Net Investment Hedges	Cash Flow Hedges	Defined Benefit Plans	Less: AOCIL attributable to NCI	AOCIL attributable to GXO
As of December 31, 2022	$ (156)	$ 7	$ 7	$ (112)	$ —	$ (254)
Other comprehensive income (loss) before reclassifications	(42)	2	2	—	1	(37)
Amounts reclassified to net income	—	1	—	2	—	3
Tax amounts	1	(1)	(1)	—	—	(1)
Other comprehensive income (loss), net of tax	(41)	2	1	2	1	(35)
As of September 30, 2023	$ (197)	$ 9	$ 8	$ (110)	$ 1	$ (289)

10. Employee Benefit Plans

Defined Benefit Plans

The Company sponsors a defined benefit pension scheme in the U.K. (the "GXO U.K. Retirement Plan"). In connection with the Wincanton Acquisition, the Company assumed multiple pension schemes covering certain employees in the U.K. and Ireland (the "Wincanton Retirement Plan"). The Company recognized £109 million ($137 million) of assets on the acquisition date, reflecting the funded status of the Wincanton Retirement Plan which is recorded in Other long-term assets in the Condensed Consolidated Balance Sheets.

The GXO U.K. Retirement Plan and the Wincanton Retirement Plan (collectively the "U.K. Retirement Plans") do not allow for new plan participants or additional benefit accruals.

The Company deems other international retirement plans to be immaterial to its Condensed Consolidated Financial Statements and they are excluded from this disclosure.

Components of the net periodic benefit income recognized under the U.K. Retirement Plans were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2024**	**2023**	**2024**	**2023**
Interest cost	$ (22)	$ (11)	$ (48)	$ (30)
Expected return on plan assets	29	14	65	38
Amortization of prior service cost	1	—	1	—
Amortization of net loss	(1)	(1)	(3)	(2)
Net periodic pension income (1)	$ 7	$ 2	$ 15	$ 6

(1) Net periodic pension income is recorded in Other income, net in the Condensed Consolidated Statements of Operations.

Defined Contribution Plans

The Company has defined contribution retirement plans for its U.S. employees and employees of certain foreign subsidiaries. Defined contribution costs were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2024**	**2023**	**2024**	**2023**
Defined contribution costs (1)	$ 27	$ 15	$ 65	$ 47

(1) Defined contribution costs were primarily recorded in Direct operating expense in the Condensed Consolidated Statements of Operations.

11. Restructuring Costs and Other

Restructuring costs primarily related to severance, including projects to optimize the Company's finance, human resources and information technology functions, and closing certain corporate and administrative offices, which were not associated with customer attrition.

The following table summarizes changes in the restructuring liability, which is included in other current liabilities in the Condensed Consolidated Balance Sheets:

(In millions)	
Balance as of December 31, 2023	$ 7
Charges incurred	26
Payments	(17)
Balance as of September 30, 2024	$ 16

The restructuring liability as of September 30, 2024 is expected to be substantially paid within the next 12 months.

12. Income Taxes

Income tax expense for the three months ended September 30, 2024 and 2023, was $7 million and $15 million, respectively, and the Company's effective tax rate for the three months ended September 30, 2024 and 2023, was 16.5% and 17.9%, respectively. The decrease in our effective tax rate for the three months ended September 30, 2024 compared with 2023 was primarily driven by fluctuations in our jurisdictional income profile.

Income tax expense for the nine months ended September 30, 2024 and 2023, was $11 million and $38 million, respectively, and the Company's effective tax rate for the nine months ended September 30, 2024 and 2023, was 21.9% and 19.1%, respectively. The increase in the Company's effective tax rate for the nine months ended September 30, 2024 is due to a tax benefit related to a valuation allowance release in the prior year period.

The Organization for Economic Co-operation and Development ("OECD") issued administrative guidance for the Pillar Two Global Anti-Base Erosion rules ("Pillar Two"), which imposes a 15% global minimum tax on multinational companies. Many Pillar Two rules are effective for fiscal years beginning on January 1, 2024, with other aspects to be effective from 2025. The Company does not expect the Pillar Two rules to materially impact its tax liability in 2024.

13. Commitments and Contingencies

The Company is involved, and will continue to be involved, in numerous legal proceedings arising from the conduct of its business. These proceedings may include personal injury claims arising from the transportation and handling of goods, contractual disputes and employment-related claims, including alleged violations of wage and hour laws.

The Company establishes accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company reviews and adjusts accruals for loss contingencies quarterly and as additional information becomes available. If a loss is not both probable and reasonably estimable, or if an exposure to a loss exists in excess of the amount accrued, the Company assesses whether there is at least a reasonable possibility that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, the Company discloses the estimate of the possible loss or range of loss if it is material and an estimate can be made, or discloses that such an estimate cannot be made. The determination as to whether a loss can reasonably be considered to be possible or probable is based on management's assessment, together with legal counsel, regarding the ultimate outcome of the matter.

Management of the Company believes that it has adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. Management of the Company does not believe that the ultimate resolution of any matters to which the Company is presently a party will have a material adverse effect on its results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on the Company's financial condition, results of operations or cash flows. Legal costs related to these matters are expensed as they are incurred.

The Company carries liability and excess umbrella insurance policies that are deemed sufficient to cover potential legal claims arising in the normal course of conducting its operations. In the event the Company is required to satisfy a legal claim outside the scope of the coverage provided by insurance, its financial condition, results of operations or cash flows could be negatively impacted.

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 (the "Court"), was dismissed with prejudice with each side to bear their own costs and fees, and the Court retained jurisdiction to enforce the terms of the 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 $59 million expense for the nine months ended September 30, 2024, for the settlement, associated legal fees, costs and other related expenses.

On July 2, 2024, the Italian authorities launched an investigation into the deductibility of value-added tax payments by GXO to certain third-party cooperative labor providers for their services provided from 2017 through 2023. The alleged amount is €84 million ($93 million as of September 30, 2024). It is reasonably possible that a loss may be incurred; however, the possible range of losses is not reasonably estimable given the status of the on-going investigation. We are cooperating in this matter and believe that we have a number of credible defenses. In August, 2024 the Company deposited €17 million ($19 million as of September 30, 2024) into a bank account in connection with the investigation. This amount is classified as restricted cash in Other long-term assets on the Condensed

Consolidated Balance Sheets. In October and November 2024, the Company deposited an additional €34 million ($38 million as of September 30, 2024) of restricted cash. The Company has agreed to deposit an additional €33 million ($37 million as of September 30, 2024) of restricted cash in December 2024 and January 2025.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other written reports and oral statements we make from time to time contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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 the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it 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 those discussed below and the risks discussed in the Company’s other filings with the Securities and Exchange Commission (the “SEC”). All forward-looking statements set forth in this Quarterly Report on Form 10-Q are qualified by these cautionary statements, and there can be no assurance that the results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the SEC on February 15, 2024 (the “2023 Form 10-K”), and the unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Business Overview

GXO Logistics, Inc., together with its subsidiaries (“GXO,” the “Company,” “our” or “we”), is the largest pure-play contract logistics provider in the world and a foremost innovator in the industry. We provide our customers with high-value-added warehousing and distribution, order fulfillment, e-commerce, reverse logistics and other supply chain services differentiated by our ability to deliver technology-enabled, customized solutions at scale. Our customers rely on us to move their goods with high efficiency through their supply chains — from the moment goods arrive at our warehouses through fulfillment and distribution, and the management of returned products. Our customer base includes many blue-chip leaders in sectors that demonstrate high growth and/or durable demand, with significant growth potential through customer outsourcing of logistics services.

Our business model is asset-light and historically resilient in cycles, with high returns, strong free cash flow and visibility into revenue and earnings. The vast majority of our contracts with customers are long-term in nature, and our warehouse lease arrangements generally align with contract length. The Company has both fixed-price contracts (closed book or hybrid contracts) and cost-plus contracts (open book contracts). Most of our customer contracts contain both fixed and variable components. The fixed component is typically designed to cover warehouse, technology and equipment costs, while the variable component is determined based on expected volumes and associated labor costs. Under fixed-price contracts, the Company agrees to perform the specified work for a pre-determined price. To the extent the Company’s actual costs vary from the estimates upon which the price was negotiated, the Company will generate more or less profit. Cost-plus contracts provide for the payment of allowable costs incurred during the performance of the contract plus a specified margin.

On April 29, 2024, the Company completed the acquisition of Wincanton plc ("Wincanton"), a U.K. logistics provider specializing in both warehousing and transportation solutions ("the Wincanton Acquisition"). On October 23, 2023, the Company completed the acquisition of PFSweb, Inc. ("PFS"), an e-commerce order fulfillment company based in Irving, Texas (the "PFS Acquisition"). For additional information regarding our acquisitions see Note 4. Acquisitions.

Results of Operations

Three Months Ended September 30, 2024 compared with the Three Months Ended September 30, 2023

	Three Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Revenue	$ 3,157	$ 2,471	$ 686	28 %
Direct operating expense	2,671	2,012	659	33 %
Selling, general and administrative expense	265	258	7	3 %
Depreciation and amortization expense	111	101	10	10 %
Transaction and integration costs	21	3	18	n/m
Restructuring costs and other	9	7	2	29 %
Litigation expense	(1)	—	(1)	— %
Operating income	81	90	(9)	(10)%
Other income (expense), net	(6)	7	(13)	n/m
Interest expense, net	(33)	(14)	(19)	n/m
Income before income taxes	42	83	(41)	(49)%
Income tax expense	(7)	(15)	8	(53)%
Net income	$ 35	$ 68	$ (33)	(49)%

n/m - not meaningful

Revenue for the three months ended September 30, 2024 increased by 28%, or $686 million, to $3.2 billion compared with $2.5 billion for the same period in 2023. The increase primarily reflects $591 million from the acquisitions of Wincanton and PFS. Revenue also increased due to growth in our Continental Europe business. Foreign currency movement increased revenue $35 million for the three months ended September 30, 2024.

Direct operating expense is comprised of both fixed and variable expenses and consists of operating costs related to our warehouses, including personnel costs, rent expenses, utility costs, equipment maintenance and repair costs, transportation costs, costs of materials and supplies, and information technology expenses. Direct operating expense for the three months ended September 30, 2024 increased by 33%, or $659 million, to $2.7 billion compared with $2.0 billion for the same period in 2023. The acquisitions of Wincanton and PFS increased Direct operating expense by $523 million for the three months ended September 30, 2024. Direct operating expense also increased due to foreign currency movement in our U.K. and Ireland and Continental Europe businesses. As a percentage of revenue, Direct operating expense for the three months ended September 30, 2024, was 84.6% compared with 81.4% for the same period in 2023. The increase in Direct operating expense as a percentage of revenue was primarily related to the Wincanton Acquisition and higher personnel and temporary labor expenses associated with our new contract start-ups.

Selling, general and administrative expense ("SG&A") primarily consists of salary and benefits costs for executive and administrative functions, professional fees, bad debt expense and legal costs. SG&A for the three months ended September 30, 2024 increased by $7 million, to $265 million compared with $258 million for the same period in 2023. SG&A primarily increased due to the acquisitions of Wincanton and PFS, partially offset by higher bad debt expense in the prior year.

Depreciation and amortization expense for the three months ended September 30, 2024 increased by $10 million, to $111 million compared with $101 million for the same period in 2023. Amortization expense was $36 million and $18 million for the three months ended September 30, 2024 and 2023, respectively. Depreciation and amortization expense primarily increased due to the acquisitions of Wincanton and PFS, partially offset by accelerated depreciation expense in the prior period.

Transaction and integration costs for the three months ended September 30, 2024 were $21 million and primarily related to the Wincanton Acquisition. Transaction and integration costs for the three months ended September 30, 2023 were $3 million and primarily related to the PFS Acquisition.

Restructuring costs and other are primarily related to severance, including projects to optimize finance, human resources and information technology functions, and are not associated with customer attrition. Restructuring costs and other for the three months ended September 30, 2024 were $9 million compared with $7 million for the same period in 2023.

Litigation expense for the three months ended September 30, 2024 related to the reversal of legal expenses associated with a settlement agreement dated June 14, 2024. For additional information regarding this settlement see Note 13. Commitments and Contingencies.

Other income (expense), net decreased primarily due to foreign currency loss. Other income, net was as follows:

	Three Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Net periodic pension income	$ 7	$ 2	$ 5	n/m
Foreign currency gain (loss):				
Realized foreign currency option and forward contracts loss	(4)	(3)	(1)	33 %
Unrealized foreign currency option and forward contracts gain (loss)	(8)	8	(16)	n/m
Foreign currency transaction and remeasurement gain	1	—	1	— %
Total foreign currency gain (loss)	(11)	5	(16)	n/m
Other loss	(2)	—	(2)	— %
Other income (expense), net	$ (6)	$ 7	$ (13)	n/m

n/m - not meaningful

Interest expense, net increased primarily due to debt incurred for the Wincanton Acquisition. Interest expense, net was as follows:

	Three Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Debt and capital leases	$ 45	$ 25	$ 20	80 %
Cross-currency swaps	(10)	(9)	(1)	11 %
Interest income	(2)	(2)	—	— %
Interest expense, net	$ 33	$ 14	$ 19	n/m

n/m - not meaningful

Income before income taxes for the three months ended September 30, 2024 was $42 million compared with $83 million for the same period in 2023. The decrease was primarily due to higher transaction and integration costs and interest expense.

Income tax expense for the three months ended September 30, 2024 was $7 million compared with $15 million for the same period in 2023. Our effective tax rate for the three months ended September 30, 2024 was 16.5%, compared with 17.9% for the same period in 2023. The decrease in our effective tax rate was primarily driven by fluctuations in our jurisdictional income profile.

Nine Months Ended September 30, 2024 compared with the Nine Months Ended September 30, 2023

	Nine Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Revenue	$ 8,459	$ 7,188	$ 1,271	18 %
Direct operating expense	7,116	5,875	1,241	21 %
Selling, general and administrative expense	784	761	23	3 %
Depreciation and amortization expense	302	268	34	13 %
Transaction and integration costs	55	22	33	n/m
Restructuring costs and other	26	31	(5)	(16)%
Litigation expense	59	—	59	— %
Operating income	117	231	(114)	(49)%
Other income, net	1	8	(7)	(88)%
Interest expense, net	(69)	(41)	(28)	68 %
Income before income taxes	49	198	(149)	(75)%
Income tax expense	(11)	(38)	27	(71)%
Net income	$ 38	$ 160	$ (122)	(76)%

n/m - not meaningful

Revenue for the nine months ended September 30, 2024 increased by 18%, or $1.3 billion, to $8.5 billion compared with $7.2 billion for the same period in 2023. The increase primarily reflects an increase of $1.1 billion from the acquisitions of Wincanton and PFS. Revenue also increased due to growth in our U.K. and Ireland and Continental Europe businesses. Foreign currency movement increased revenue $85 million for the nine months ended September 30, 2024.

Direct operating expenses is comprised of both fixed and variable expenses and consist of operating costs related to our logistics facilities, including personnel costs, facility and equipment expenses, such as rent, utilities, equipment maintenance and repair, transportation costs, costs of materials and supplies and information technology expenses. Direct operating expense for the nine months ended September 30, 2024 increased by 21%, or $1.2 billion, to $7.1 billion compared with $5.9 billion for the same period in 2023. The acquisitions of Wincanton and PFS increased Direct operating expense by $914 million for the nine months ended September 30, 2024. Direct operating expense also increased due to foreign currency movement in our U.K. and Ireland and Continental Europe businesses. As a percentage of revenue, Direct operating expense for the nine months ended September 30, 2024, was 84.1% compared with 81.7% for the same period in 2023. The increase in Direct operating expense as a percentage of revenue was primarily related to the Wincanton Acquisition and higher personnel and temporary labor expenses associated with our new contract start-ups.

Selling, general and administrative expense ("SG&A") primarily consists of salary and benefits for executive and administrative functions, professional fees and legal costs. SG&A for the nine months ended September 30, 2024 increased by 3%, or $23 million, to $784 million compared with $761 million for the same period in 2023. SG&A increased primarily due to the acquisitions of Wincanton and PFS, partially offset by higher bad debt expense in the prior year.

Depreciation and amortization expense for the nine months ended September 30, 2024 increased by $34 million to $302 million compared with $268 million for the same period in 2023. Amortization expense was $77 million and

$54 million for the nine months ended September 30, 2024 and 2023, respectively. Depreciation and amortization expense increased primarily due to the acquisitions of Wincanton and PFS.

Transaction and integration costs for the nine months ended September 30, 2024 were $55 million compared with $22 million for the same period in 2023. Transaction and integration costs for the nine months ended September 30, 2024 primarily related to the Wincanton Acquisition. Transaction and integration costs for the nine months ended September 30, 2023 primarily related to the integration of Clipper Logistics plc.

Restructuring costs and other are primarily related to severance, including projects to optimize finance, human resources and information technology functions, and are not associated with customer attrition. Restructuring costs and other for the nine months ended September 30, 2024 were $26 million compared with $31 million for the same period in 2023. For the nine months ended September 30, 2024, Restructuring costs and other relate to a restructuring plan designed to centralize certain processes and standardize operating structures. For the nine months ended September 30, 2023, Restructuring costs and other included severance charges of $24 million and impairment charges of $7 million as a result of closing certain corporate and administrative offices and the exit of non-core businesses in Asia.

Litigation expense for the nine months ended September 30, 2024 related to a settlement agreement dated June 14, 2024. We recognized $59 million expense for the nine months ended September 30, 2024 for the settlement, associated legal fees, costs and other related expenses. For additional information regarding this settlement see Note 13. Commitments and Contingencies.

Other income, net decreased due to foreign currency loss, partially offset by higher pension income. Other income, net was as follows:

	Nine Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Net periodic pension income	$ 15	$ 6	$ 9	n/m
Foreign currency gain (loss):				
Realized foreign currency option and forward contracts loss	(6)	(9)	3	(33)%
Unrealized foreign currency option and forward contracts gain (loss)	(4)	12	(16)	n/m
Foreign currency transaction and remeasurement loss	(2)	(1)	(1)	100 %
Total foreign currency gain (loss)	(12)	2	(14)	n/m
Other loss	(2)	—	(2)	— %
Other income, net	$ 1	$ 8	$ (7)	(88)%

n/m - not meaningful

Interest expense, net increased primarily due to debt incurred for the Wincanton Acquisition, partially offset by higher gains on cross-currency swaps in the current period. Interest expense, net was as follows:

	Nine Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Debt and capital leases	$ 103	$ 72	$ 31	43 %
Cross-currency swaps	(29)	(25)	(4)	16 %
Interest income	(5)	(6)	1	(17)%
Interest expense, net	$ 69	$ 41	$ 28	68 %

Income before income taxes for the nine months ended September 30, 2024 was $49 million compared with $198 million for the same period in 2023. The decrease was primarily due to higher costs associated with Litigation expense, Transaction and integration costs and interest expense.

Income tax expense for the nine months ended September 30, 2024, was $11 million compared with $38 million for the same period in 2023. Our effective tax rate for the nine months ended September 30, 2024 was 21.9%, compared to 19.1% for the same period in 2023. The increase in the Company's effective tax rate for the nine months ended September 30, 2024 is due to a tax benefit related to a valuation allowance release in the prior year period.

Liquidity and Capital Resources

Our ability to fund our operations and anticipated capital needs is reliant upon the generation of cash from operations, supplemented as necessary by periodic utilization of our revolving credit facility and factoring programs. Our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures, repayment of borrowings and strategic business development transactions. The timing and magnitude of our new contract start-ups can vary and may positively or negatively impact our cash flows. We continually evaluate our liquidity requirements and capital structure in light of our operating needs, growth initiatives and capital resources.

As of September 30, 2024, we held cash and cash equivalents of $548 million, restricted cash in Other long-term assets of $21 million and we had $959 million of borrowing capacity, net of letters of credit under our revolving credit facilities. In October and November 2024, we deposited an additional €34 million ($38 million as of September 30, 2024) of restricted cash in connection with the investigation by the Italian authorities. We have agreed to deposit an additional €33 million ($37 million as of September 30, 2024) of restricted cash in December 2024 and January 2025. We believe that our cash and cash equivalents on hand, cash flows from operations, the revolving credit facilities, and the use of our factoring programs will provide sufficient liquidity to operate our business and fund our current and assumed obligations for at least the next 12 months.

For additional information regarding our cash requirement from lease obligations, indebtedness and contractual obligations, see Note 3. Leases, Note 6. Debt and Financing Arrangements and Note 13. Commitments and Contingencies in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Financial Condition

The following table summarizes our asset and liability balances:

(In millions, except percentages)	September 30, 2024	December 31, 2023	$ Change	% Change
Total current assets	$ 2,959	$ 2,568	$ 391	15 %
Total long-term assets	8,941	6,939	2,002	29 %
Total current liabilities	3,432	2,626	806	31 %
Total long-term liabilities	5,327	3,935	1,392	35 %

Total assets and liabilities increased from December 31, 2023 to September 30, 2024 primarily due to the Wincanton Acquisition. Total long-term liabilities also increased from December 31, 2023 to September 30, 2024 due to the issuance of $1.1 billion of unsecured notes to fund the Wincanton Acquisition.

Cash Flow Activity

Our cash flows from operating, investing and financing activities, as reflected on our Condensed Consolidated Statements of Cash Flows, are summarized as follows:

	Nine Months Ended September 30,			
(In millions, except percentages)	**2024**	**2023**	**$ Change**	**% Change**
Net cash provided by operating activities	$ 363	$ 343	$ 20	6 %
Net cash used in investing activities	(1,107)	(192)	(915)	n/m
Net cash provided by (used in) financing activities	829	(170)	999	n/m
Effect of exchange rates on cash and cash equivalents	14	(2)	16	n/m
Net increase (decrease) in cash, restricted cash and cash equivalents	$ 99	$ (21)	$ 120	n/m

n/m - not meaningful

Operating Activities

Cash flows provided by operating activities for the nine months ended September 30, 2024 increased by $20 million compared with the same period in 2023. The increase was primarily due to working capital changes, primarily driven by higher factoring of receivables and timing of payments, partially offset by lower net income.

Investing Activities

Investing activities used $1.1 billion of cash for the nine months ended September 30, 2024 and $192 million for the same period in 2023. During the nine months ended September 30, 2024, we used $863 million, net of cash received, to fund the Wincanton Acquisition, used $255 million of cash to purchase property and equipment, used $5 million of cash in settlement of cross currency swap agreements and received $16 million of cash from sales of property and equipment. During the nine months ended September 30, 2023, we used $205 million of cash to purchase property and equipment and received $13 million of cash from sales of property and equipment.

Financing Activities

Financing activities generated $829 million and used $170 million of cash for the nine months ended September 30, 2024 and September 30, 2023, respectively. The source of cash from financing activities during the nine months ended September 30, 2024 was the issuance of long-term debt of $1,085 million, partially offset by cash used to repay $216 million of debt, $32 million to repay finance lease obligations and $8 million in payments for employee taxes on net settlement of equity awards. The primary uses of cash from financing activities during the nine months ended September 30, 2023 were $139 million to repay debt, $24 million to repay finance lease obligations and $7 million in payments for employee taxes on net settlement of equity awards.

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet financial arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

During the nine months ended September 30, 2024, we issued $1.1 billion of unsecured notes to fund the Wincanton Acquisition. Other than the unsecured notes noted herein, as of September 30, 2024, the Company’s contractual obligations had not materially changed compared with December 31, 2023.

Critical Accounting Policies and Estimates

There have been no material changes to the critical accounting policies and estimates as previously disclosed in “Critical Accounting Policies” in Part II, Item 7 of our 2023 Form 10-K.

Accounting Pronouncements

Information related to new accounting standards is included in Note 1. Basis of Presentation and Significant Accounting Policies in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from, among other things, changes in interest rates and foreign exchange rates. To reduce our exposure to market risk associated with interest rates and foreign currency exchange rates risks, we enter into various derivative instruments.

Interest Rate Risk

As of September 30, 2024, our long-term debt portfolio, excluding finance leases and other debt, consisted of $1.9 billion fixed-rate notes and $585 million variable-rate term loans based on the Secured Overnight Financing Rate (“SOFR”). For our variable-rate debt, we entered into interest rate swap agreements to convert $250 million of variable-rate U.S. dollar (“USD”) denominated debt into USD-denominated fixed-rate debt. Additionally, we entered into cross-currency swap agreements to convert $250 million of variable-rate debt from SOFR to the Euro Interbank Offered Rate (“Euribor”). As of September 30, 2024, a hypothetical 1% increase in SOFR and Euribor would have increased our interest expense by approximately $3 million.

Foreign Currency Exchange Rate Risk

A significant proportion of our net assets and income are in non-USD currencies, primarily the British pound sterling (“GBP”) and the Euro (“EUR”). We are exposed to currency risk from potential changes in functional currency values of our foreign currency-denominated assets, liabilities and cash flows. Consequently, the depreciation of the EUR or the GBP relative to the USD could adversely impact our financial results.

We entered into cross-currency swap and forward agreements to manage our foreign currency exchange risk by effectively converting a portion of the fixed-rate USD-denominated debt, including the interest payments, to fixed-rate EUR-denominated debt and a portion of the floating-rate USD-denominated loans, including the interest payments, to floating-rate EUR-denominated debt. We use foreign currency options and forward contracts to mitigate the risk of a reduction in the value of earnings from our operations that use the EUR or GBP as their functional currency.

As of September 30, 2024, a uniform 10% strengthening in the value of the USD relative to the EUR would have decreased our net assets by approximately $121 million, net of hedging. As of September 30, 2024, a uniform 10% strengthening in the value of the USD relative to the GBP would have decreased our net assets by approximately $81 million, net of hedging. These theoretical calculations assume that an instantaneous, parallel shift in exchange rates occurs, which is not consistent with the history of foreign currency markets.

See Note 7. “Fair Value Measurements and Financial Instruments” to the Condensed Consolidated Financial Statements for additional information.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of September 30, 2024. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures as of September 30, 2024 were effective as of such time such that the information required to be included in our Securities and Exchange Commission (“SEC”) reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including our consolidated subsidiaries and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Other than the design and implementation of internal controls related to the acquisition of PFSweb, Inc., there have not been any changes in our internal control over financial reporting during the three months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 13. Commitments and Contingencies in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of our legal proceedings.

ITEM 1A. RISK FACTORS

There are no material changes to the risk factors as previously disclosed in “Risk Factors” contained in Part I, Item 1A of our Form 10-K for the year ended December 31, 2023, except as set forth below.

Risks Related to the Wincanton Acquisition

On February 29, 2024, the Company and the board of directors of Wincanton plc (“Wincanton”) reached an agreement on the terms of a cash offer by the Company for Wincanton. On April 10, 2024, the Wincanton shareholders approved the Wincanton Acquisition and, on April 29, 2024, the Company completed the Wincanton Acquisition. The Wincanton Acquisition was notified to the Competition and Markets Authority in the United Kingdom (the “CMA”) which initiated its formal review of the transaction on September 9, 2024. Since completion of the transaction, Wincanton has been held separate from the Company pursuant to the terms of a customary initial enforcement order imposed by the CMA while it carries out its review. On November 1, 2024, the CMA announced that it intends to refer the Wincanton Acquisition for an in-depth Phase 2 investigation unless acceptable undertakings are agreed between the Company and the CMA by November 15, 2024. The Company is reviewing the decision and will continue to engage constructively and collaboratively with the CMA. As a result, the possible timing and likelihood of the CMA’s investigation is uncertain, and the CMA may require, in connection with granting its approval of the transaction, divestitures or ongoing restrictions on the operation of the combined business, each of which could have a material impact on the anticipated strategic benefits and synergies from the combination. Any delay in the receipt of regulatory approval from the CMA for the Wincanton Acquisition will result in greater transaction costs and professional fees. The success of the Wincanton Acquisition will depend, in significant part, on our ability to successfully integrate Wincanton and its subsidiaries, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the combination. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Wincanton Acquisition within a reasonable time, our business, financial condition and operating results may be adversely affected.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024.
31.2*	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024.
32.1**	Certification of the Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024.
32.2**	Certification of the Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).
*	Filed herewith.
**	Furnished herewith.

SIGNATURES

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, thereunto duly authorized.

		GXO Logistics, Inc.
Date: November 5, 2024	By:	/s/ Malcolm Wilson
		Malcolm Wilson (Chief Executive Officer) (Principal Executive Officer)
Date: November 5, 2024	By:	/s/ Baris Oran
		Baris Oran (Chief Financial Officer) (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Malcolm Wilson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 of GXO Logistics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Malcolm Wilson

Malcolm Wilson
Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2024

Exhibit 31.2

CERTIFICATION

I, Baris Oran, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 of GXO Logistics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Baris Oran

Baris Oran
Chief Financial Officer
(Principal Financial Officer)

Date: November 5, 2024

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of GXO Logistics, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Malcolm Wilson

Malcolm Wilson
Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2024

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of GXO Logistics, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Baris Oran

Baris Oran
Chief Financial Officer
(Principal Financial Officer)

Date: November 5, 2024