



GXO Logistics Fourth Quarter and Full Year 2021 Results

February 15, 2022



Disclaimer

Non-GAAP Financial Measures

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

GXO Logistics, Inc.'s ("GXO") non-GAAP financial measures as presented in the financial tables included in appendix include: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EBITDA margin, pro forma adjusted EBITDA, adjusted pro forma earnings before interest, taxes and amortization ("adjusted pro forma EBITA"), adjusted EBITDA before rent expense ("adjusted EBITDAR"), free cash flow, adjusted net income attributable to common shareholders and adjusted earnings per share (basic and diluted) ("adjusted EPS"), organic revenue, organic revenue growth, net leverage, net debt and return on invested capital ("ROIC").

We believe that the above adjusted financial measures facilitate analysis of our ongoing business operations because they exclude items that may not be reflective of, or are unrelated to, GXO's core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. Other companies may calculate these non-GAAP financial measures differently, and therefore our measures may not be comparable to similarly titled measures used by other companies. GXO's non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Adjusted EBITDA, pro forma adjusted EBITDA, adjusted pro forma EBITA, adjusted EBITDAR, adjusted net income attributable to common shareholders and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the financial tables below. Transaction and integration adjustments are generally incremental costs that result from an actual or planned acquisition, divestiture or spin-off and may include transaction costs, consulting fees, retention awards, internal salaries and wages (to the extent the individuals are assigned full-time to integration and transformation activities) and certain costs related to integrating and separating IT systems. Restructuring costs primarily relate to severance costs associated with business optimization initiatives.

Pro forma adjusted EBITDA and adjusted pro forma EBITA include adjustments for allocated corporate expenses and public company standalone costs. Allocated corporate expenses are those expenses that were allocated to the combined financial statements on a carve-out basis in accordance with U.S. GAAP. Public company standalone costs are estimated costs of operating GXO as a public standalone company following its spin-off from XPO Logistics, Inc. effective as of August 2, 2021 and represents the midpoint of our estimated corporate costs.

We believe that free cash flow is an important measure of our ability to repay maturing debt or fund other uses of capital that we believe will enhance stockholder value. We calculate free cash flow as net cash provided by operating activities less payment for purchases of property and equipment plus proceeds from sale of property and equipment. We believe that adjusted EBITDA, adjusted EBITDA margin, pro forma adjusted EBITDA, pro forma adjusted EBITA and adjusted EBITDAR improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the attached tables, which management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses. Adjusted EBITDAR excludes rent expense from adjusted EBITDA and is useful to management and investors in evaluating GXO's performance because adjusted EBITDAR considers the performance of GXO's operations, excluding decisions made with respect to capital investment, financing and other non-recurring charges. Adjusted EBITDAR is also a measure commonly used by management, research analysts and investors to value companies in the logistics industry. Since adjusted EBITDAR excludes interest expense and rent expense, it allows management, research analysts and investors to compare the value of different companies without regard to differences in capital structures and leasing arrangements. We believe that adjusted net income attributable to GXO and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs and gains, which management has determined are not reflective of our core operating activities, including amortization of acquisition-related intangible assets. We believe that organic revenue and organic revenue growth are important measures because they exclude the impact of foreign currency exchange rate fluctuations and revenue from acquired businesses. We believe that net leverage and net debt are important measures of our overall liquidity position and are calculated by removing bank overdrafts and cash and cash equivalents from our reported total debt and reported net debt as a ratio of our last twelve-month reported adjusted EBITDA. We calculate ROIC as net operating profit after tax divided by average invested capital. We believe ROIC provides investors with an important perspective on how effectively GXO deploys capital and use this metric internally as a high-level target to assess overall performance throughout the business cycle. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating GXO's ongoing performance.

With respect to our financial targets for full-year 2022 adjusted EBITDA, adjusted EBITDAR, organic revenue growth, ROIC and free cash flow, a reconciliation of these non-GAAP measures to the corresponding GAAP measures is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from these non-GAAP target measures. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income, prepared in accordance with GAAP, that would be required to produce such a reconciliation.

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including our 2022 financial targets for organic revenue growth, adjusted EBITDA, adjusted EBITDAR, ROIC, free cash flow, depreciation and amortization expense, interest expense, tax rate and net capital expenditures; and the expected incremental revenue impact of new customer contracts in 2022. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include, but are not limited to, the risks discussed in our filings with the SEC and the following: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic, including vaccine mandates; economic conditions generally; supply chain challenges, including labor shortages; competition and pricing pressures; our ability to align our investments in capital assets, including equipment, and warehouses, to our customers' demands; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; acquisitions may be unsuccessful or result in other risks or developments that adversely affect our financial condition and results; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our ability to raise debt and equity capital; litigation; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers' facilities and efforts by labor organizations to organize our employees; risks associated with defined benefit plans for our current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to our intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; governmental or political actions, including the United Kingdom's exit from the European Union; natural disasters, terrorist attacks or similar incidents; a material disruption of GXO's operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits of the spin-off, and uncertainties regarding the spin-off, including the risk that the spin-off will not produce the desired benefits; a determination by the IRS that the distribution or certain related spin-off transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the spin-off and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the spin-off will exceed our estimates; and the impact of the spin-off on our businesses, our operations, our relationships with customers, suppliers, employees and other business counterparties, and the risk that the spin-off may be more difficult, time-consuming or costly than expected, which could result in additional demands on our resources, systems, procedures and controls, disruption of our ongoing business, and diversion of management's attention from other business concerns.

All forward-looking statements set forth in this presentation are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this presentation speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.



Presenters



Malcolm Wilson
Chief Executive Officer



Baris Oran
Chief Financial Officer



Mark Manduca
Chief Investment Officer

Fourth quarter and full year 2021 highlights

4Q21

Revenue

\$2.3 billion

Organic revenue growth**

19%

Net income*

\$56 million

Adjusted diluted EPS growth**

70%

Adjusted EBITDA**

\$167 million

FY21

Revenue

\$7.9 billion

Organic revenue growth**

15%

Net income*

\$153 million

Adjusted diluted EPS growth**

280%

Pro-forma adjusted EBITDA**

\$633 million



FY22 guidance raised

PRIOR

NEW

**Organic revenue
growth**

8% - 12%

8% - 12%

**Adjusted
EBITDA***

**\$705 - \$740
million**

**\$707 - \$742
million**

**Adjusted
EBITDAR***

**~\$1.5
billion**

**\$1.5 - \$1.6
billion**



Key highlights – a quarter of records



1

Highest-ever quarterly revenue, adjusted EBITDA* and adjusted diluted EPS*

3

New wins through 2021 expected to add **~\$830 million of incremental 2022 revenue**, equivalent to ~10% growth

5

Successfully delivered peak for our customers; **ecommerce revenue accelerated to 45% growth**

7

Free cash flow* equivalent to over 30% of adjusted EBITDA

9

Return on invested capital* surpassed 30% with EBITA* margins up more than 100 bps

2

Double-digit organic revenue* growth in every quarter of 2021, accelerating to 19% in the fourth quarter

4

Sales pipeline reached an **all-time high of \$2.5 billion alongside a burgeoning pre-pipeline**

6

Reverse logistics revenue growth accelerated to **28% year-over-year** in the fourth quarter

8

Investment grade balance sheet with net debt* to adjusted EBITDA of 1.0x

10

Management **raised guidance for 2022, capital markets day** announced to deliver long term targets



Recent wins and expansions



ASOS



La Redoute



Raytheon

ROSS



Waitrose



ZARA



New wins and increased contract scope with existing customers

~\$5 billion

in lifetime contract
value won in FY21



~\$140 million

of incremental 2022
revenue signed in the quarter

New wins through the
end of 2021 expected to add
~\$830 million
of incremental revenue in 2022



Revenue retention rate in the
mid-to-high 90s
since the spin

Massive secular tailwinds – opportunities continue to grow

Ecommerce

Ecommerce penetration¹

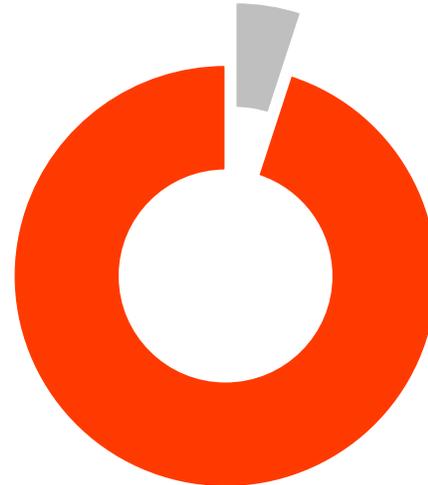
Ecommerce opportunity **80%**
Global ecommerce **20%**



Warehouse automation

Warehouse automation penetration²

Automation opportunity **95%**
Automated warehouses **5%**



Outsourcing

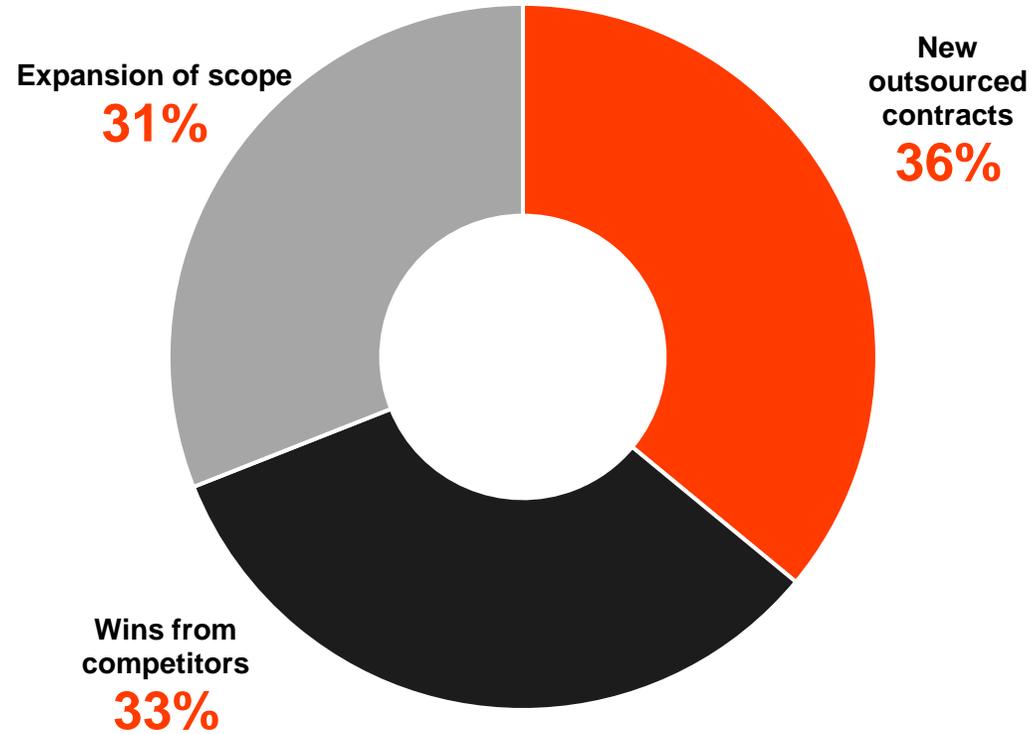
% of logistics that is outsourced³

Currently insourced **70%**
\$300 billion
Outsourced **30%**
\$130 billion



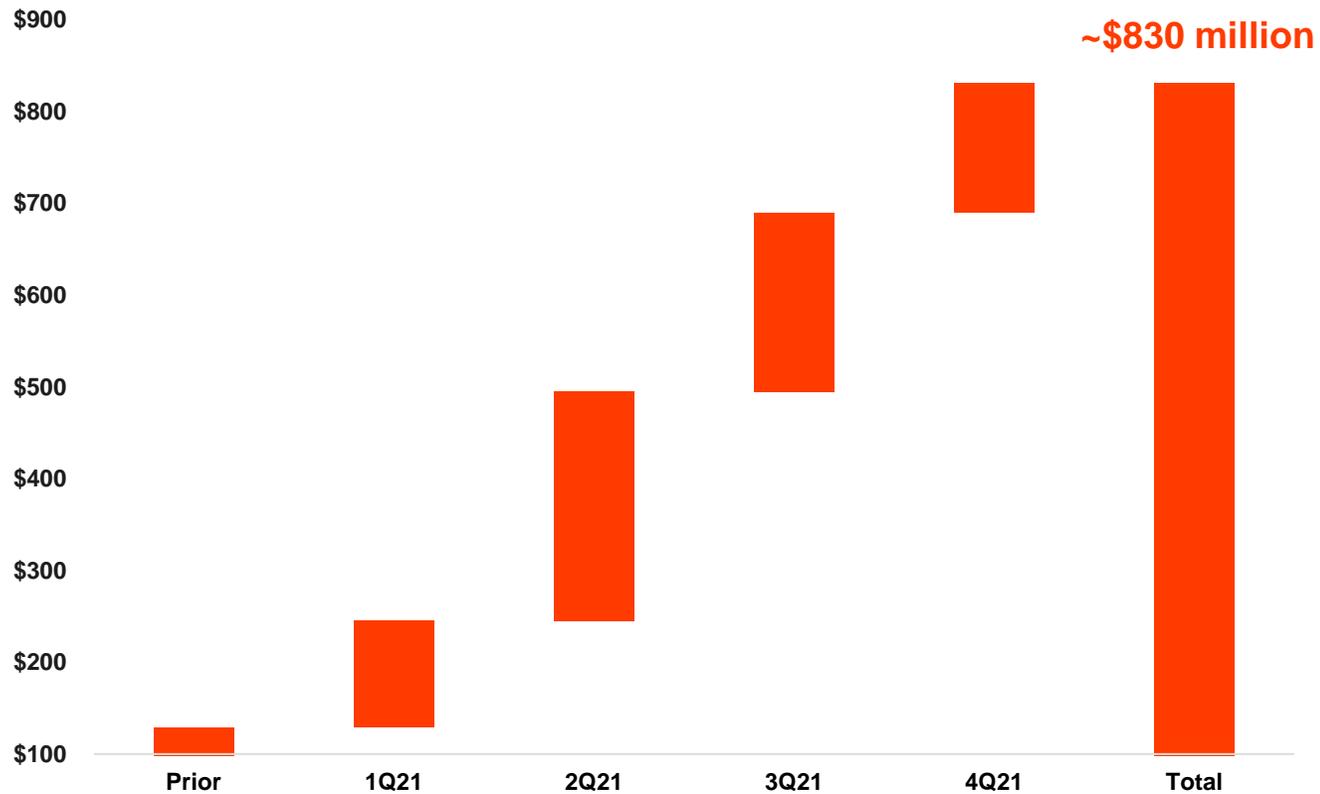
Record-breaking revenue driven by contract wins

FY21 business wins



New contract wins underpin 2022 revenue growth

Incremental 2022 revenue from contract wins

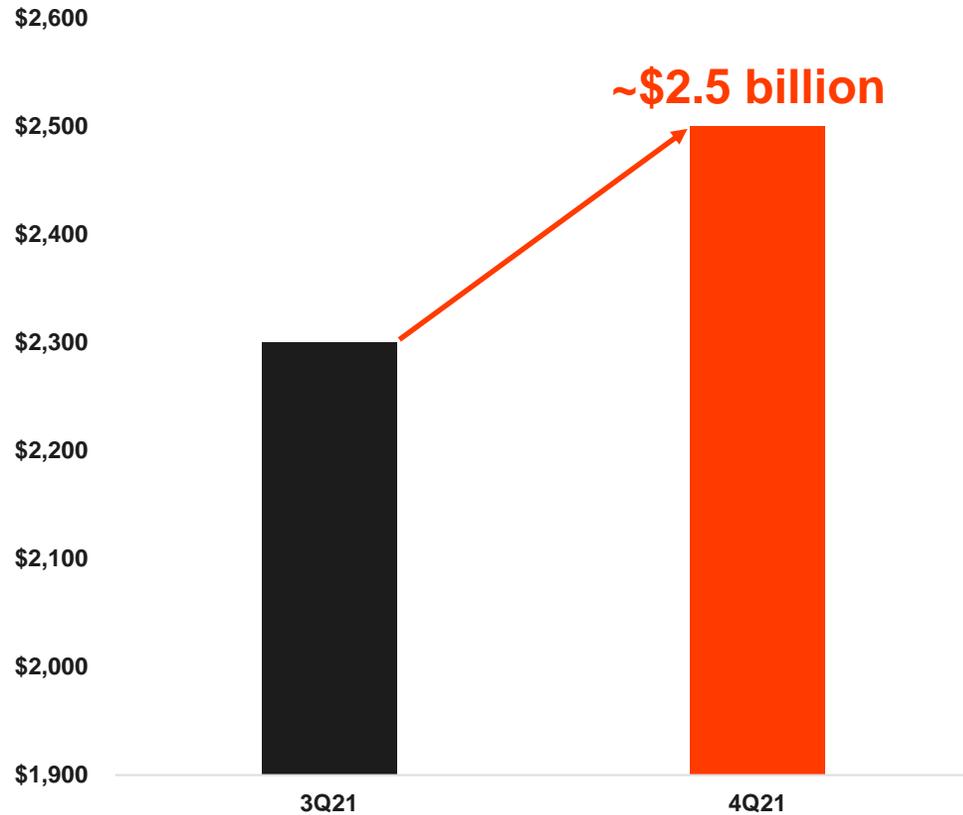


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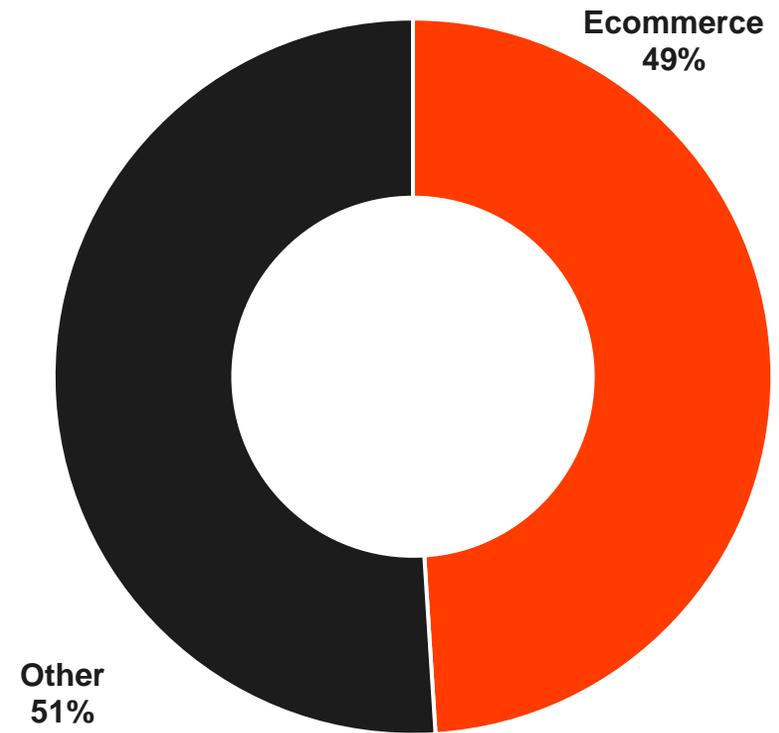


Another record sales pipeline

Pipeline growth

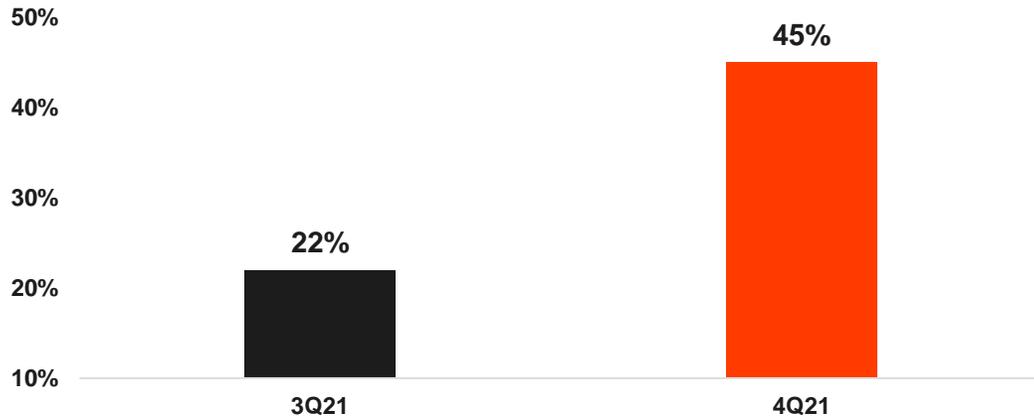


Pipeline by sales channel

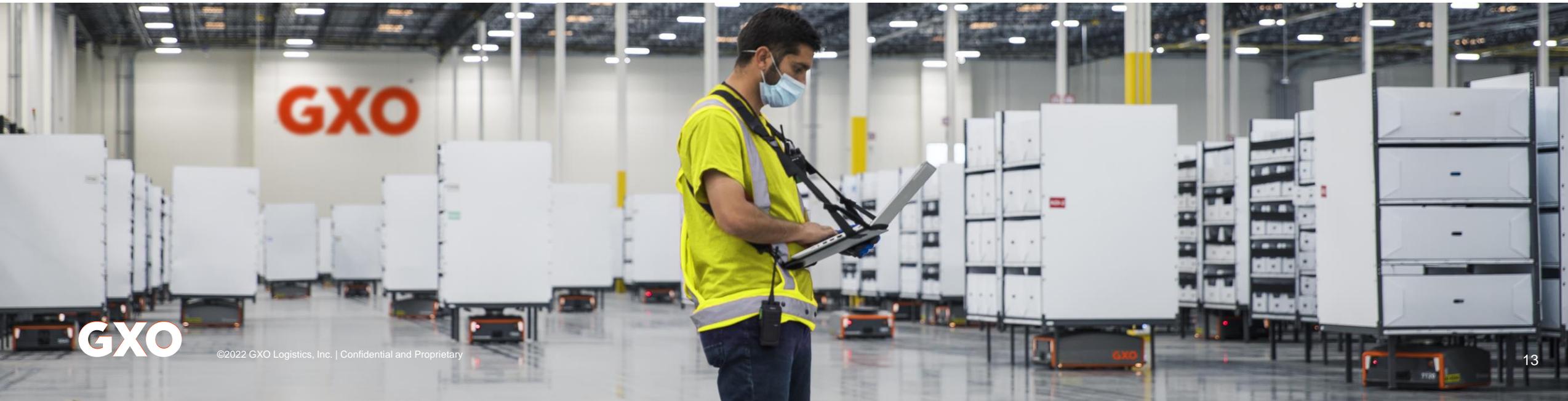
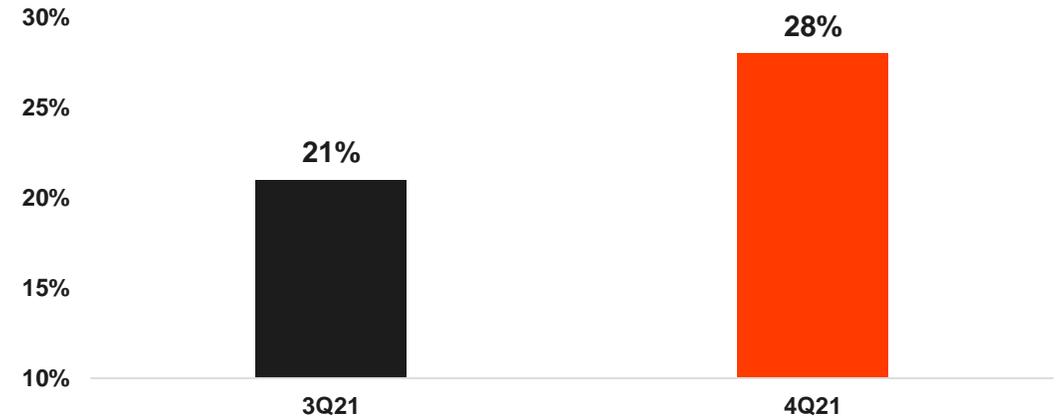


Ecommerce – accelerating growth from 3Q21

Ecommerce revenue growth



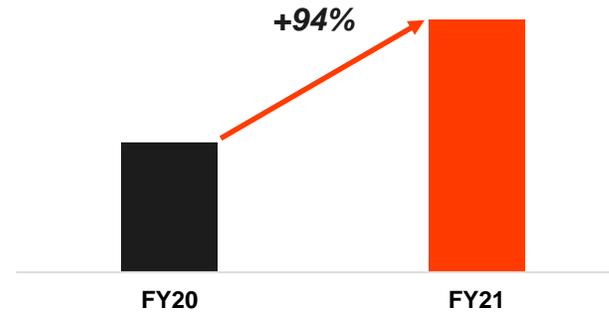
Reverse logistics revenue growth



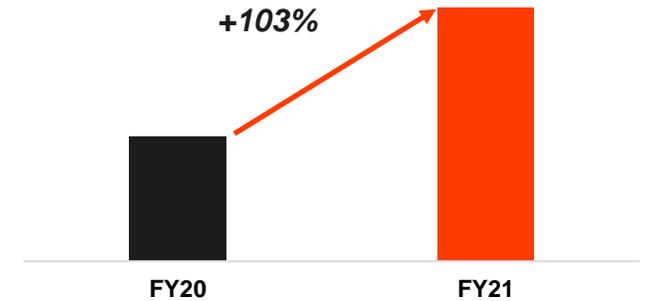
Accelerating automation and technology leadership

~30% of FY21 revenue is from automated sites
~200 new technologies tested in FY21

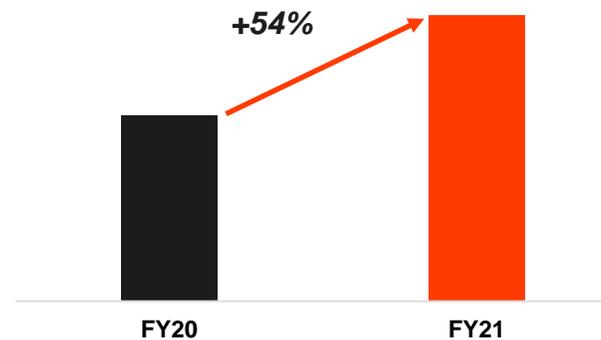
Total technology and automated systems



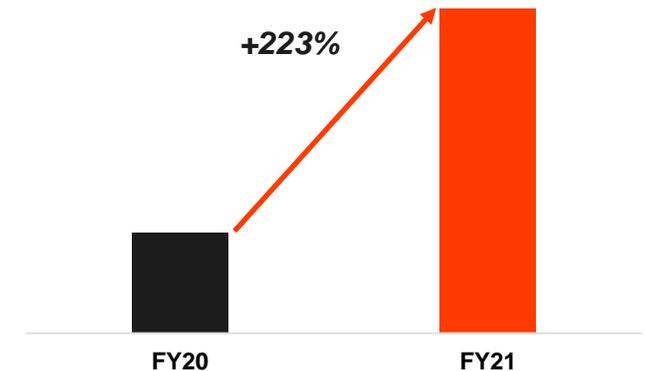
Total goods-to-person systems



Vision tech



Cobots



'AA' ESG rating – an industry leader



- On track to achieve sustainability targets
- 75% global landfill diversion rate achieved



- New Vice President of Diversity, Inclusion and Belonging
- More than 11,000 participants in the Grow at GXO talent development program



- Formed a new Global Risk Committee to enhance Enterprise Risk Management (ERM)
- Rolling out global cloud-based ERM system

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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GXO's 'AA' ESG rating issued by MSCI in 2021 is the highest among its largest industry peers

GXO's environmental targets

100%

Carbon neutral by **2040**

30%

Greenhouse gas emission reduction by **2030 vs. 2019**

80%

LED lighting by **2025**

50%

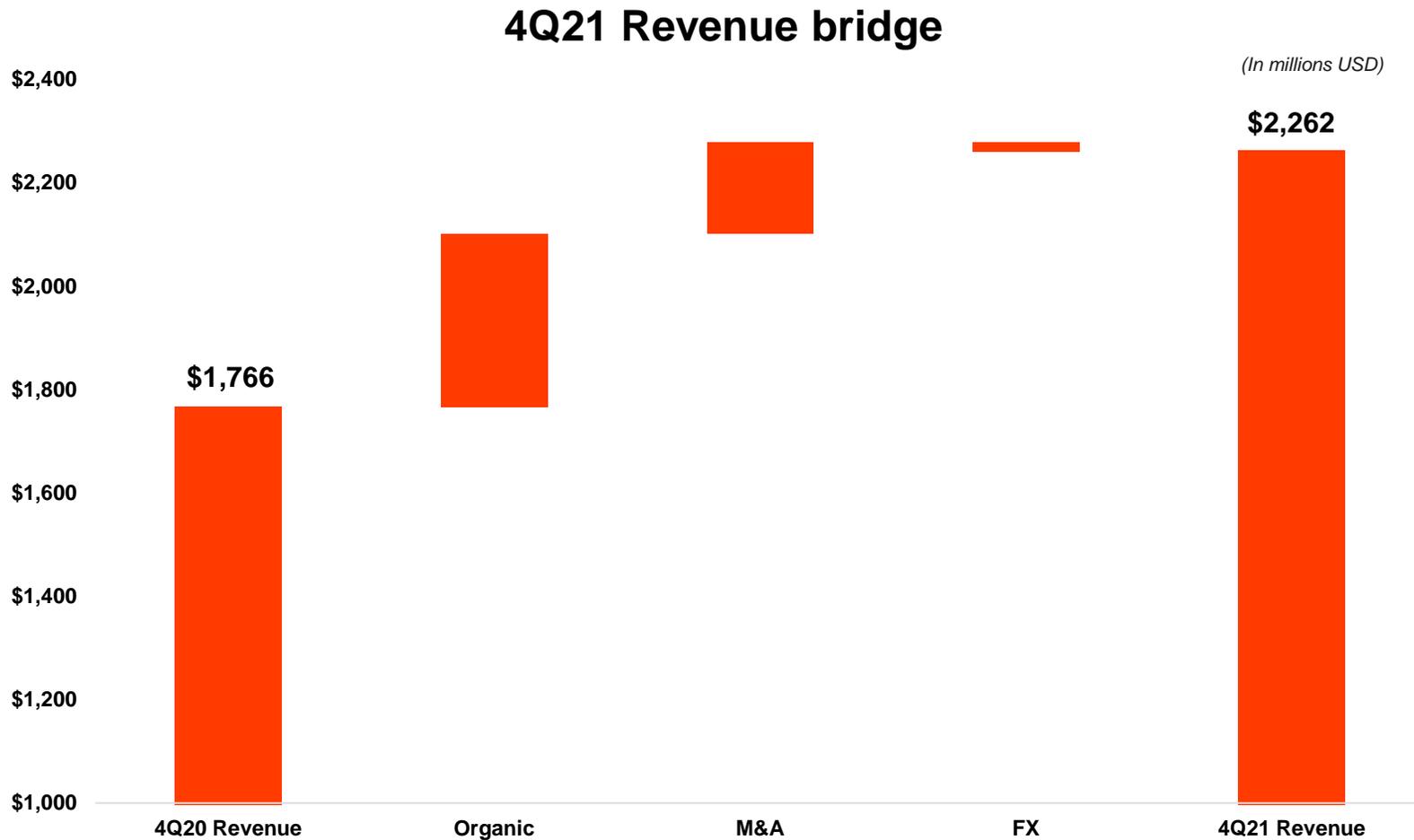
Renewable global electricity by **2030**

80%

Global landfill diversion rate by **2025**



4Q21 – remarkable revenue growth



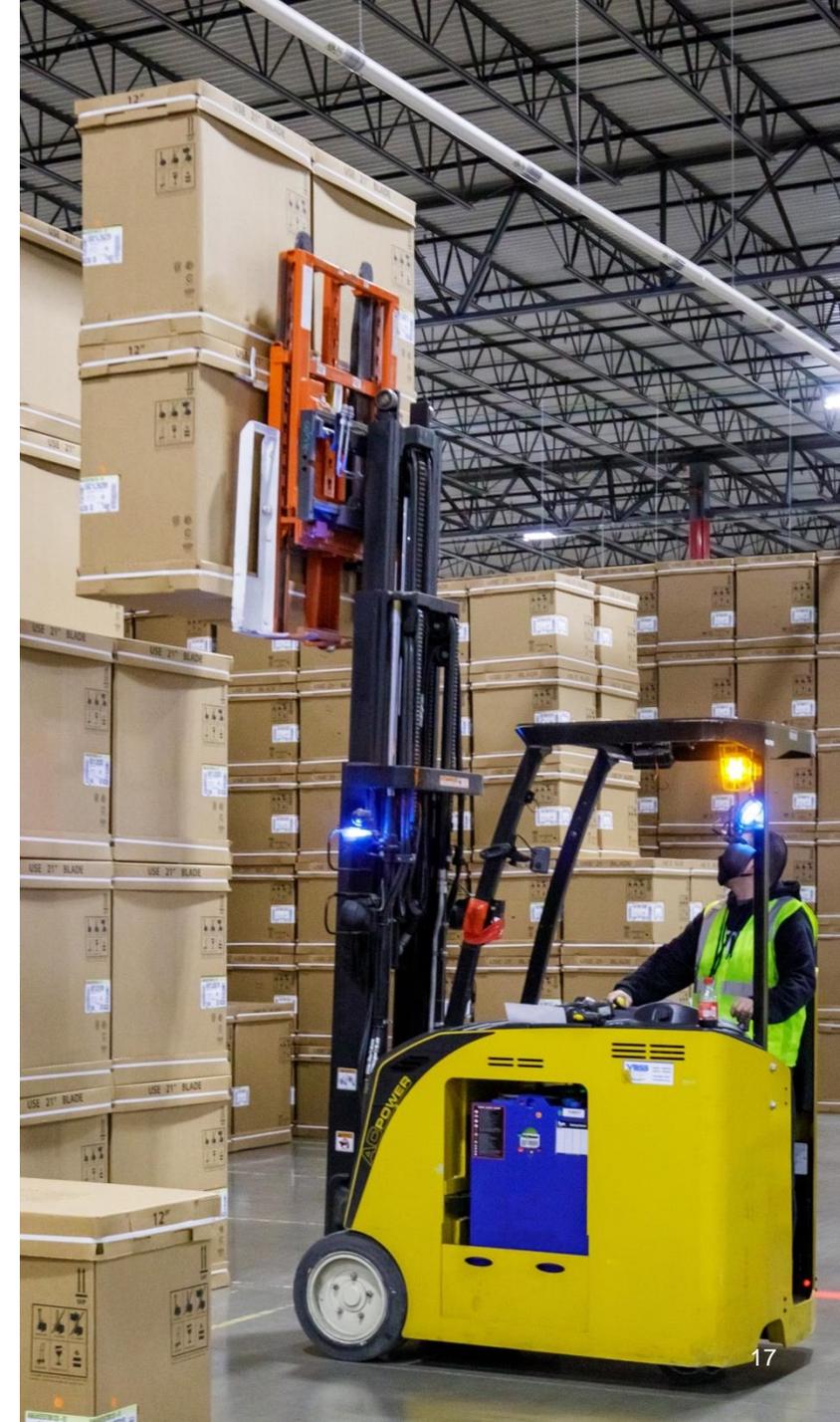
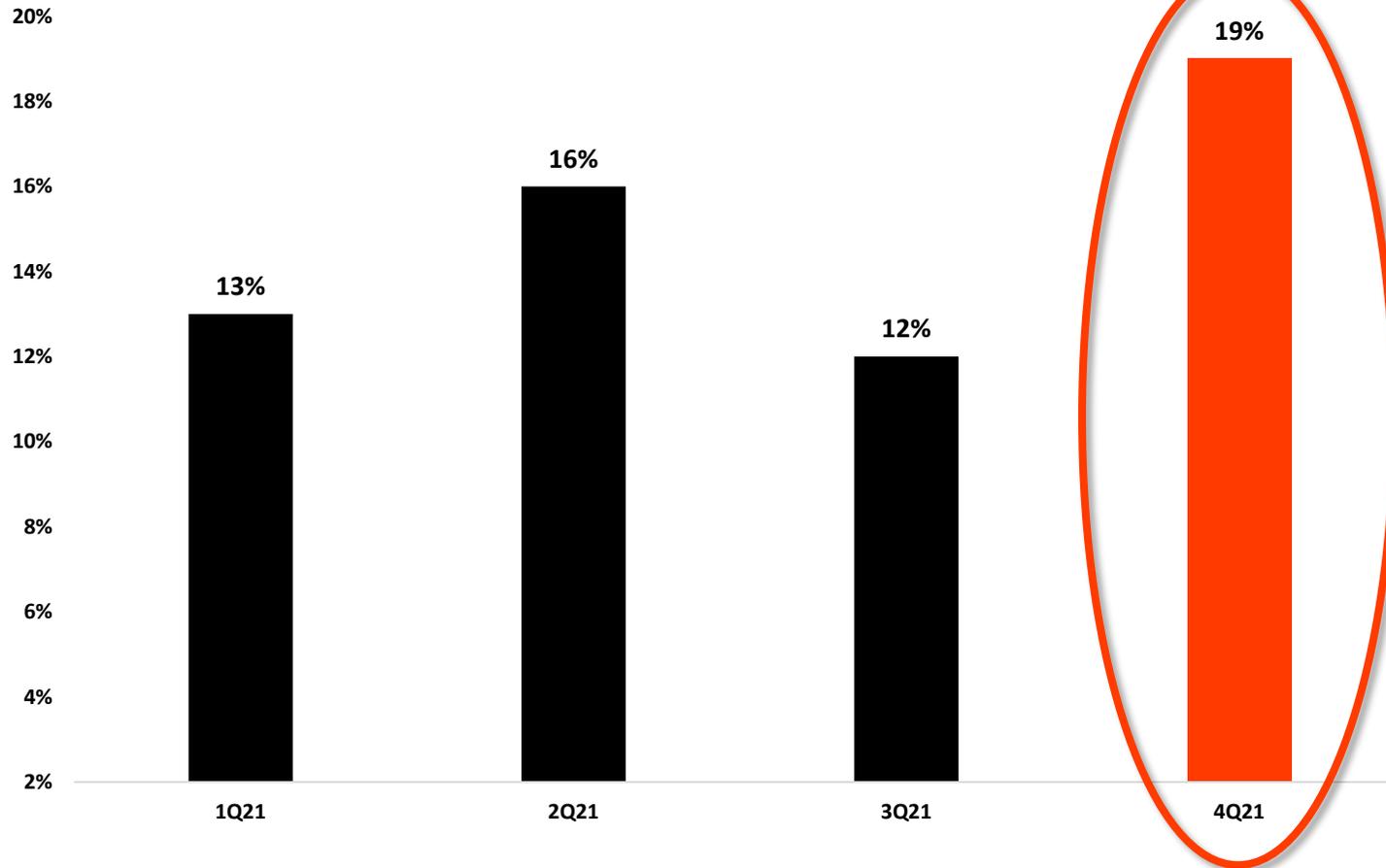
28%

Revenue growth



4Q21 – record-breaking growth

Organic growth by quarter*



FY21 – stellar revenue growth

FY21 Revenue bridge

(In millions USD)



28%

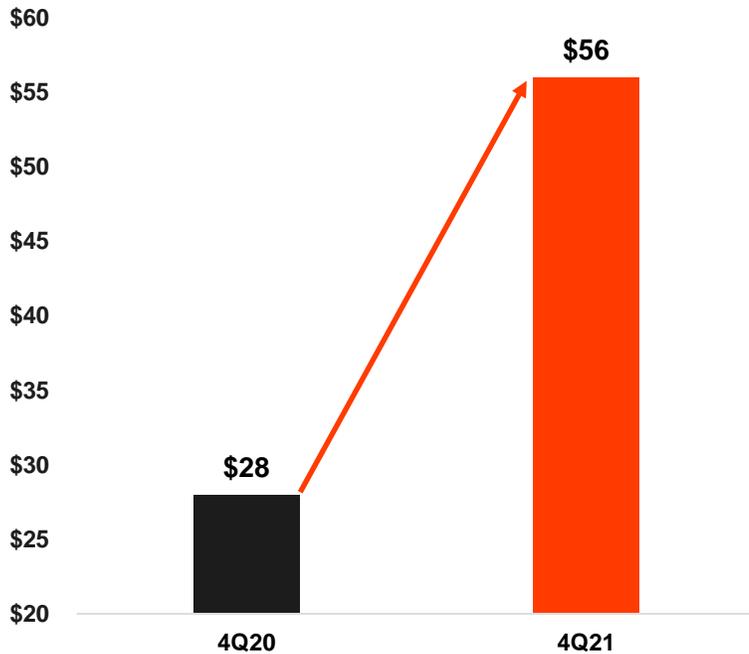
Revenue growth



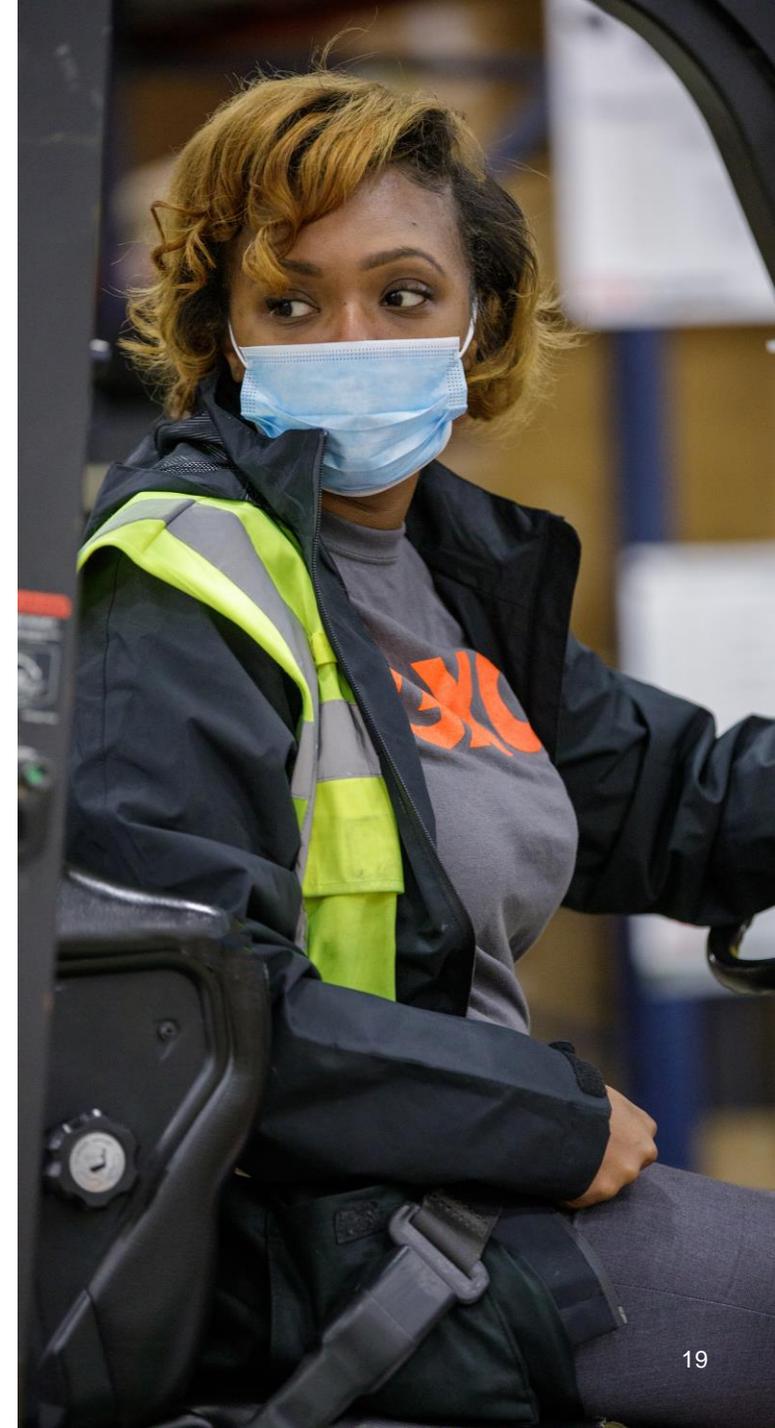
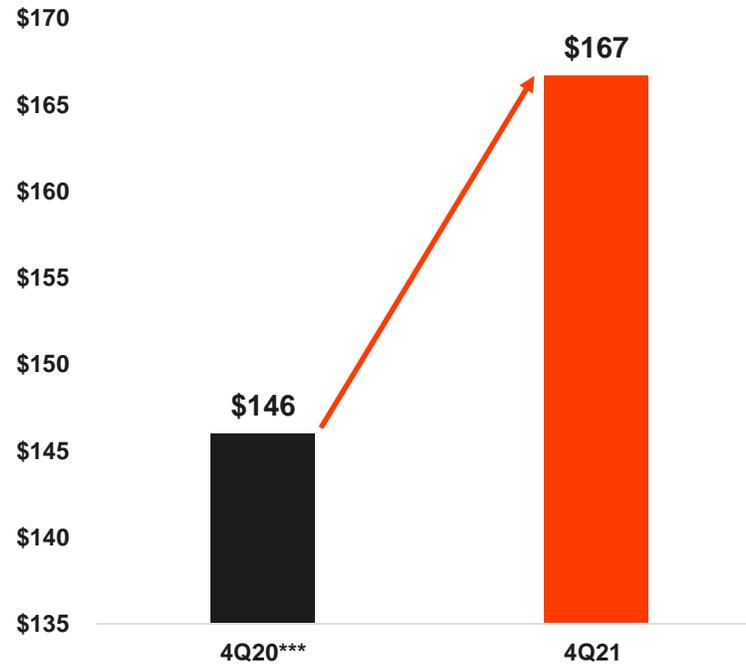
4Q21 – record net income and adjusted EBITDA

(In millions USD)

Net income*

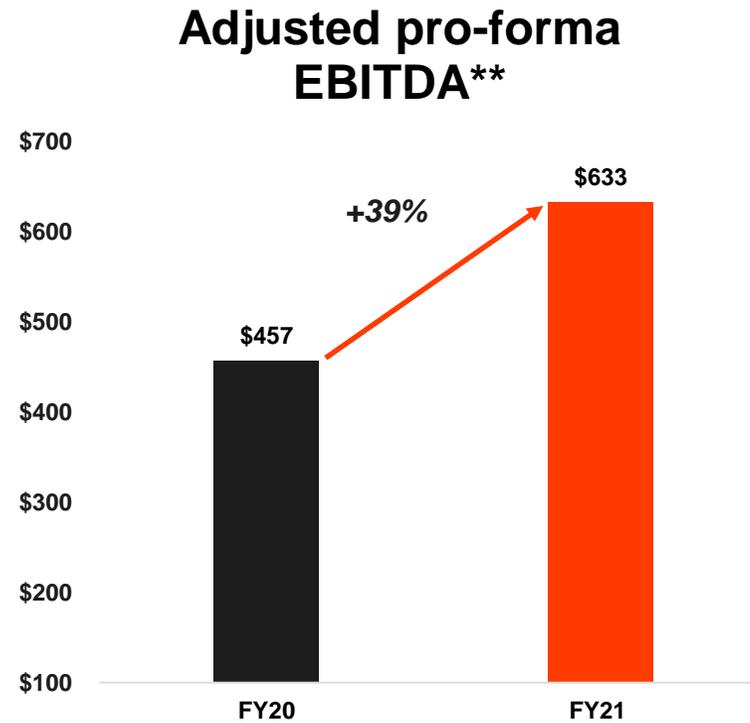
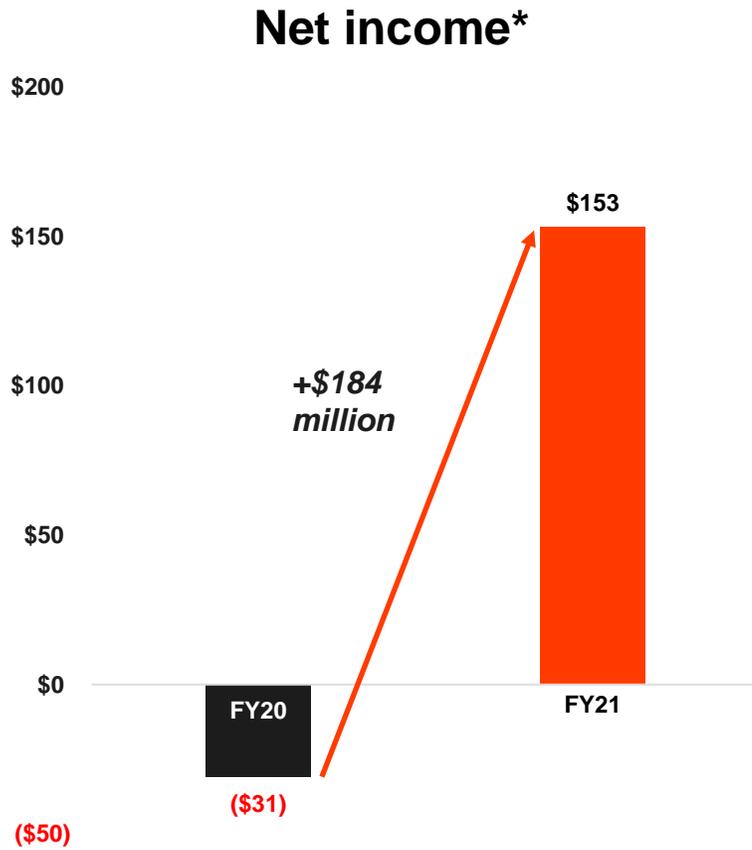


Adjusted EBITDA**



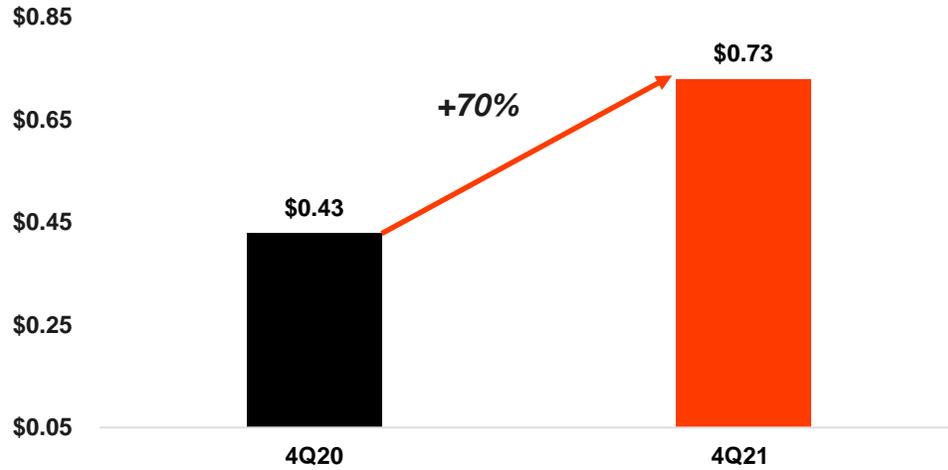
FY21 – record net income and pro-forma adjusted EBITDA

(In millions USD)

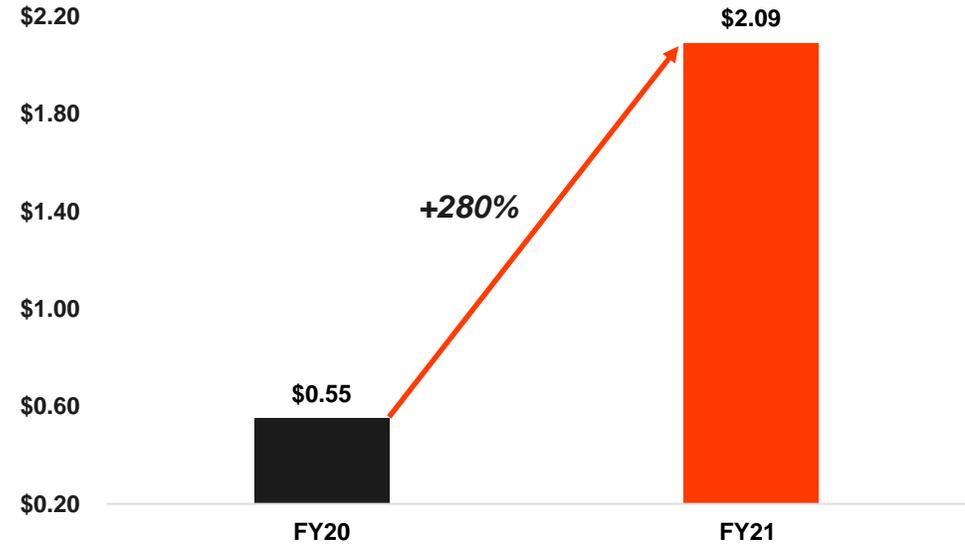


Adjusted diluted EPS

Adjusted diluted quarterly EPS*



Adjusted diluted annual EPS*



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

FY21 – robust cash flow generation

Cash flow from
operations
\$455 million



Free cash flow*
\$216 million



~50% of capex is
technology
investment



FY21 – solid balance sheet



Total debt*: **\$961 million**

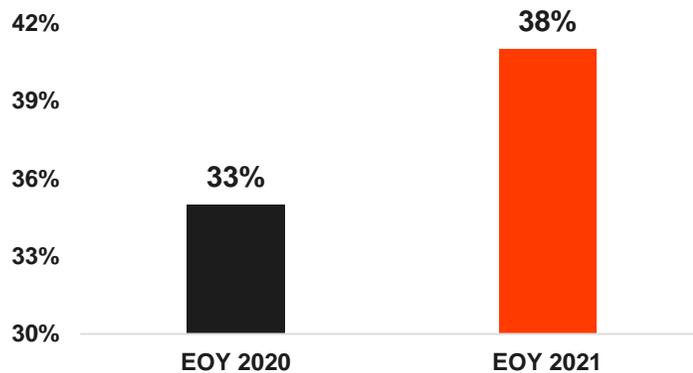
Net debt: **\$628 million****

1.0x net debt to LTM adjusted EBITDA**

Commitment to maintaining **investment grade** rating

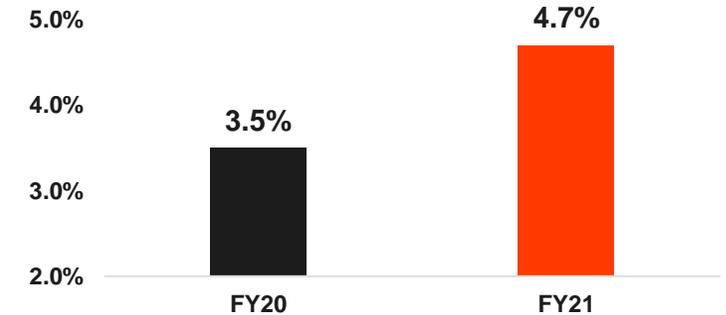
More open book contracts, improved returns, higher margins

% of revenue from open book contracts



Companywide return on invested capital **exceeds** 30%*

Companywide adjusted pro-forma EBITA* margins



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

FY22 guidance raised

Organic revenue growth*	8% - 12% <i>(Unchanged)</i>	Depreciation and amortization**	\$260 - \$280 million
Adjusted EBITDA*	\$707 - \$742 million <i>(Was \$705 - \$740 million)</i>	Interest expense	~ \$25 million
Adjusted EBITDAR*	\$1.5 - \$1.6 billion <i>(Was ~\$1.5 billion)</i>	Tax rate	~ 25%
Return on invested capital*	> 30%	Net capital expenditures	~ 3% of sales
Free cash flow*	~ 30% of adjusted EBITDA		



Appendix



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

<i>(In millions)</i>	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Net income (loss) attributable to GXO	\$ 56	\$ 28	\$ 153	\$ (31)
Net income attributable to noncontrolling interests	1	2	8	9
Net income (loss)	<u>\$ 57</u>	<u>\$ 30</u>	<u>\$ 161</u>	<u>\$ (22)</u>
Interest expense	5	6	21	24
Income tax expense (benefit)	13	14	(8)	16
Depreciation and amortization expense	76	77	335	323
Transaction and integration costs	17	7	99	47
Restructuring costs	(1)	4	4	29
Unrealized gain on foreign currency options	—	—	(1)	—
Adjusted EBITDA ⁽¹⁾	<u>\$ 167</u>	<u>\$ 138</u>	<u>\$ 611</u>	<u>\$ 417</u>
Revenue	<u>\$ 2,262</u>	<u>\$ 1,766</u>	<u>\$ 7,940</u>	<u>\$ 6,195</u>
Adjusted EBITDA margin ⁽²⁾	7.4 %	7.8 %	7.7 %	6.7 %

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

(2) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.

GXO Logistics, Inc.
Reconciliation of Net Income (Loss) to Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA margin
(Unaudited)

<i>(In millions)</i>	Year Ended December 31,		Three Months Ended December 31,
	2021	2020 ⁽¹⁾	2020
Net income (loss) attributable to GXO ⁽²⁾	\$ 162	\$ (15)	\$ 33
Net income attributable to noncontrolling interests ⁽²⁾	8	9	2
Net income (loss) ⁽²⁾	\$ 170	\$ (6)	\$ 35
Interest expense ⁽³⁾	25	32	8
Income tax (expense) benefit ⁽³⁾	(5)	15	13
Depreciation and amortization expense ⁽³⁾	335	325	77
Transaction and integration cost ⁽³⁾	99	47	7
Restructuring costs ⁽³⁾	4	29	4
Unrealized gain on foreign currency options	(1)	—	—
	\$ 627	\$ 442	\$ 144
Allocated corporate expense ⁽⁴⁾	29	79	9
Public company standalone cost ⁽⁵⁾	(23)	(64)	(7)
Pro forma adjusted EBITDA ⁽⁶⁾	\$ 633	\$ 457	\$ 146
Revenue	\$ 7,940	\$ 6,195	
Pro forma adjusted EBITDA margin ⁽⁷⁾	8.0 %	7.4 %	

(1) Refer to GXO's Form 10 for information on our pro forma financial information for the year ended December 31, 2020.

(2) Pro forma as prepared under combined financial statements for all periods before August 2, 2021.

(3) For all periods before August 2, 2021, includes allocated expenses from XPO Corporate as prepared under combined financial statements. These allocations had no impact on Adjusted EBITDA.

(4) Excludes the impact of adjusted items and allocated interest expense, income tax, depreciation and amortization from XPO Corporate.

(5) Estimated costs of operating GXO as a standalone public company.

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

(7) Pro forma Adjusted EBITDA margin is calculated as pro forma adjusted EBITDA divided by revenue.



GXO Logistics, Inc.
Reconciliation of Net Income (Loss) to Pro Forma Adjusted EBITA and Pro Forma Adjusted EBITA margin
(Unaudited)

<i>(In millions)</i>	Year Ended December 31,	
	2021	2020
Net income (loss) attributable to GXO ⁽¹⁾	\$ 162	\$ (15)
Net income attributable to noncontrolling interests ⁽¹⁾	8	9
Net income (loss) ⁽¹⁾	\$ 170	\$ (6)
Interest expense ⁽²⁾	25	32
Income tax (expense) benefit ⁽²⁾	(5)	15
Amortization expense ⁽²⁾	61	63
Transaction and integration cost ⁽²⁾	99	47
Restructuring costs ⁽²⁾	4	29
Unrealized gain on foreign currency options	(1)	—
	\$ 353	\$ 180
Depreciation expense ⁽³⁾	15	21
Allocated corporate expense ⁽⁴⁾	29	79
Public company standalone cost ⁽⁵⁾	(23)	(64)
Pro forma adjusted EBITA ⁽⁶⁾	\$ 374	\$ 216
Revenue	\$ 7,940	\$ 6,195
Pro forma Adjusted EBITA margin ⁽⁷⁾	4.7 %	3.5 %

(1) Pro forma as prepared under combined financial statements for all periods before the Separation on August 2, 2021.

(2) For all periods before the Separation on August 2, 2021, includes allocated expenses from XPO Corporate as prepared under combined financial statements. These allocations had no impact on Adjusted EBITDA.

(3) Allocated depreciation from XPO before the Separation on August 2, 2021.

(4) Excludes the impact of adjusted items and allocated interest expense, income tax, and amortization from XPO Corporate.

(5) Estimated costs of operating GXO as a standalone public company.

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

(7) Pro forma Adjusted EBITA margin is calculated as pro forma adjusted EBITA divided by revenue.



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

<i>(Dollars in millions, shares in thousands, except per share amounts)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net income attributable to GXO	\$ 56	\$ 28	\$ 153	\$ (31)
Unrealized gain on foreign currency options	—	—	(1)	—
Amortization of intangible assets	17	18	61	61
Transaction and integration costs	17	7	99	47
Restructuring costs	(1)	4	4	29
Income tax associated with the adjustments above ⁽¹⁾	(5)	(8)	(32)	(43)
Discrete and other tax-related adjustments ⁽²⁾	—	—	(42)	—
Adjusted net income attributable to GXO ⁽³⁾	\$ 84	\$ 49	\$ 242	\$ 63
Adjusted basic earnings per share ⁽³⁾	\$ 0.73	\$ 0.43	\$ 2.11	\$ 0.55
Adjusted diluted earnings per share ⁽³⁾	\$ 0.73	\$ 0.43	\$ 2.09	\$ 0.55
Weighted-average shares outstanding:				
Basic weighted-average common shares outstanding	114,647	114,626	114,632	114,626
Diluted weighted-average common shares outstanding	115,695	114,626	115,597	114,626
Aggregated tax of all non-tax related adjustments reflected above:				
Unrealized gain on foreign currency options	\$ —	\$ —	\$ —	\$ —
Amortization of intangible assets	(2)	(5)	(11)	(19)
Transaction and integration costs	(3)	(2)	(20)	(15)
Restructuring costs	—	(1)	(1)	(9)
Total income tax associated with the adjustments above	\$ (5)	\$ (8)	\$ (32)	\$ (43)

(1) The income tax rate applied to items is based on the GAAP annual effective tax rate, excluding discrete items and contributions- and margin-based taxes.

(2) Income tax benefit of \$42 million related to certain agreements to license the right to use trademarks, trade names and other intellectual property related to the GXO brand to its non-U.S. affiliates.

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



GXO Logistics, Inc.
Other Reconciliations
(Unaudited)

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

<i>(In millions)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 204	\$ (12)	\$ 455	\$ 333
Payment for purchases of property and equipment	(70)	(63)	(250)	(222)
Proceeds from sale of property and equipment	3	1	11	12
Free Cash Flow ⁽¹⁾	<u>\$ 137</u>	<u>\$ (74)</u>	<u>\$ 216</u>	<u>\$ 123</u>

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

Reconciliation of Revenue to Organic Revenue:

<i>(In millions)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Revenue	\$ 2,262	\$ 1,766	\$ 7,940	\$ 6,195
Revenue from acquired business	(174)	—	(605)	—
Foreign exchange rates	9	—	(218)	—
Organic revenue ⁽¹⁾	<u>\$ 2,097</u>	<u>\$ 1,766</u>	<u>\$ 7,117</u>	<u>\$ 6,195</u>
Revenue growth	28 %		28 %	
Organic revenue growth	19 %		15 %	

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

GXO Logistics, Inc.
Liquidity Reconciliations
(Unaudited)

Reconciliation of Net Debt:

(In millions)

	December 31, 2021
Total Debt	\$ 961
Less: Cash and cash equivalents	333
Net debt	<u>\$ 628</u>

Reconciliation of Net Leverage:

(Dollars in millions)

	December 31, 2021
Net debt	\$ 628
Adjusted EBITDA ⁽¹⁾	611
Net Leverage	<u>1.0x</u>

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

Reconciliation of Pro Forma Net Leverage:

(Dollars in millions)

	December 31, 2021
Net debt	\$ 628
Pro forma Adjusted EBITDA ⁽¹⁾	633
Net Leverage	<u>1.0x</u>

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

GXO Logistics, Inc.
Reconciliation of Revenue to Organic Revenue
(Unaudited)

Reconciliation of Revenue to Organic Revenue:

<i>(In millions)</i>	Three Months Ended			
	December 31,	September 30,	June 30,	March 31,
Revenue	\$ 2,262	\$ 1,974	\$ 1,882	\$ 1,822
Revenue from acquired business	(174)	(163)	(150)	(118)
Foreign exchange rates	9	(35)	(109)	(83)
Organic revenue ⁽¹⁾ - 2021	\$ 2,097	\$ 1,776	\$ 1,623	\$ 1,621
Revenue - 2020	\$ 1,766	\$ 1,584	\$ 1,405	\$ 1,440
Organic growth by quarter	19 %	12 %	16 %	13 %

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

(2) Organic growth by quarter is calculated as organic revenue in the quarter by revenue in the prior years' quarter.

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

(In millions)	Year Ended December 31, 2021
Pro forma adjusted EBITA ⁽¹⁾	\$ 374
Cash paid for income taxes	(75)
Pro forma adjusted EBITA ⁽¹⁾ , net of taxes paid	<u>\$ 299</u>
	December 31, 2021
Total Equity	\$ 2,390
Plus: Debt	961
Less: Cash and Cash equivalents	333
Less: Goodwill	2,017
Less: Intangible assets, net	257
	<u>\$ 744</u>
Ratio of Return on Invested Capital	<u>40 %</u>

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