

REFINITIV

DELTA REPORT

10-Q

RXO - RXO, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 985

█ CHANGES 106

█ DELETIONS 560

█ ADDITIONS 319

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, 2023** **March 31, 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: 001-41514



RXO, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

88-2183384

(I.R.S. Employer
Identification No.)

11215 North Community House Road
Charlotte, NC

28277

(Address of principal executive offices)

(Zip Code)

(980) 308-6058

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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	RXO	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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 3, 2023 May 3, 2024, there were 117,001,037 117,548,465 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

RXO, Inc.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended September 30, 2023 March 31, 2024
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RXO, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

December			
		September 30, 31,	March 31, December 31,
		March	31,

(Dollars in millions, shares in thousands, except per share amounts)		(Dollars in millions, shares in thousands, except per share amounts)		(Dollars in millions, shares in thousands, except per share amounts)	
		2023	2022	2024	2023
ASSETS		ASSETS			
Current assets		Current assets			
Current assets					
Current assets					
Cash and cash equivalents	Cash and cash equivalents	\$ 104	\$ 98		
Accounts receivable, net of allowances of \$10 and \$13, respectively		787	900		
Cash and cash equivalents					
Cash and cash equivalents					
Accounts receivable, net of \$10 and \$12 in allowances, respectively					
Other current assets	Other current assets	45	31		
Total current assets	Total current assets	936	1,029		
Long-term assets		Long-term assets			
Property and equipment, net of \$281 and \$241 in accumulated depreciation, respectively		122	119		
Property and equipment, net of \$305 and \$293 in accumulated depreciation, respectively					
Property and equipment, net of \$305 and \$293 in accumulated depreciation, respectively					
Property and equipment, net of \$305 and \$293 in accumulated depreciation, respectively					
Operating lease assets	Operating lease assets	173	159		
Goodwill	Goodwill	630	630		
Identifiable intangible assets, net of \$116 and \$106 in accumulated amortization, respectively		72	79		
Identifiable intangible assets, net of \$121 and \$118 in accumulated amortization, respectively					
Other long-term assets	Other long-term assets	13	15		
Total long-term assets	Total long-term assets	1,010	1,002		
Total assets	Total assets	\$ 1,946	\$ 2,031		
LIABILITIES AND EQUITY		LIABILITIES AND EQUITY			
Current liabilities		Current liabilities			
Current liabilities					
Current liabilities					
Accounts payable					
Accounts payable					
Accounts payable	Accounts payable	\$ 448	\$ 501		
Accrued expenses	Accrued expenses	221	256		
Current maturities of long-term debt		3	4		
Short-term debt and current maturities of long-term debt					

Short-term operating lease liabilities	Short-term operating lease liabilities	50	48
Other current liabilities	Other current liabilities	6	14
Total current liabilities	Total current liabilities	<u>728</u>	<u>823</u>
Long-term liabilities	Long-term liabilities		
Long-term debt and obligations under finance leases			
Long-term debt and obligations under finance leases			
Long-term debt and obligations under finance leases	Long-term debt and obligations under finance leases	451	451
Deferred tax liability	Deferred tax liability	15	16
Long-term operating lease liabilities	Long-term operating lease liabilities	125	114
Other long-term liabilities	Other long-term liabilities	37	40
Total long-term liabilities	Total long-term liabilities	<u>628</u>	<u>621</u>
Commitments and Contingencies (Note 9)	Commitments and Contingencies (Note 9)		
Equity	Equity		
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of September 30, 2023 and December 31, 2022		—	—
Common stock, \$0.01 par value; 300,000 shares authorized; 117,002 and 116,400 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively		1	1
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023			
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023			
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023			
Common stock, \$0.01 par value; 300,000 shares authorized; 117,544 and 117,026 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	589	588
Retained earnings		4	2
Retained earnings (Accumulated deficit)			
Accumulated other comprehensive loss			
Accumulated other comprehensive loss			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(4)	(4)
Total equity	Total equity	<u>590</u>	<u>587</u>

Total liabilities and equity	Total liabilities and equity	\$ 1,946	\$ 2,031
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See accompanying notes to condensed consolidated financial statements.

RXO, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>					
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>					
(Dollars in millions, shares in thousands, except per share amounts)	(Dollars in millions, shares in thousands, except per share amounts)	2023	2022	2023	2022
Revenue	Revenue	\$ 976	\$ 1,138	\$ 2,949	\$ 3,676
Revenue					
Revenue					
Cost of transportation and services (exclusive of depreciation and amortization)	Cost of transportation and services (exclusive of depreciation and amortization)	742	857	2,224	2,782
Direct operating expense (exclusive of depreciation and amortization)	Direct operating expense (exclusive of depreciation and amortization)	59	56	179	167
Direct operating expense (exclusive of depreciation and amortization)					
Direct operating expense (exclusive of depreciation and amortization)					
Sales, general and administrative expense	Sales, general and administrative expense	148	158	445	485
Depreciation and amortization expense	Depreciation and amortization expense	16	23	52	65
Depreciation and amortization expense					
Depreciation and amortization expense					

Transaction and integration costs							
Transaction and integration costs							
Transaction and integration costs	Transaction and integration costs	2	23	12	44		
Restructuring costs	Restructuring costs	3	6	12	9		
Operating income		\$ 6	\$ 15	\$ 25	\$ 124		
Restructuring costs							
Restructuring costs							
Operating income (loss)							
Operating income (loss)							
Operating income (loss)							
Other expense							
Other expense							
Other expense	Other expense	1	1	1	—		
Interest expense (income), net		8	(1)	24	(1)		
Income (loss) before income taxes		\$ (3)	\$ 15	\$ —	\$ 125		
Income tax provision (benefit)		(2)	2	(2)	29		
Interest expense, net							
Interest expense, net							
Interest expense, net							
Loss before income taxes							
Loss before income taxes							
Loss before income taxes							
Income tax benefit							
Income tax benefit							
Income tax benefit							
Net income (loss)							
Net income (loss)							
Net income (loss)	Net income (loss)	\$ (1)	\$ 13	\$ 2	\$ 96		
Earnings (loss) per share data	Earnings (loss) per share data						
Earnings (loss) per share data							
Earnings (loss) per share data							
Basic earnings (loss) per share	Basic earnings (loss) per share	\$ (0.01)	\$ 0.11	\$ 0.02	\$ 0.83		
Basic earnings (loss) per share							
Basic earnings (loss) per share							
Diluted earnings (loss) per share							
Diluted earnings (loss) per share							
Diluted earnings (loss) per share	Diluted earnings (loss) per share	\$ (0.01)	\$ 0.11	\$ 0.02	\$ 0.83		
Weighted-average common shares outstanding	Weighted-average common shares outstanding						
Weighted-average common shares outstanding							
Weighted-average common shares outstanding							
Basic weighted-average common shares outstanding							
Basic weighted-average common shares outstanding							
Basic weighted-average common shares outstanding							

Basic weighted-average common shares outstanding	Basic weighted-average common shares outstanding	116,970	115,163	116,823	115,163
Diluted weighted-average common shares outstanding	Diluted weighted-average common shares outstanding	116,970	115,163	119,415	115,163
Diluted weighted-average common shares outstanding	Diluted weighted-average common shares outstanding				
Diluted weighted-average common shares outstanding	Diluted weighted-average common shares outstanding				

See accompanying notes to condensed consolidated financial statements.

RXO, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(In millions)					
(In millions)	(In millions)				
Net income (loss)	Net income (loss)	\$	(1)	\$	13
Net income (loss)					
Net income (loss)					
Other comprehensive loss, net of tax					
Foreign currency translation loss, net of tax effect of \$—, \$—, \$— and \$—		\$	—	\$	(2)
Other comprehensive loss		—		(2)	—
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Foreign currency translation, net of tax effect of \$— and \$—					
Foreign currency translation, net of tax effect of \$— and \$—					
Foreign currency translation, net of tax effect of \$— and \$—					
Other comprehensive income (loss)					
Other comprehensive income (loss)					
Other comprehensive income (loss)					
Comprehensive income (loss)	Comprehensive income (loss)	\$	(1)	\$	11
Comprehensive income (loss)					
Comprehensive income (loss)					
				\$	2
				\$	94

See accompanying notes to condensed consolidated financial statements.

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

		Nine Months Ended September 30,		Three Months Ended March 31,	
				2024	2023
		(In millions)	(In millions)	2023	2022
Operating activities	Operating activities				
Net income		\$ 2	\$ 96		
Adjustments to reconcile net income to net cash from operating activities					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Adjustments to reconcile net income (loss) to net cash from operating activities					
Depreciation and amortization expense					
Depreciation and amortization expense					
Depreciation and amortization expense					
Depreciation and amortization expense		52	65		
Stock compensation expense					
Stock compensation expense					
Stock compensation expense		16	9		
Deferred tax benefit					
Deferred tax benefit					
Deferred tax benefit		(1)	(8)		
Other					
Other		4	6		
Changes in assets and liabilities	Changes in assets and liabilities				
Accounts receivable	Accounts receivable	114	(10)		
Accounts receivable					
Accounts receivable					
Other assets	Other assets	(13)	12		
Accounts payable	Accounts payable	(56)	25		
Accrued expenses and other liabilities	Accrued expenses and other liabilities	(48)	39		

Net cash provided by operating activities	Net cash provided by operating activities	70	234
Net cash provided by operating activities			
Net cash provided by operating activities			
Investing activities	Investing activities		
Payment for purchases of property and equipment	Payment for purchases of property and equipment	(46)	(39)
Proceeds from sale of property and equipment		—	1
Other		(1)	—
Payment for purchases of property and equipment			
Payment for purchases of property and equipment			
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities	Net cash used in investing activities	(47)	(38)
Financing activities	Financing activities		
Proceeds from borrowings on revolving credit facilities			
Proceeds from borrowings on revolving credit facilities			
Proceeds from borrowings on revolving credit facilities			
Repayment of borrowings on revolving credit facilities			
Payment for tax withholdings related to vesting of stock compensation awards	Payment for tax withholdings related to vesting of stock compensation awards	(12)	—
Repurchase of common stock		(2)	—
Net transfers to XPO		—	(39)
Repayment of debt and finance leases		(3)	—
Other	Other	—	1
Net cash used in financing activities			
Net cash used in financing activities			
		(17)	(38)

Other			
Other			
Net cash provided by (used in) financing activities			
Effect of exchange rates on cash, cash equivalents and restricted cash	Effect of exchange rates on cash, cash equivalents and restricted cash	—	—
Net increase in cash, cash equivalents and restricted cash	Net increase in cash, cash equivalents and restricted cash	6	158
Cash, cash equivalents, and restricted cash, beginning of period	Cash, cash equivalents, and restricted cash, beginning of period	98	29
Cash, cash equivalents, and restricted cash, end of period	Cash, cash equivalents, and restricted cash, end of period	\$104	\$187
Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:		
Leased assets obtained in exchange for new operating lease liabilities	Leased assets obtained in exchange for new operating lease liabilities	\$ 60	\$ 46
Leased assets obtained in exchange for new finance lease liabilities	Leased assets obtained in exchange for new finance lease liabilities	1	8
Leased assets obtained in exchange for new operating lease liabilities	Leased assets obtained in exchange for new operating lease liabilities		
Cash paid for income taxes, net	Cash paid for income taxes, net		
Cash paid for income taxes, net	Cash paid for income taxes, net		
Cash paid for income taxes, net	Cash paid for income taxes, net	25	3

Cash paid for interest, net	Cash paid for interest, net	18	—
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See accompanying notes to condensed consolidated financial statements.

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

(Dollars in millions, shares in thousands)	Common Stock						Accumulated Other Comprehensive		
	Shares	Amount	Additional Paid-in Capital		Retained Earnings	Loss	Total Equity		
			Capital	Earnings					
Balance as of June 30, 2023	116,954	\$ 1	\$ 587	\$ 5	\$ (4)	\$ 589			
Net loss	—	—	—	—	(1)	—	—	(1)	
Stock compensation expense	—	—	5	—	—	—	—	5	
Vesting of stock compensation awards	48	—	—	—	—	—	—	—	
Tax withholdings related to vesting of stock compensation awards	—	—	(3)	—	—	—	—	(3)	
Repurchase of common stock	—	—	—	—	—	—	—	—	
Balance as of September 30, 2023	117,002	\$ 1	\$ 589	\$ 4	\$ (4)	\$ 590			

(Dollars in millions, shares in thousands)	Common Stock						Accumulated Other Comprehensive			
	Shares	Amount	Additional Paid-in Capital		Retained Earnings	Loss	Total Equity			
			Capital	Earnings						
Balance as of December 31, 2022	116,400	\$ 1	\$ 588	\$ 2	\$ (4)	\$ 587				
Net income	—	—	—	2	—	2				
(Dollars in millions, shares in thousands)										
(Dollars in millions, shares in thousands)							Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2023										
Net loss	—	—	—	—	—	—				
Other comprehensive income	—	—	—	—	—	—				
Stock compensation expense	—	—	16	—	—	16				
Vesting of stock compensation awards	702	—	—	—	—	—				

Tax withholdings related to vesting of stock compensation awards	Tax withholdings related to vesting of stock compensation awards	—	—	(13)	—	—	(13)
Repurchase of common stock	Repurchase of common stock	(100)	—	(2)	—	—	(2)
Balance as of September 30, 2023							
		117,002	\$ 1	\$ 589	\$ 4	\$ (4)	\$ 590
Balance as of March 31, 2024							
Balance as of March 31, 2024							
Balance as of March 31, 2024							

(Dollars in millions, shares in thousands)	Common Stock		Accumulated Other					
	Shares	Amount	Additional		Retained Earnings	Comprehensive Loss	XPO Investment	Total Equity
			Paid-in Capital	Other Earnings				
Balance as of June 30, 2022	—	\$ —	\$ —	\$ —	\$ —	\$ (2)	\$ 1,201	\$ 1,199
Net income	—	—	—	—	—	—	13	13
Other comprehensive loss	—	—	—	—	—	(2)	—	(2)
Stock compensation expense	—	—	—	—	—	—	3	3
Net transfers to XPO	—	—	—	—	—	—	(69)	(69)
Balance as of September 30, 2022	—	\$ —	\$ —	\$ —	\$ —	\$ (4)	\$ 1,148	\$ 1,144

(Dollars in millions, shares in thousands)	Common Stock		Accumulated Other					
	Shares	Amount	Additional		Retained Earnings	Comprehensive Loss	XPO Investment	Total Equity
			Paid-in Capital	Other Earnings				
Balance as of December 31, 2021	—	\$ —	\$ —	\$ —	\$ —	\$ (2)	\$ 1,072	\$ 1,070
Net income	—	—	—	—	—	—	96	96
Other comprehensive loss	—	—	—	—	—	(2)	—	(2)
Stock compensation expense	—	—	—	—	—	—	9	9
Net transfers to XPO	—	—	—	—	—	—	(29)	(29)
Balance as of September 30, 2022	—	\$ —	\$ —	\$ —	\$ —	\$ (4)	\$ 1,148	\$ 1,144

(Dollars in millions, shares in thousands)	Common Stock		Accumulated Other					
	Shares	Amount	Additional		Retained Earnings	(Accumulated Deficit)	Comprehensive Loss	Total Equity
			Paid-in Capital	Other Earnings				
Balance as of December 31, 2022	116,400	\$ 1	\$ 588	\$ 2	\$ (4)	\$ 587		
Net income	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	—

Stock compensation expense	—	—	5	—	—	5
Vesting of stock compensation awards	453	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(7)	—	—	(7)
Balance as of March 31, 2023	116,853	\$ 1	\$ 586	\$ 2	\$ (4)	\$ 585

See accompanying notes to condensed consolidated financial statements.

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

1. Organization

RXO, Inc. ("RXO", the "Company" or "we") is a brokered transportation platform defined by cutting-edge technology and an asset-light business model. The largest component is our core truck brokerage business. Our operations also include three asset-light, brokered transportation services, all of which complement our truck brokerage business: managed transportation, last mile and freight forwarding. We present our operations in the condensed consolidated financial statements as one reportable segment.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the rules of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements have been prepared on a basis that is substantially consistent with the accounting principles applied in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023 (the **2022** "2023 Form 10-K"). The accompanying unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the **2022** 2023 Form 10-K.

The Company's condensed consolidated financial statements include the accounts of RXO, Inc. and its majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated. In management's opinion, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and are necessary for a fair presentation of financial condition, **operating** results of operations and cash flows for the interim periods presented. Operating results for the three and nine months ended **September 30, 2023** March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending **December 31, 2023** December 31, 2024.

On November 1, 2022, the Company completed the separation (the "Separation") from XPO, Inc. (formerly known as XPO Logistics, Inc.) ("XPO"). The Separation was accomplished by the distribution of 100 percent of the outstanding common stock of RXO to XPO stockholders as of the close of business on October 20, 2022, the record date for the distribution. XPO stockholders received one share of RXO common stock for every share of XPO common stock held at the close of business on the record date. The Separation was completed under a Separation and Distribution Agreement and various other agreements that govern aspects of the Company's relationship with XPO.

On November 1, 2022, the Company became a standalone publicly traded company, and its financial statements post-Separation are prepared on a consolidated basis. Prior to the Separation, the Company's financial statements were prepared on a standalone combined basis and were derived from the consolidated financial statements and accounting records of XPO. The combined financial statements for all periods presented prior to the Separation are now also referred to as "condensed consolidated financial statements," and have been prepared in accordance with GAAP.

In connection with the Separation, the Company's assets and liabilities were transferred to the Company on a carry-over basis. Prior to the Separation, the historical results of operations included allocations of XPO costs and expenses, including XPO's corporate function which incurred a variety of expenses including, but not limited to, information technology, human resources, accounting, sales and sales operations, procurement, executive services, legal, corporate finance and communications. An allocation of these expenses is included to burden all business units comprising XPO's historical results of operations, including RXO. The charges reflected have either been specifically identified or allocated using drivers including proportionally adjusted earnings before interest, taxes, depreciation and amortization, which includes adjustments for transaction and integration costs, as well as restructuring costs and other adjustments, or headcount. The Company believes the assumptions regarding allocations of XPO corporate expenses are reasonable. Nevertheless, the condensed consolidated financial statements may not reflect the results of operations, financial position and cash flows had the Company been a standalone entity during the prior periods presented. The majority of these allocated costs are recorded within Sales, general and administrative expense; Depreciation and amortization expense; Restructuring costs; and Transaction and integration costs in the Condensed Consolidated Statements of Operations. All charges and allocations for facilities, functions and services performed by XPO organizations have been deemed settled in cash by RXO to XPO in the year in which the cost was recorded in the Condensed Consolidated Statements of Operations.

For the periods ended before the Separation, XPO investment represents XPO's historical investment in RXO and includes the net effects of transactions with and allocations from XPO as well as RXO's accumulated earnings. Certain transactions between RXO and XPO, including XPO's non-RXO subsidiaries, have been included in these condensed consolidated financial statements, and are considered to be effectively settled at the time the transaction is recorded. The total net effect of the cash settlement of these transactions is reflected in the Condensed Consolidated Statements of Cash Flows as a financing activity and in the Condensed Consolidated Statements of Changes in Equity as XPO investment. The components of the net transfers to and from XPO include certain costs allocated from XPO's corporate functions, income tax expense, certain cash receipts and payments made on behalf of RXO and general financing activities.

For the periods ended before the Separation, the Company was a member of the XPO consolidated group, and its U.S. taxable income was included in XPO's consolidated U.S. federal income tax return as well as in the tax returns filed by XPO with certain state and local taxing jurisdictions. For the periods ended after the Separation, the Company will file a consolidated U.S. federal income tax return as well as state and local income tax returns. The Company's foreign income tax returns are filed on a full-year basis.

Significant Accounting Policies

Our significant accounting policies are disclosed in Note 2 to the 2022 2023 Form 10-K. There have been no material changes to the Company's significant accounting policies as of September 30, 2023 March 31, 2024.

Adoption of New Accounting Standards Pronouncements Issued but Not Yet Effective

In September 2022, November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, "Liabilities 2023-07, "Segment Reporting (Topic 280) - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations, Improvements to Reportable Segment Disclosures." The amendments in this update improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The ASU increases the transparency surrounding supplier finance programs expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the buyer to disclose information on chief operating decision maker and included within each reported measure of segment profit or loss, an annual basis about the key terms amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. All disclosure requirements of the program, the outstanding obligation amounts as of the end of the period, ASU are required for entities with a roll-forward of such amounts, and the balance sheet presentation of the related amounts. Additionally, the obligation amount outstanding at the end of the period must be disclosed in interim periods, single reportable segment. The amendments are effective for fiscal years beginning after December 15, 2022 except December 15, 2023, and interim periods for the requirement to disclose the roll-forward information, which is effective for our fiscal years beginning after December 15, 2023. We adopted this standard on January 1, 2023 December 15, 2024, and should be applied on a prospective basis. The adoption did not have an impact on our financial statement disclosures.

Accounting Pronouncements Issued but Not Yet Effective

In March 2023, the FASB issued ASU 2023-01, "Leases (Topic 842) - Common Control Arrangements." The amendments in this update improve current GAAP by clarifying the accounting treatment for leasehold improvements associated with common control leases in order retrospective basis to create uniformity in practice. The ASU seeks to provide guidance to more accurately match the amortization expense of leasehold improvements under common control arrangements with the useful life of the improvements to the consolidated entity as a whole. The amendments are effective for fiscal years beginning after December 15, 2023, all periods presented. Early adoption is permitted. We are currently evaluating the impact of the new guidance.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740) - Improvements to Income Tax Disclosure." The ASU seeks to enhance income tax information primarily through changes in the rate reconciliation and income taxes paid information. The amendments are effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. We are currently evaluating the impact of the new guidance.

In March 2024, the SEC issued the final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors. In April 2024, the SEC voluntarily stayed implementation of the final rules as a result of pending judicial review. These rules, if adopted, will require registrants to disclose certain climate-related information, including Scope 1 and Scope 2 greenhouse gas emissions and other climate-related topics, in registration statements and annual reports, when material. Disclosure requirements, absent the results of pending judicial review, will begin phasing in with the Company's annual reporting for the year ending December 31, 2025. We are currently evaluating the impact the rules will have on our disclosures.

3. Revenue Recognition

Disaggregation of Revenues

We disaggregate our revenue by geographic area, service offering and industry sector. The majority of our revenue, based on sales office location, is generated in the U.S. Approximately 7% and 9% of our revenues were generated outside the U.S. (primarily in North America, excluding the U.S., Canada, Mexico and Asia) for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Approximately 7% and 9% of our revenues were generated outside the U.S. (primarily in North America, excluding the U.S., and Asia) for the nine months ended September 30, 2023 and 2022, respectively, 2023.

Our revenue disaggregated by service offering is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(In millions)					
(In millions)					
(In millions)	(In millions)	2023	2022	2023	2022
Truck brokerage	Truck brokerage	\$ 591	\$ 686	\$ 1,748	\$ 2,265
Truck brokerage					
Truck brokerage					
Last mile					
Last mile					
Last mile	Last mile	256	264	757	784
Managed transportation	Managed transportation	107	122	336	394
Managed transportation					
Managed transportation					
Freight forwarding					
Freight forwarding					
Freight forwarding	Freight forwarding	56	101	200	340
Eliminations	Eliminations	(34)	(35)	(92)	(107)
Eliminations					
Eliminations					
Total					
Total	Total	\$ 976	\$ 1,138	\$ 2,949	\$ 3,676

Our revenue disaggregated by industry sector is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(In millions)					
(In millions)					
(In millions)	(In millions)	2023	2022	2023	2022
Retail/e-commerce	Retail/e-commerce	\$ 380	\$ 408	\$ 1,139	\$ 1,340
Retail/e-commerce					
Retail/e-commerce					
Industrial/manufacturing					
Industrial/manufacturing					
Industrial/manufacturing	Industrial/manufacturing	188	207	562	650
Food and beverage	Food and beverage	117	129	329	433
Food and beverage					
Food and beverage					
Automotive					
Automotive					
Automotive	Automotive	103	88	310	276
Logistics and transportation	Logistics and transportation	52	46	146	196
Logistics and transportation					
Logistics and transportation					
Other					

Other	Other	136	260	463	781
Total	Total	\$ 976	\$ 1,138	\$ 2,949	\$ 3,676
Total					
Total					

Performance Obligations

Remaining performance obligations represent firm contracts for which services have not been performed and future revenue recognition is expected. As permitted in determining the remaining performance obligation, we omit obligations that: (i) have original expected durations of one year or less or (ii) contain variable consideration. As of **September 30, 2023** **March 31, 2024**, the fixed consideration component of our remaining performance obligation was approximately **\$120 million** **\$61 million**, and we expect approximately **99%** **100%** of that amount to be recognized over the next 3 **years** and the remainder thereafter **years**. We estimate 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**.

4. Restructuring Charges

We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure. These actions generally include severance and facility-related costs, including impairment of operating lease assets, and are intended to improve our efficiency and profitability going forward.

The following is a **roll-forward** of the Company's restructuring liability, which is included in Accrued expenses in the Condensed Consolidated Balance Sheets:

Nine Months Ended September 30, 2023									
Three Months Ended March 31, 2024									
Three Months Ended March 31, 2024									
Three Months Ended March 31, 2024									
<i>(In millions)</i>									
<i>(In millions)</i>									
Reserve Balance as of December 31, 2022									
Reserve Balance as of September 30, 2023									
<i>(In millions)</i>									
<i>(In millions)</i>									
Severance									
Severance	Severance	\$ 2	\$ 11	\$ (8)	\$ 5				
Facilities									
Facilities	Facilities	1	1	(1)	1				
Contract termination									
Total									
Total	Total	\$ 3	\$ 12	\$ (9)	\$ 6				
Reserve Balance as of December 31, 2023									
Charges Incurred									
Payments									
Reserve Balance as of March 31, 2024									

We expect the majority of the cash outlays related to the remaining restructuring liability at **September 30, 2023** **March 31, 2024** to be complete within twelve months.

5. Debt

The following table summarizes the principal balance and carrying value of our debt:

	September 30, 2023	December 31, 2022			
	March 31, 2024		March 31, 2024		December 31, 2023

(In millions)	(In millions)	Principal Balance		Carrying Value		(In millions)	Principal Balance	Carrying Value	Principal Balance	Carrying Value
		Principal Balance	Carrying Value	Principal Balance	Carrying Value					
Term Loan		\$ 100	\$ 100	\$ 100	\$ 100					
Revolver										
7.50%	7.50%									
Notes due	Notes due									
2027 ⁽¹⁾	2027 ⁽¹⁾	355	347	355	346					
Finance leases, asset financing and other		7	7	9	9					
Finance leases, asset financing and short-term debt										
Total debt and obligations under finance leases	Total debt and obligations under finance leases	462	454	464	455					
Less: Current maturities of long-term debt		3	3	4	4					
Less: Short-term debt and current maturities of long-term debt										
Total long-term debt and obligations under finance leases	Total long-term debt and obligations under finance leases	\$ 459	\$ 451	\$ 460	\$ 451					

⁽¹⁾ The carrying value of the 7.50% Notes due 2027 is presented net of unamortized debt issuance cost and discount of \$8 million and \$9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Revolving Credit Agreement Facilities

On October 18, 2022, we entered into a five-year, \$500 million unsecured multi-currency revolving credit facility (the "Revolver"). The Revolver borrowing capacity is up to \$500 million, of which \$50 million is available for the issuance of letters of credit. Loans under the Revolver bear interest at a fluctuating rate plus an applicable margin based on the Company's credit ratings, with interest payable quarterly. The Company is required to pay a commitment fee on any unused commitment, based on pricing levels set forth in the agreement. The covenants in the Revolver are customary for financings of this type. The Revolver requires the Company to maintain a maximum consolidated leverage ratio not greater than 3.50:1.00 and minimum interest coverage ratio of not less than 3.00:1.00. At September 30, 2023 March 31, 2024, the Company was in compliance with the covenants of the Revolver. There were no amounts letters of credit outstanding under the Revolver as of September 30, 2023 or December 31, 2022.

Term Loan Credit Agreement

On October 18, 2022, we entered into a five-year \$100 million unsecured term loan facility (the "Term Loan"). The Term Loan bears interest at a fluctuating rate plus an applicable margin calculated based on the Company's credit ratings, payable at least quarterly. Beginning with the fiscal quarter ending March 31, 2025, the Term Loan will amortize on a

quarterly basis in an amount equal to (i) 5% per annum for the first eight fiscal quarters ending on or after such date and (ii) 10% per annum for each fiscal quarter ending thereafter. The Term Loan matures on November 1, 2027 March 31, 2024. The effective interest rate on the Term Loan was 6.79% as of September 30, 2023.

The covenants in the Term Loan are customary for financings of this type. In addition, the Term Loan requires the Company to maintain a maximum consolidated leverage ratio and minimum interest coverage ratio. At September 30, 2023, the Company was in compliance with the covenants of the credit agreement governing the Term Loan.

On November 2, 2023, the Company exercised a feature to increase the total commitments under its Revolver among the Company, the guarantors from time to time party thereto, the lenders and other parties from time to time party thereto and Citibank, N.A., as administrative agent, from \$500 million to \$600 million.

On April 11, 2024, the Company and lenders entered into an amendment to increase the consolidated leverage ratio financial covenant level applicable under the Revolver from the fiscal quarter ending June 30, 2024 through the fiscal quarter ending March 31, 2025 (the "Covenant Relief Period"), as follows: (i) to 4.25:1.00 for the fiscal

In connection quarters ending June 30, 2024 and September 30, 2024; (ii) to 4.00:1.00 for the fiscal quarter ending December 31, 2024; (iii) to 3.75:1.00 for the fiscal quarter ending March 31, 2025; and (iv) returns to 3.50:1.00 beginning with the Revolver commitment increase, fiscal quarter ending June 30, 2025. In addition, during the Covenant Relief Period, the Company repaid all of the outstanding obligations in and its subsidiaries are subject to restrictions with respect of the \$100 million principal amount, interest and fees under its Term Loan, among the Company, the guarantors from time to time party thereto, the lenders paying dividends or other distributions on equity interests, share repurchases, and other parties from time restricted payments, as well as certain material acquisitions, in each case subject to time party thereto certain exceptions. The Company can elect to terminate the Covenant Relief Period and Citibank, N.A., the restrictions thereunder if the consolidated leverage ratio financial covenant as administrative agent, of any fiscal quarter end is not greater than 3.50:1.00.

We also have a non-U.S. revolving credit facility with a maximum commitment of approximately \$18 million. This facility has a one-year term and terminated the Term Loan.

we had \$13 million outstanding as of March 31, 2024 classified as short-term debt.

Notes

On October 25, 2022, we completed an offering of \$355 million in aggregate principal amount of unsecured notes (the "Notes" or the "7.50% Notes due 2027"). The Notes bear interest at a rate of 7.50% per annum payable semiannually in cash in arrears on May 15 and November 15 of each year, beginning May 15, 2023, and mature on November 15, 2027, unless earlier repurchased or redeemed, if applicable. The Notes were issued at an issue price of 98.962% of par. The effective interest rate on the Notes was 8.14% 8.13% as of September 30, 2023 March 31, 2024.

We may redeem the Notes, in whole or in part, at any time on or after November 15, 2024 at a redemption price equal to (i) 103.750% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on November 15, 2024, (ii) 101.875% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on November 15, 2025 and (iii) 100.0% 100% of the principal amount to be redeemed if the redemption occurs on or after November 15, 2026, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to November 15, 2024, we may also redeem up to 40% of the Notes with the net cash proceeds of certain equity offerings at a redemption price equal to 107.500% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to November 15, 2024, we may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable "make-whole" premium.

The Notes are guaranteed by each of our direct and indirect wholly owned wholly-owned domestic subsidiaries (other than certain excluded subsidiaries). The Notes and its guarantees are unsecured, senior indebtedness for us and our guarantors. The Notes contain covenants customary for debt securities of this nature. At September 30, 2023 March 31, 2024, the Company was in compliance with the covenants of the Notes.

6. Fair Value Measurements

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 short-term debt and current maturities of long-term debt approximated their fair values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, due to their short-term nature and/or being receivable or payable on demand.

Debt

The fair value of our debt and classification in the fair value hierarchy is as follows:

We valued Level 1 debt using quoted prices in active markets. We valued Level 2 debt using bid evaluation pricing models unobservable inputs which reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or quoted prices of securities with similar characteristics, liability at the reporting date.

7. Stockholders' Equity

On May 2, 2023, the Company's Board of Directors authorized the repurchase of up to \$125 million of the Company's common stock (the "2023 Share Repurchase Program"). During the first nine months of 2023, the Company repurchased 100,000 shares of its common stock for \$2 million at an average price of \$20.53 per share, share, funded by available cash. There were no share repurchases under the 2023 Share Repurchase Program in the third first quarter of 2023. The share purchases were funded by available cash. As of September 30, 2023 March 31, 2024, \$123 million remained available approved to be used for share repurchases under the 2023 Share Repurchase Program. The 2023 Share Repurchase Program does not have an expiration date and may be suspended or discontinued at any time at the discretion of the Company's Board of Directors. We are not obligated to repurchase any specific number of shares, shares or use a specific dollar amount of the approved and remaining \$123 million.

8. Earnings per Share

On November 1, 2022, the date of the Separation, 115,162,555 shares of common stock of the Company were distributed to XPO stockholders of record as of the record date and began regular-way trading. This share amount is utilized for the calculation of basic and diluted earnings per share for the three and nine months ended September 30, 2022.

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
Three Months Ended March 31,					
(Dollars in millions, shares in thousands, except per share data)	(Dollars in millions, shares in thousands, except per share data)	2023	2022	2023	2022
(Dollars in millions, shares in thousands, except per share data)					
(Dollars in millions, shares in thousands, except per share data)					
Net income (loss)					
Net income (loss)					
Net income (loss)	Net income (loss)	\$	(1)	\$	13
					\$
					2
					\$
					96

Basic weighted-average common shares	Basic weighted-average common shares	116,970	115,163	116,823	115,163
Basic weighted-average common shares					
Basic weighted-average common shares					
Dilutive effect of stock-based awards	Dilutive effect of stock-based awards	—	—	2,593	—
Dilutive effect of stock-based awards					
Dilutive effect of stock-based awards					
Diluted weighted-average common shares ⁽¹⁾					
Diluted weighted-average common shares ⁽¹⁾					
Diluted weighted-average common shares	Diluted weighted-average common shares	116,970	115,163	119,415	115,163
(1) Basic earnings (loss) per share	(1) Basic earnings (loss) per share	\$ (0.01)	\$ 0.11	\$ 0.02	\$ 0.83
Basic earnings (loss) per share					
Basic earnings (loss) per share					
Diluted earnings (loss) per share	Diluted earnings (loss) per share	\$ (0.01)	\$ 0.11	\$ 0.02	\$ 0.83
Diluted earnings (loss) per share					
Diluted earnings (loss) per share					
Antidilutive shares excluded from diluted weighted-average common shares					
Antidilutive shares excluded from diluted weighted-average common shares					
Antidilutive shares excluded from diluted weighted-average common shares					

⁽¹⁾ Amounts may not be additive due to rounding.

For the three and nine months ended September 30, 2023, approximately 2.8 million and 0.5 million shares are excluded from the calculation of diluted earnings per share, respectively, because their inclusion would have been anti-dilutive.

9. Commitments and Contingencies

We are involved, and will continue to be involved, in numerous proceedings arising out of the conduct of our business. These proceedings may include claims for property damage or personal injury incurred in connection with the transportation of freight, environmental liability, commercial disputes, and employment-related claims, including claims involving asserted breaches of employee restrictive covenants. These matters also include several class action and collective action cases involving claims that the contract carriers with which we contract for performance of delivery services, or their delivery workers, should be treated as employees, rather than independent contractors ("misclassification claims") and may seek substantial monetary damages (including claims for unpaid wages, overtime, unreimbursed business expenses, deductions from wages, penalties and other items), injunctive relief, or both.

We establish 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. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, we assess 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, we disclose the estimate of the possible loss or range of loss if it is material and an estimate can be made, or disclose 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 our assessment, together with legal counsel, regarding the ultimate outcome of the matter.

We believe that we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. We do not believe that the ultimate resolution of any matters to which we are presently a party will have a material adverse effect on our results of operations, cash flows or financial condition or cash flows, condition. 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 our financial condition, results of operations, cash flows or cash flows, financial condition. Legal costs incurred related to these matters are expensed as incurred.

We carry liability and excess umbrella insurance policies that are deemed we deem sufficient to cover potential legal claims arising in the normal course of conducting our operations as a transportation company. The liability and excess umbrella insurance policies generally do not cover the misclassification claims described in this note. In the event we are required to satisfy a legal claim outside the scope of the coverage provided by insurance, our financial condition, results of operations, or cash flows or financial condition could be negatively impacted.

Our last mile subsidiary is involved in several class action and collective action cases involving misclassification claims. The misclassification claims related solely to our last mile business, which operated as a wholly owned subsidiary of XPO until the spin-off of RXO was completed.

As of November 1, 2022, pursuant Pursuant to the Separation and Distribution Agreement between XPO and RXO, the liabilities of XPO's last mile subsidiary, including legal liabilities, if any, related to the misclassification claims, were spun-off as part of RXO. RXO as of November 1, 2022. Pursuant to the Separation and Distribution Agreement, RXO has agreed to indemnify XPO for certain matters relating to RXO, including indemnifying XPO from and against any liabilities, damages, costs, or expenses incurred by XPO arising out of or resulting from the misclassification claims.

In one of the misclassification claims, *Muniz v. RXO Last Mile, Inc.*, the court has granted plaintiffs partial summary judgment and determined our last mile subsidiary misclassified the plaintiff owner/operators as independent contractors when they should have been deemed employees. We are vigorously defending ourselves the Company in this matter and believe we have a number of meritorious defenses, and there are unresolved questions of law and fact that could be important to the ultimate resolution of this matter.

We believe the misclassification claims, including *Muniz v. RXO Last Mile, Inc.*, are without merit and we intend to defend the Company vigorously. We are unable at this time to determine the amount of the possible loss or range of loss, if any, that we may incur as a result of these matters.

10. Related Party

Prior to the Separation, the Company did not operate as a standalone business and the condensed consolidated financial statements were derived from the consolidated financial statements and accounting records of XPO. Transactions between the Company and XPO, and other non-RXO subsidiaries of XPO, that occurred prior to the Separation have been classified as related-party transactions. Transactions that originated with XPO prior to the Separation were cash settled or forgiven as of November 1, 2022. For amounts that were forgiven, the amounts have been recorded as an adjustment to XPO Investment.

Allocation of General Corporate Expenses

Post-Separation, costs were no longer allocated from XPO to the Company; therefore, no related amounts were reflected on the Company's financial statements for the three and nine months ended September 30, 2023.

Prior to the Separation, certain shared costs were allocated to the Company from XPO's corporate overhead. The Condensed Consolidated Statements of Operations include expenses for certain centralized functions and other programs provided and/or administered by XPO that were charged directly to the Company. In addition, for purposes of preparing these condensed consolidated financial statements, a portion of XPO's total corporate expenses have been allocated to the Company. See [Note 2 - Basis of Presentation and Significant Accounting Policies](#) for a discussion of the methodology used to allocate such costs for purposes of preparing these condensed consolidated financial statements.

Costs included in our Condensed Consolidated Statements of Operations for our allocated share of XPO's corporate overhead are as follows:

(In millions)	Three Months Ended		Nine Months Ended	
	September 30, 2022	2022	September 30, 2022	2022
Sales, general and administrative expense	\$ 11	\$ 47		
Depreciation and amortization expense	3	8		
Transaction and integration costs	20	41		
Restructuring costs	5	5		
Total	\$ 39	\$ 101		

Transactions with XPO and its non-RXO Subsidiaries

Revenue and costs generated from related parties are as follows:

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2022	2022	2022
Revenue	\$ 26	\$ 101		
Costs		15		47

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 are qualified by these cautionary statements, and there can be no assurance that the actual 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 discussion should be read in conjunction with the Company's unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report, and with the audited consolidated financial statements and related notes thereto included in the 2022 2023 Annual Report on Form 10-K. Forward-looking statements set forth in this Quarterly Report 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.

Business Overview

RXO, Inc. ("RXO", the "Company" or "we") is a brokered transportation platform defined by cutting-edge technology and an asset-light business model. The largest component is our core truck brokerage business. Our operations also include three asset-light, brokered transportation services, all of which complement our truck brokerage business: managed transportation, last mile and freight forwarding.

Our truck brokerage business has a **variable cost structure with history of generating** robust free cash flow conversion and **a long track record of generating** a high return on invested capital. Shippers create demand for our service, and we place their freight with qualified independent carriers using our technology. We price our service on either a contract or a spot basis.

Notable factors driving **volume** growth in our business include our ability to access massive truckload capacity for shippers through our carrier relationships; our proprietary, cutting-edge technology; our strong management expertise; and favorable long-term industry tailwinds. As of **September 30, 2023** **March 31, 2024**, we had approximately **122,000** **115,000** carriers in our North American truck brokerage network, and access to more than 1.5 million trucks.

We provide our customers with highly efficient access to capacity through our digital brokerage technology. This proprietary platform is a major differentiator for our truck brokerage business, and together with our pricing technology, we believe it can unlock incremental profitable growth well beyond our current levels. Our complementary services for managed transportation, last mile and freight forwarding also utilize our digital brokerage technology.

Our managed transportation service provides asset-light solutions for shippers who outsource their freight transportation to gain reliability, visibility and cost savings. The service uses proprietary technology to enhance our revenue synergy, with cross-selling to truck brokerage, last mile and freight forwarding. Our managed transportation offering includes bespoke load planning and procurement, complex solutions tailored to specific challenges, performance monitoring, engineering and data analytics, among other services. Our control tower solution leverages the expertise of a dedicated team focused on continuous improvement, and digital, door-to-door visibility into order status and freight in transit. In addition, we offer technology-enabled managed expedite services that automate transportation procurement for time-critical freight moved by road and air charter carriers.

Our last mile offering is an asset-light service that facilitates consumer deliveries performed by highly qualified third-party contractors. We are the largest provider of outsourced last mile transportation for heavy goods in the United States, U.S., positioned within 125 miles of the vast majority of the U.S. population and serving a customer base of omnichannel and e-commerce retailers and direct-to-consumer manufacturers.

Our freight forwarding service is a scalable, asset-light offering managed with advanced technology that facilitates ocean, road and air transportation and assists with customs brokerage. We are a U.S.-based freight forwarder with a global network of company-owned and partner-owned locations and coverage of key trade lanes that reach approximately 150 countries and territories.

Notable External Conditions Impact of Inflation

As a leading provider of freight transportation services, our business can be impacted to varying degrees by factors beyond our control. The COVID-19 pandemic may continue to impact overall economic activity, customer sectors served by our industry, supply chains and labor markets. We cannot predict how long these dynamics will last, or whether any future resurgences will adversely affect our results of operations.

Additionally, economic inflation can have a negative impact on our operating costs, and any economic recession could depress activity levels and adversely affect our results of operations. A prolonged period of inflation could cause interest rates, fuel, wages and other costs to continue to increase, which would adversely affect our results of operations unless our pricing to our customers correspondingly increases. Generally, inflationary increases in labor and operating costs related to our operations have historically been offset through price increases. However, the pricing environment generally becomes more competitive during economic downturns, which may, as it has in the past, affect our ability to obtain price increases from customers both during and following such periods.

Basis of Presentation

On November 1, 2022, the Company completed the separation from XPO, Inc. (formerly known as "XPO Logistics, Inc.") ("XPO") (the "Separation"). Prior to the Separation, the Company's financial statements were prepared on a standalone combined basis and were derived from the The accompanying unaudited condensed consolidated financial statements and accounting records of XPO. On November 1, 2022, the Company became a standalone publicly traded company, and its financial statements post-Separation are prepared on a consolidated basis. The combined financial statements for all periods presented prior to the Separation are now also referred to as "condensed consolidated financial statements" and have been prepared in accordance with GAAP, U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the rules of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements have been prepared on a basis that is substantially consistent with the accounting principles applied in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). The accompanying unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the 2023 Form 10-K.

The Company's condensed consolidated financial statements include the accounts of RXO, Inc. and its majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated. In management's opinion, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and are necessary for a fair presentation of financial condition, results of operations and cash flows for the interim periods presented. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. Refer to [Note 2—Basis of Presentation and Significant Accounting Policies](#) for additional details regarding the basis of presentation used for the Company's condensed consolidated financial statements as related to the Separation, statements.

Cost of transportation and services (exclusive of depreciation and amortization) primarily includes the cost of providing or procuring freight transportation for RXO customers.

Direct operating expenses (exclusive of depreciation and amortization) are includes both fixed and variable expenses and consists mainly of personnel costs, facility and equipment expenses, such as rent, utilities, equipment maintenance and repair, costs of materials and supplies, information technology expenses, and gains and losses on sales of property and equipment.

Sales, general and administrative expense ("SG&A"), including the allocated costs of XPO prior to the Separation, primarily consists of salaries and commissions for the sales function, salary and benefit costs for executive and certain administration functions, third-party professional fees, facility costs, bad debt expense expense, and legal costs.

RXO has one reportable segment.

Results of Operations

		Three Months Ended September 30,				Three Months Ended March 31,				
		Percentage of Revenue				Percentage of Revenue				
		2023	2022	2023	2022	(In millions)	2024	2023	2024	2023
Revenue	Revenue	\$976	\$1,138	100.0 %	100.0 %	Revenue	\$913	\$1,010	100.0 %	100.0 %

Cost of transportation and services (exclusive of depreciation and amortization)	Cost of transportation and services (exclusive of depreciation and amortization)	742	857	76.0 %	75.3 %	Cost of transportation and services (exclusive of depreciation and amortization)	699	759	759	76.6	76.6 %	75.1 %
Direct operating expense (exclusive of depreciation and amortization)	Direct operating expense (exclusive of depreciation and amortization)	59	56	6.0 %	4.9 %	Direct operating expense (exclusive of depreciation and amortization)	53	61	61	5.8	5.8 %	6.0 %
Sales, general and administrative expense	Sales, general and administrative expense	148	158	15.2 %	13.9 %	Sales, general and administrative expense	145	153	153	15.9	15.9 %	15.1 %
Depreciation and amortization expense	Depreciation and amortization expense	16	23	1.6 %	2.0 %	Depreciation and amortization expense	16	18	18	1.8	1.8 %	1.8 %
Transaction and integration costs	Transaction and integration costs	2	23	0.2 %	2.0 %	Transaction and integration costs	1	6	6	0.1	0.1 %	0.6 %
Restructuring costs	Restructuring costs	3	6	0.3 %	0.5 %	Restructuring costs	11	8	8	1.2	1.2 %	0.8 %
Operating income		\$ 6	\$ 15	0.6 %	1.3 %							
Operating income (loss)						Operating income (loss)	\$ (12)	\$ 5	(1.3) %	0.5	%	
Other expense	Other expense	1	1	0.1 %	0.1 %	Other expense	1	—	—	0.1	0.1 %	— %
Interest expense (income), net		8	(1)	0.8 %	(0.1)%							
Income (loss) before income taxes		\$ (3)	\$ 15	(0.3)%	1.3 %							
Income tax provision (benefit)		(2)	2	(0.2)%	0.2 %							
Interest expense, net						Interest expense, net	8	8	8	0.9 %	0.8 %	0.8 %
Loss before income taxes						Loss before income taxes	\$ (21)	\$ (3)	(2.3) %	(0.3) %	(0.3) %	
Income tax benefit						Income tax benefit	(6)	(3)	(0.7) %	(0.3) %	(0.3) %	
Net income (loss)	Net income (loss)	\$ (1)	\$ 13	(0.1)%	1.1 %	Net income (loss)	\$ (15)	\$ —	(1.6)	(1.6) %	— %	

Three Months Ended September 30, 2023 March 31, 2024 Compared with Three Months Ended September 30, 2022 March 31, 2023

Revenue decreased 14.2% by 9.6% to \$976 million \$913 million in the third first quarter of 2023 2024, compared with \$1,138 million \$1,010 million for the same quarter in 2022 2023. The year-over-year decrease in revenue in the third first quarter of 2023 2024 was driven primarily by (i) a \$95 million \$36 million decrease in revenue generated from our truck brokerage business, as a result of a 26% reduction in revenue per load, which was impacted by a combination of transportation market rates, fuel prices, length of haul, and freight mix, partially offset by an 18% increase in load volume and (ii) a \$45 million decrease in revenue generated from our freight forwarding business, driven primarily by a decrease in ocean rates and volume.

Cost of transportation and services (exclusive of depreciation and amortization) for the third quarter of 2023 was \$742 million, or 76.0% of revenue, compared with \$857 million, or 75.3% of revenue, for the same quarter in 2022. The year-over-year increase as a percentage of revenue during the third quarter of 2023 was driven primarily by a 3.7 percentage point increase in truck brokerage cost of transportation and services as a percentage of revenue, as lower freight rates were not offset by corresponding reductions in cost of purchased transportation in the third quarter of 2023. This was partially offset by (i) lower transportation costs as a percentage of revenue in last mile and (ii) an improvement in mix in our freight forwarding business.

Direct operating expense (exclusive of depreciation and amortization) for the third quarter of 2023 was \$59 million, or 6.0% of revenue, compared with \$56 million, or 4.9% of revenue, for the same quarter in 2022. The year-over-year increase as a percentage of revenue in the third quarter of 2023 was primarily a result of deleverage on lower revenue.

SG&A for the third quarter of 2023 was \$148 million, or 15.2% of revenue, compared with \$158 million, or 13.9% of revenue, for the same quarter in 2022. The year-over-year increase in SG&A as a percentage of revenue was primarily a result of higher compensation-related costs of 0.9 percentage points for the third quarter of 2023 compared with the same quarter of 2022, reflecting deleverage on lower revenue and incremental corporate costs of operating RXO as a standalone public company.

Depreciation and amortization expense for the third quarter of 2023 was \$16 million, compared with \$23 million for the same quarter in 2022. The year-over-year reduction was driven primarily by (i) a decrease in intangible asset amortization expense as a result of a customer relationship intangible asset being fully amortized in December 2022 and (ii) a decrease in depreciation for our allocated share of XPO's corporate overhead.

Transaction and integration costs for the third quarter of 2023 and 2022 were \$2 million and \$23 million, respectively, and primarily comprised spin-off related costs.

Restructuring costs for the third quarter of 2023 and 2022 were \$3 million and \$6 million, respectively, and primarily comprised severance costs.

Our effective income tax rates were 50.5% and 18.5% for the third quarter of 2023 and 2022, respectively. The effective tax rates for the third quarter of 2023 and 2022 were based on forecasted full-year effective tax rates, adjusted for discrete items that occurred within the periods presented. Our effective tax rate for the third quarter of 2023 differs from the U.S. corporate income tax rate of 21% due primarily to state income taxes within the U.S. and a discrete tax benefit associated with return to provision true-up. Our effective tax rate for the third quarter of 2022 differs from the U.S. corporate income tax rate of 21% due primarily to a tax benefit of \$1 million from changes in reserves for uncertain tax positions partially offset by state income taxes within the U.S.

(In millions)	Nine Months Ended September 30,		Percentage of Revenue	
	2023	2022	2023	2022
Revenue	\$ 2,949	\$ 3,676	100.0 %	100.0 %
Cost of transportation and services (exclusive of depreciation and amortization)	2,224	2,782	75.4 %	75.7 %
Direct operating expense (exclusive of depreciation and amortization)	179	167	6.1 %	4.5 %
Sales, general and administrative expense	445	485	15.1 %	13.2 %
Depreciation and amortization expense	52	65	1.8 %	1.8 %
Transaction and integration costs	12	44	0.4 %	1.2 %
Restructuring costs	12	9	0.4 %	0.2 %
Operating income	\$ 25	\$ 124	0.8 %	3.4 %
Other expense	1	—	— %	— %
Interest expense (income), net	24	(1)	0.8 %	— %
Income before income taxes	\$ —	\$ 125	— %	3.4 %
Income tax provision (benefit)	(2)	29	(0.1)%	0.8 %
Net income	\$ 2	\$ 96	0.1 %	2.6 %

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

Revenue decreased 19.8% to \$2.9 billion in the first nine months of 2023, compared with \$3.7 billion for the same period in 2022. The year-over-year decrease in revenue in the first nine months of 2023 was driven primarily by (i) a \$517 million decrease in revenue generated from our truck brokerage business, as a result of a 31% 15% reduction in revenue per load, which was impacted by a combination of transportation market rates, fuel prices, length of haul, and freight mix, partially offset by an 11% increase in load volume, and (ii) a \$140 million \$25 million decrease in revenue generated from our freight forwarding business, driven primarily by a decrease in ocean rates and volume, and (iii) a \$20 million decrease in revenue generated from our managed transportation business, driven primarily by a decrease in expedite air rates and volume.

Cost of transportation and services (exclusive of depreciation and amortization) for in the first nine months quarter of 2023 2024 was \$2.2 billion \$699 million, or 75.4% 76.6% of revenue, compared with \$2.8 billion \$759 million, or 75.7% 75.1% of revenue for in the same period in 2022, quarter of 2023. The year-over year decrease year-over-year increase as a percentage of revenue in during the first nine months quarter of 2023 2024 was driven primarily by (i) lower transportation costs as a percentage of revenue in last mile and a (ii) an improvement in mix in our freight forwarding business. This was partially offset by a 2.9 2.1 percentage point increase in truck brokerage cost of transportation and services as a percentage of revenue, as lower freight rates were not fully offset by corresponding reductions in cost of purchased transportation during the quarter. This was partially offset by an improvement in the first nine months of 2023.

mix in our freight forwarding business.

Direct operating expense (exclusive of depreciation and amortization) for of \$53 million in the first nine months quarter of 2023 was \$179 million 2024 decreased \$8 million, or 6.1% of revenue, compared with \$167 million 13.1%, or 4.5% of revenue, for from \$61 million in the same period in 2022. The year-over-year increase as quarter of 2023. As a percentage of revenue, direct operating expense (exclusive of depreciation and amortization) decreased to 5.8% in the first nine months quarter of 2024 compared with 6.0% in the same quarter of 2023 was primarily due to cost reduction initiatives.

SG&A of \$145 million for the first quarter of 2024 decreased \$8 million, or 5.2%, from \$153 million for the first quarter of 2023. As a result percentage of revenue, SG&A increased to 15.9% in the first quarter of 2024 compared to 15.1% for the same quarter of 2023 due to higher compensation-related costs of 0.4percentage points reflecting deleverage on lower revenue.

SG&A for the first nine months of 2023 was \$445 million, or 15.1% of revenue, compared with \$485 million, or 13.2% of revenue, for the same period in 2022. The year-over-year increase in SG&A as a percentage of revenue primarily resulted from higher compensation-related costs of 1.8 percentage points for the first nine months of 2023 as compared to the first nine months of 2022, reflecting deleverage on lower revenue and incremental corporate costs of operating RXO as a standalone public company. This was partially offset by cost savings from restructuring actions executed in 2023 and the first nine months quarter of 2023, which primarily comprised employee severance. 2024. We anticipate the restructuring actions executed in 2023 and the first quarter of 2024 will result in cumulative annualized net combined cost savings of approximately \$31 million. more than \$60 million annually.

Depreciation and amortization expense for the first nine months quarter of 2023 2024 was \$52 million \$16 million, compared with \$65 million \$18 million for the same period quarter in 2022. The 2023, flat year-over-year reduction was driven by (i) a decrease in intangible asset amortization expense as a result percentage of a customer relationship intangible asset being fully amortized in December 2022 and (ii) a decrease in depreciation for our allocated share of XPO's corporate overhead. revenue.

Transaction and integration costs for the first nine months quarter of 2024 and 2023 were \$1 million and 2022 were \$12 million and \$44 million \$6 million, respectively, and primarily comprised spin-off related costs.

Restructuring costs for the first nine months quarter of 2024 and 2023 were \$11 million and 2022 were \$12 million and \$9 million \$8 million, respectively, and primarily comprised severance costs.

Our effective income tax rates were (574.3)% 27.7% and 23.6% 106.0% for the first nine months quarter of 2023 2024 and 2022, 2023, respectively. The effective tax rates rate for the first nine months quarter of 2024 was calculated using the discrete method. The effective tax rate for the first quarter of 2023 and 2022 were was based on forecasted full-year effective tax rates, adjusted for discrete items that occurred within the periods period presented. Our effective tax rate for the first nine months quarter of 2024 differs from the U.S. corporate income tax rate of 21% primarily due to state income taxes within the U.S. Our effective tax rate for the first quarter of 2023 differs from the U.S. corporate income tax rate of 21% primarily due primarily to a discrete tax benefit of \$2 million \$2 million from changes in reserves for uncertain tax positions. Our effective tax rate for The impact of this driver was enhanced due to our low pre-tax loss in the first nine months quarter of 2022 differs from the U.S. corporate income tax rate of 21% due primarily to state income taxes within the U.S. 2023.

Liquidity and Capital Resources

Overview

Our ability to fund our operations and anticipated capital needs are is reliant upon the generation of cash from operations, supplemented as necessary by periodic utilization of our revolving credit facility (the "Revolver"). Our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures, repayment of borrowings, share repurchases and strategic business development transactions. transactions and share repurchases. The timing and magnitude of our growth and working capital needs 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. We believe that our existing liquidity and sources of capital are sufficient to support our operations over the next 12 months.

Capital Expenditures

Our 2023 2024 capital expenditures include capital allocations associated with strategic investments in technology, equipment and real estate. The level and the timing of the Company's capital expenditures within these categories can vary as a result of a variety of factors outside of our control, such as the timing of new contracts and availability of labor and materials. We believe that we have significant discretion over the amount and timing of our capital expenditures as we are not subject to any agreement that would require significant capital expenditures on a designated schedule or upon the occurrence of designated events.

Debt and Financing Arrangements

There have been no material changes to our outstanding debt and financing arrangements in the first nine months of 2023 and we We were in compliance with all covenants and other provisions of these our outstanding debt and financing arrangements as of September 30, 2023 March 31, 2024. Any failure to comply with any material provision or covenant

of these agreements could have a material adverse effect on our liquidity and operations. Refer to [Note 5—Debt](#) to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for disclosures regarding the Company's debt and financing arrangements as of [September 30, 2023](#) [March 31, 2024](#).

As discussed further in [Note 5—Debt](#), on April 11, 2024, we amended the Revolver (the "Amendment"). Among other things, the Amendment increases the consolidated leverage ratio financial covenant level applicable under the Revolver from the fiscal quarter ending June 30, 2024 through the fiscal quarter ending March 31, 2025, as follows: (i) to 4.25:1.00 for the fiscal quarters ending June 30, 2024 and September 30, 2024; (ii) to 4.00:1.00 for the fiscal quarter ending December 31, 2024; (iii) to 3.75:1.00 for the fiscal quarter ending March 31, 2025; and (iv) returns to 3.50:1.00 beginning with the fiscal quarter ending June 30, 2025.

Financial Condition

The following table summarizes our [Our](#) asset and liability balances [are summarized as of September 30, 2023 and December 31, 2022](#) follows:

		As of					
		As of	December				
		September 30,	31,				
March							
31,							
<i>(In millions)</i>							
<i>(In millions)</i>	<i>(In millions)</i>	2023	2022	\$ Change	% Change		
Total current assets	assets	\$ 936	\$ 1,029	\$ (93)	(9.0)%		
Total long-term assets	assets	1,010	1,002	8	0.8 %		
Total current liabilities	liabilities	728	823	(95)	(11.5)%		
Total long-term liabilities	liabilities	628	621	7	1.1 %		
2024							
Total current assets	assets	\$ 770	\$ —	\$ (26)	(3.3)%		
Total long-term assets	assets	1,029	1,029	—	— %		
Total current liabilities	liabilities	674	682	(8)	(1.2)%		
Total long-term liabilities	liabilities	543	549	(6)	(1.1)%		
2023							
Total current assets	assets	\$ 796	\$ —	\$ (3.3)	(3.3)%		
Total long-term assets	assets	1,029	—	—	— %		
Total current liabilities	liabilities	682	(8)	(8)	(1.2)%		
Total long-term liabilities	liabilities	549	(6)	(6)	(1.1)%		

Total assets decreased by [\\$85](#) [\\$26](#) million from [December 31, 2022](#) [December 31, 2023](#) to [September 30, 2023](#) [March 31, 2024](#), driven primarily by a [\\$113](#) [\\$27](#) million decrease in accounts receivable as a result of a decrease in revenue, offset partially by a [\\$14](#) million increase in operating lease assets and a [\\$14](#) million increase in other current assets. [revenue](#). Total liabilities decreased by [\\$88](#) [\\$14](#) million from [December 31, 2022](#) [December 31, 2023](#) to [September 30, 2023](#) [March 31, 2024](#), driven primarily by a decrease in third party transportation costs.

Cash Flow Activity

Our cash flows from operating, investing and financing activities are summarized as follows:

Nine Months Ended September 30,					
<i>(In millions)</i>	2023	2022	\$ Change	% Change	
Net cash provided by operating activities	\$ 70	\$ 234	\$ (164)	(70.1)%	
Net cash used in investing activities	(47)	(38)	(9)	(23.7)%	
Net cash used in financing activities	(17)	(38)	21	55.3 %	
Net increase in cash, cash equivalents and restricted cash	\$ 6	\$ 158	\$ (152)	(96.2)%	

During the first nine months of 2023, we generated cash from operating activities of \$70 million, which was used primarily to fund (i) the purchase of \$46 million of property and equipment, (ii) \$12 million of tax withholdings related to vesting of stock compensation awards, (iii) \$3 million in debt and finance lease repayments and (iv) \$2 million of common stock repurchases.

During the first nine months of 2022, we generated cash from operating activities of \$234 million, which was used to fund (i) \$39 million of net transfers to XPO and (ii) the purchase of \$39 million of property and equipment.

(in millions)	Three Months Ended March 31,		\$ Change	% Change
	2024	2023		
Net cash provided by operating activities	\$ 7	\$ 42	\$ (35)	(83.3)%
Net cash used in investing activities	(11)	(12)	1	8.3 %
Net cash provided by (used in) financing activities	6	(8)	14	175.0 %
Effect of exchange rates on cash, cash equivalents and restricted cash	—	1	(1)	(100.0)%
Net increase in cash, cash equivalents and restricted cash	<u>\$ 2</u>	<u>\$ 23</u>	<u>\$ (21)</u>	<u>(91.3)%</u>

Net cash provided by operating activities for the first nine months of 2023 decreased by \$164 million, \$35 million compared with the first nine months of 2022, same period in 2023. The decrease in cash provided by operating activities reflects the impact of (i) a \$94 million \$15 million decrease in net income between periods and (ii) changes in working capital. The change in working capital was primarily driven by the balance sheet impact of decreased revenues and cost of third party transportation between periods.

Investing activities used \$47 \$11 million of cash for the first nine months of 2023, compared with using \$38 million \$12 million of cash for the same period in 2022, 2023. The primary use of cash in both periods was to purchase property and equipment.

Financing activities used \$17 provided \$6 million of cash for the first nine months of 2023, compared with using \$38 \$8 million of cash for the same period in 2022, 2023. The primary source of cash in the first three months of 2024 was \$8 million in net proceeds from borrowings. The primary use of cash from financing activities in the first nine months of 2023 was (i) \$12 million \$7 million for payments of tax withholdings related to vesting of stock compensation awards, (ii) \$3 million for debt and finance lease repayments and (iii) \$2 million for the repurchase of common stock. The primary use of cash from financing activities in the first nine months of 2022 was net transfers to XPO awards.

Critical Accounting Policies

Our significant accounting policies, which include management's most subjective and complex estimates and judgments, are included in Note 2—Basis of Presentation and Significant Accounting Policies to the Consolidated Financial Statements for the year ended December 31, 2022 December 31, 2023 included in the Annual Report on 2023 Form 10-K. A discussion of accounting estimates, considered critical because of the potential for a significant impact on the financial statements due to the inherent uncertainty in such estimates, are disclosed in the Critical Accounting Policies and Estimates section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Annual Report on 2023 Form 10-K. There have been no significant changes in the Company's critical accounting estimates since December 31, 2022 December 31, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in foreign currency exchange rates, commodity prices, interest rates and interest rates, the price of diesel fuel purchased by third-party carriers who perform the physical freight movements we arrange. There have been no material changes to our quantitative and qualitative disclosures about market risk related to our continuing operations during the quarter ended September 30, 2023 March 31, 2024, as compared with the quantitative and qualitative disclosures about market risk described in our Annual Report on the 2023 Form 10-K for the year ended December 31, 2022, 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness 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 pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of September 30, 2023 March 31, 2024. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024, 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, RXO, 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

There have not been any changes in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 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 9—Commitments and Contingencies](#) to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of our legal proceedings.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in the [Annual Report on 2023 Form 10-K for the year ended December 31, 2022, 10-K](#). There have been no material changes with respect to these risk factors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no issuances of unregistered securities during the three ~~or nine~~ months ended [September 30, 2023](#) [March 31, 2024](#).

Issuer Purchases of Equity Securities

<i>(Dollars in millions, shares in thousands, except per share amounts)</i>	Total Number of Shares Purchased		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs		Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs	
	Shares Purchased (1)	Average Price Paid Per Share	Plans or Programs	Under the Plans or Programs (2)		
July 1, 2023 through July 31, 2023	—	\$ —	—	—	\$ 123	123
August 1, 2023 through August 31, 2023	—	—	—	—	—	123
September 1, 2023 through September 30, 2023	—	—	—	—	—	123
Total	—	—	—	—	—	123

(1) Based on trade date.

(2) On May 2, 2023, the Company's Board of Directors authorized the repurchase of up to \$125 million of the Company's common stock. As of March 31, 2024, \$123 million remained available under the program for future share repurchases. We are not obligated to repurchase any specific number of shares and may suspend or discontinue use of a specific dollar amount of the program at any time. Also, the approved amount. The program does not have an expiration date, date and may be suspended or discontinued at any time at the discretion of the Company's Board of Directors. There were no share repurchases under the program or otherwise during the three months ended March 31, 2024. For further details, refer to [Note 7—Stockholders' Equity](#) to the condensed consolidated financial statements.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On November 2, 2023, we exercised a feature to increase the total commitments under our Revolver from \$500 million to \$600 million.

In connection with the Revolver commitment increase, we repaid all of the outstanding obligations in respect of the \$100 million principal amount, interest and fees under our Term Loan Credit Agreement, dated as of October 18, 2022 (the "Term Loan"), among the Company, the guarantors from time to time party thereto, the lenders and other parties from time to time party thereto and Citibank, N.A., as administrative agent, and terminated the Term Loan. None.

ITEM 6. EXHIBITS

10.1 * 10.19 +	Incremental Amendment and Lender Joinder Form of Performance-Based Restricted Stock Unit Award Agreement dated as of November 2, 2023, by and among under the RXO, Inc. and the incremental lenders party thereto and agreed to and accepted by Citibank, N.A., as Administrative Agent, 2022 Omnibus Incentive Compensation Plan.
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, 2023March 31, 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, 2023March 31, 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, 2023, March 31, 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, 2023, March 31, 2024.
101.INS *	<i>XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.</i>
101.SCH *	<i>XBRL Taxonomy Extension Schema.</i>
101.CAL *	<i>XBRL Taxonomy Extension Calculation Linkbase.</i>
101.DEF *	<i>XBRL Taxonomy Extension Definition Linkbase.</i>
101.LAB *	<i>XBRL Taxonomy Extension Label Linkbase.</i>
101.PRE *	<i>XBRL Taxonomy Extension Presentation Linkbase.</i>
104 *	<i>Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).</i>

* Filed herewith.

** Furnished herewith.

+ This exhibit is a management contract or compensatory plan or arrangement.

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.

Date: **November 7, 2023** **May 7, 2024**

RXO, INC.

By: **/s/ Drew M. Wilkerson**
Drew M. Wilkerson
Chief Executive Officer
(Principal Executive Officer)

By: **/s/ James E. Harris**
James E. Harris
Chief Financial Officer
(Principal Financial Officer)

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INCREMENTAL AMENDMENT

AND LENDER JOINDER 10.19 PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

INCREMENTAL AMENDMENT AND LENDER JOINDER AGREEMENT, UNDER THE RXO, INC. 2022 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as of November 2, 2023 (this "Agreement" ###GRANT_DATE###, (the "Grant Date"), by and among between RXO, Inc. INC., a Delaware corporation (the "Company" "Company" or "RXO"), and ###PARTICIPANT_NAME###. This Performance-Based Restricted Stock Unit Award Agreement (this "Award Agreement") sets forth the incremental lenders party hereto (in such capacity, collectively, terms and conditions of an award of ###TOTAL_AWARDS### (representing the "Incremental Lenders" aggregate Target Amount) performance- based restricted stock units ("PSUs") that are subject to the terms and each, individually, an "Incremental Lender" conditions specified herein (this "Award") and agreed that are granted to you under the RXO, Inc. 2022 Omnibus Incentive Compensation Plan (the "Plan"). This Award provides you with respect the opportunity to earn, subject to the terms of this Award Agreement, shares of the Company's Common Stock, \$0.01 par value (each, a "Share"), or cash, as set forth in Section 3 of this Award Agreement. You must affirmatively acknowledge and accept this Award Agreement within 120 days following the Grant Date. A failure to acknowledge and accept this Award Agreement within such 120-day period will result in forfeiture of this Award, effective as of the 121st day following the Grant Date. You must acknowledge and accept the terms and conditions of this Award Agreement electronically through the Morgan Stanley website. THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN INCLUDING THE PLAN RULES, THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 12 OF THIS AWARD AGREEMENT. BY ACCEPTING THIS AWARD, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT. SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern. SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below (in addition to any definitions set forth in Exhibit A hereto): "Business Day" means a day that is not a Saturday, a Sunday or a day on which banking institutions are legally permitted to be closed in the City of New Lender (as defined below), and accepted by Citibank, N.A., as administrative agent (the "Agent") York. "Cause" means: (i) your dereliction of duties or gross negligence or failure to perform your duties or refusal to follow any lawful directive of the officer to whom you report; (ii) your abuse of or dependency on alcohol or drugs (illicit or otherwise) that adversely affects your performance of duties for the Lenders party Company; (iii) your commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of



2 money or other assets of the Company; (iv) your breach of any fiduciary duties to the Credit Agreement referred Company or any agreement with the Company; (v) any act, or failure to below.

WITNESSETH:

WHEREAS, act, by you in bad faith to the detriment of the Company; (vi) your failure to provide the Company each lender with at least 30 days' advanced written notice of your intention to resign; (vii) your failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests your cooperation; (viii) your failure to follow Company policies, including the Company's code of conduct and/or ethics policy, as may be in effect from time to time, and (ix) your conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that in cases where cure is possible, you shall first be provided a 15-day cure period. If, subsequent to your termination of employment for any reason other than by the Company for Cause, it is determined in good faith by the Chief Executive Officer of the Company that your employment could have been terminated by the Company for Cause, your employment shall, at the election of the Chief Executive Officer of the Company at any time up to two years after your termination of employment but in no event more than six months after the Chief Executive Officer of the Company learns of the facts or events that could give rise to the termination for Cause, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred. "Code" means the Internal Revenue Code of 1986, as amended. "Determination Date" means the date following the completion of any Performance Period(s) on which the Committee certifies the level of achievement of the applicable Performance Goals. "Disability" means permanent and total disability as determined under the Company's long-term disability plan applicable to you, or if there is no such plan applicable to you, "Disability" means a determination of total disability by the Social Security Administration; provided that, in either case, your condition also qualifies as a "disability" for purposes of Section 409A(a)(2)(C) of the Code with respect to any Award subject to Section 409A. "Earned Amount" means the number of PSUs (as a percentage of the Target Amount) earned based on the level of achievement of the Performance Goals or otherwise in accordance with this Award Agreement. "Employment Agreement" means any individual employment agreement between you and the Company or any of its Subsidiaries. "Good Reason" means the definition thereof as set forth in the Plan; provided that if you are a party thereto (the "Lenders"), to an employment or similar agreement with the Guarantors Company, or are an eligible participant in a severance or change in control severance plan of the Company, that has a definition of Good Reason, the definition in such agreement or plan shall replace the definition of Good Reason hereunder. "Performance Goal(s)" means the performance goal(s) set forth in Exhibit A.

3 "Performance Period" means the period(s) with respect to which the Performance Goals are measured as set forth in Exhibit A. "Retirement" means a voluntary termination not for Cause, after you reach (i) 55 years of age and (ii) 10 years of continuous service with the Company. "Section 409A" means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time party thereto time. "Settlement Date" means, subject to Section 17, the date on, or as soon as reasonably practicable following, the later of (i) the Vesting Date (or any earlier vesting by reason of certain termination of employment events set forth in Section 3(b) hereof) and (ii) the Agent are parties applicable Determination Date; provided that in the event of a termination due to death or Disability, the Settlement Date shall mean on, or as soon as reasonably practicable following, the date of such death or Disability; provided further that certain Credit in the event of a Retirement, the foregoing reference in clause (i) to "earlier vesting" shall mean the date of Retirement, if earlier than the scheduled Vesting Date. "Target Amount" means, with respect to each Tranche, the target amount of PSUs subject to such Tranche as set forth in Exhibit A. "Tranche" means each of the Tranches as identified in Exhibit A. "Vesting Date" means the vesting date specified in Exhibit A. SECTION 3. Vesting and Settlement. (a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, dated the Earned Amount of each Tranche, determined based on the level of achievement of the Performance Goals during the applicable Performance Period as certified by the Committee, shall vest on the Vesting Date for such Tranche subject to your continued employment through such Vesting Date. Except as otherwise provided in this Award Agreement, no PSUs shall be earned and payable with respect to any Tranche unless the Committee has certified the level of achievement of the applicable Performance Goals. The Committee shall have sole discretion to determine the level of achievement of the applicable Performance Goals. If the Earned Amount for any Tranche is determined to be less than the Target Amount, any excess PSUs for such Tranche shall be forfeited as of October 18, 2022 (as amended, restated, amended and restated, supplemented immediately following the conclusion of the applicable Performance Period. (b) Termination of Employment. Notwithstanding anything to the contrary in this Award Agreement or otherwise modified from time the Plan: (i) if your employment terminates by reason of your death or Disability, outstanding PSUs shall vest in full immediately in an amount equal to time (x) for each Tranche for which the Performance Period was completed prior to the date hereof, of termination, the "Credit Agreement" (capitalized terms not otherwise defined in this Agreement have Earned Amount (as determined on the same meanings assigned thereto in the Credit Agreement); and

WHEREAS, the Company has, by written notice to the Agent delivered pursuant to Section 2.22 of the Credit Agreement, requested incremental commitments (the "Incremental Revolving Credit Commitments") in an aggregate principal amount of \$100,000,000.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto hereby agree applicable Determination Date as follows:

SECTION 1. Incremental Lenders and the Incremental Revolving Credit Commitments. Pursuant to Section 2.22 of the Credit Agreement and subject to the satisfaction or waiver of the conditions to effectiveness of this Agreement set forth in Section 4 of this Agreement:

(a) Each Incremental Lender severally agrees to provide Incremental Revolving Credit Commitments in the principal amount for such Incremental Lender set forth on Schedule Exhibit A hereto. The aggregate principal amount hereto plus (y) for any other Tranche, the Target Amount for such Tranche;

4 (ii) if your employment is terminated by the Company for Cause or if you resign for any reason, other than due to Retirement, all unvested PSUs shall be immediately forfeited; (iii) if your employment is terminated (A) by the Company without Cause and, within the period specified by the Company (but ending no later than 60 days following termination), you execute and let become effective a general release of claims in a form approved by the Incremental Revolving Credit Commitments being provided Company, or (B) by all you due to Retirement, then you shall vest (or remain eligible to vest) in (x) for each Tranche for which the Performance Period was completed prior to the date of termination, the Incremental Lenders pursuant to this Agreement is \$100,000,000.

(b) The Incremental Revolving Credit Commitments Earned Amount (as determined on the applicable Determination Date as set forth on Schedule Exhibit A hereto shall have terms identical to hereto) plus (y) for the terms Performance Period in which the date of termination occurs, a pro-rated amount determined by multiplying the Earned Amount for such Tranche (as determined on the applicable Determination Date) by a fraction, the numerator of which is the number of days from the beginning of such Performance Period through the date of termination of your employment and the denominator of which is the number of days during such Performance Period; provided that the remainder of the Commitments PSUs shall be forfeited. (c) Change of Control. In the event that your employment is terminated by the Company without Cause or by you for Good Reason at any time following a Change of Control, outstanding under the Credit Agreement on the Effective Date PSUs (including without limitation, any Replacement Award with respect to the maturity date, pricing, mandatory prepayments and voluntary prepayments) and this Award) shall otherwise be subject vest in full immediately in an amount equal to (i) for any Tranche for which a Determination Date occurred on or prior to the provisions Change of Control, the Earned Amount for such Tranche (as determined on the applicable Determination Date as set forth on Exhibit A hereto) and (ii) for any other Tranche, the greater of (x) the Target Amount or (y) the actual achievement for such Tranche as determined through the date of the Credit Agreement and the other Loan Documents. On and after the Effective Date, each reference Change of Control. (d) Settlement of PSU Award. Subject

to (x) a "Commitment" or "Commitments" or (y) a "Advance" Section 17(a), "Advances", "Revolving Loan" or "Revolving Loans" in the Credit Agreement or herein shall be deemed to include the Incremental Revolving Credit Commitments and any Advances made in respect of the Incremental Revolving Credit Commitments established if PSUs vest pursuant to this Agreement and all other related terms will have correlative meanings.

(c) Each of the parties hereto hereby agrees that the Agent may take any and all action as may be reasonably necessary, including the effecting of notional assignments between the Incremental Lenders and the other Lenders of outstanding Advances to ensure that, after giving effect to this Agreement,

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all Advances from the Incremental Lenders, when originally made, are included in each Revolving Borrowing under the Credit Facility on a pro rata basis.

SECTION 2. Amendment to the Credit Agreement.

(a) From and after the Effective Date, the Commitment Schedule to the Credit Agreement is hereby replaced in its entirety with Schedule B hereto.

SECTION 3. Representations and Warranties. By its execution of this Agreement, the Company hereby represents and warrants to the Incremental Lenders that:

(a) the representations and warranties set forth in Article 5 of the Credit Agreement are true and correct in all material respects, except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true and correct in all respects, foregoing provisions then on the Effective Date with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall be true and correct in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true and correct in all respects) as of such earlier date); and

(b) on and as of the Effective Date, no Unmatured Default or Default shall have occurred and be continuing or would result from the effectiveness of the Incremental Revolving Credit Commitments.

SECTION 4. Conditions of Effectiveness of the Incremental Revolving Credit Commitments. This Agreement shall become effective on the date (the "Effective Date") subject to the satisfaction (or waiver) of only the following conditions precedent:

(a) the Agent (or its counsel) shall have received from (I) all Incremental Lenders hereunder as of the Effective Date, (II) the Agent, and (III) the Company an executed counterpart of this Agreement;

(b) the Agent shall have received a written notice from the Company requesting the Incremental Revolving Credit Commitments and satisfying the requirements set forth in Section 2.22 of the Credit Agreement;

(c) the Company shall have delivered to the Agent a certificate of an authorized officer of the Company, dated the Effective Date, stating that the representations and warranties of the Company contained in Section 3 of this Agreement are correct;

(d) the Company shall have delivered to the Agent copies of the certificate of incorporation or formation, as applicable, of each Credit Party, together with all amendments thereto, and a certificate of good standing or like certificate in its jurisdiction of incorporation or formation (to the extent that such concept exists in such jurisdiction), as applicable, for such Credit Party, each certified by the appropriate governmental officer in its jurisdiction of incorporation or formation, as applicable;

(e) the Company shall have delivered to the Agent a favorable written opinion (addressed to the Agent and the Incremental Lenders and dated the Effective Date) of Alston & Bird LLP reasonably acceptable to the Agent;

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(f) prior to or substantially concurrently with the Effective Settlement Date, the Company shall have delivered to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Agent a copy Fair Market Value determined as of the executed payoff letter Settlement Date of one Share, in each case, for the repayment each Earned Amount of all existing Indebtedness under PSUs that certain Term Loan Credit Agreement, dated as of October 18, 2022, between the Company, the Agent and the other parties from time to time thereto;

(g) at least three (3) days prior to the Effective Date, the Company shall have provided the documentation and other information about the Company that is required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the U.S. Patriot Act and the Beneficial Ownership Regulation, to the extent such information was reasonably requested by the Incremental Lenders in writing at least five (5) Business Days prior to the Effective Date; and

(h) the Company shall have paid all fees, costs and expenses due and payable to the Agent, for itself and on behalf of the Lenders, or its counsel on the Effective Date and (in the case of expenses) for which the Company has received an invoice at least three (3) Business Days prior to the Effective Date (provided that such invoice may reflect an estimate and/or only costs processed to date and shall not thereafter preclude a final settling of accounts between the Company and the Agent, including with respect to fees, costs or expenses incurred prior to the Effective Date).

SECTION 5. Acknowledgment of New Lender. JPMorgan Chase Bank, National Association, (the "New Lender") (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of its Incremental Revolving Credit Commitments, shall have the obligations of a Lender thereunder, (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by its Incremental Revolving Credit Commitments and either it, or the Person exercising discretion in making its decision to provide its Incremental Revolving Credit Commitments, is experienced in acquiring assets of such type, (iv) it has received a copy of the Credit Agreement, and has received, or has been accorded the opportunity to receive, copies of the most recent financial statements delivered pursuant to Section 6.01 thereof and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Agreement and to provide its Incremental Revolving Credit Commitments, (v) the representations and warranties in Section 9.11 and Section 10.10 of the Credit Agreement are true and (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and to provide its Incremental Revolving Credit Commitments; and (b) agrees that (i) it will, independently and without reliance on the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

SECTION 6. Reference to and Effect on the Credit Agreement and the other Loan Documents.

(a) On and after the Effective Date, each reference in the Credit Agreement to (i) "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in any other Loan Document to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Agreement and (ii) each Incremental Lender (x) shall become a "Lender" for all purposes

of the Credit Agreement and the other Loan Documents and (y) shall have a "Commitment" under the Credit Agreement.

(b) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Agreement, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

(d) On and after the Effective Date, this Agreement is subject to the provisions of Section 9.01 of the Credit Agreement and constitutes a Loan Document.

SECTION 7. Costs and Expenses. The Company agrees to pay promptly on demand all reasonable costs and out-of-pocket expenses of the Agent (in its capacity as such) in connection with the preparation, execution, delivery and administration, modification and amendment of this Agreement (including, without limitation, the reasonable fees and out-of-pocket expenses of a single counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities hereunder) vested in accordance with the terms of this Award Agreement; provided that, the Company shall have sole discretion to determine whether to settle such PSUs in Shares, cash or a combination thereof.

SECTION 4. Forfeiture of PSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non- disparagement or confidentiality provisions) contained in any of your arrangements with the Company (including any Employment Agreement and the confidentiality covenant contained in Section 9.06 12(c) hereof), subject to applicable law, (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the PSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the PSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid

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5 or received by you, in respect of any PSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the Credit Agreement, conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a 15-day cure period to cease, and to cure, such conduct. SECTION 5. No Rights as a Stockholder until Issuance of Shares Following Vesting Date. You shall not have any rights or privileges of a stockholder with respect to the PSUs subject to this Award Agreement unless and until Shares are actually issued in book-entry form to you or your legal representative in settlement of this Award. SECTION 6. Non-Transferability of PSUs. Unless otherwise provided by the Committee in its discretion, PSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of PSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void. SECTION 7. Withholding. (a) Responsibility for Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on your Satisfaction of any applicable withholding taxes in accordance with this Section 7 and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includable in your gross income for Federal, state, local or foreign income tax purposes with respect to any PSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. (b) Methods of Satisfaction. In the event that there is withholding tax liability in connection with the settlement of the PSUs, the Company may determine to cause your obligations to be satisfied automatically by any of the following methods without your further consent: (i) by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the PSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability; (ii) withholding from proceeds of the sale of Shares acquired at vesting either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or 'sell-to-cover' transaction, without your further consent; provided that to the extent required by the Company, you agree to execute and deliver to the Company or its agent any other documents as they reasonably deem necessary or appropriate to carry out the

6 foregoing, including without limitation, any agreement intended to ensure the foregoing comply with the requirements of Rule 10b5-11 under the Exchange Act; (iii) withholding from wages or other cash compensation paid to you by the Company or any Subsidiary; (iv) any other method approved by the Committee and permitted by applicable laws; provided that if you are an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then unless and until otherwise determined by the Committee or the Board, the Company's withholding obligations with respect to such taxable event will be satisfied pursuant to clause (i) above. SECTION 8. Execution Consents and Legends. (a) Consents. Your rights in Counterparts respect of the PSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan). (b) Legends. The Company may affix to certificates (or book-entry equivalents) for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares. SECTION 9. Clawback Policies. You hereby acknowledge and agree that, to the extent the Company has in place a policy applicable to you with respect to clawback or recoupment of compensation, including any policy that may be required by applicable law or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Shares are listed or quoted and any policy adopted after the Grant Date, this Award shall be subject to clawback, forfeiture, reduction, recoupment of gains or similar requirements (and such requirements shall be deemed incorporated by reference into this Award Agreement). SECTION 10. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns. SECTION 11. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

7 SECTION 12. Dispute Resolution. (a) Jurisdiction and Venue. Notwithstanding any provision [REDACTED] number Employment Agreement, any claim initiated by you arising out [REDACTED] counterparts or relating to this Award Agreement, or the breach [REDACTED] thereof, shall be resolved by binding arbitration before a single arbitrator in the State of Delaware administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, [REDACTED] judgment on the award [REDACTED] rendered. [REDACTED] different the arbitrator may be entered in any court having jurisdiction thereof. Except to the extent that the Company seeks injunctive relief pursuant to any individual agreement between you and the Company, any claim initiated by the Company arising out of or relating to this Award Agreement, or the breach thereof, shall, at the election of the Company be resolved in accordance with this Section 12. You hereby irrevocably submit to the jurisdiction of any state or

federal court located in the State of Delaware; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing any judgment or award obtained by the Company. You waive, to the fullest extent permitted by applicable law, any objection which you now or hereafter have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an applicable court described in this Section 12, and agree that you shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. You agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 12 shall be conclusive and binding upon you and may be enforced in any other jurisdiction. (b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan. (c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 12, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute). SECTION 13. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below. If to the Company: RXO, Inc. 11215 North Community House Road Charlotte, NC 28277 USA Attention: Chief Human Resources Officer

8 If to you: To your address as most recently supplied to the Company and set forth in the Company's records The parties hereto may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in separate counterparts, each of which when so executed the manner specified above. SECTION 14. Governing Law. This Award Agreement shall be deemed to be an original and all made in the State of which taken together shall constitute but one Delaware, and the same agreement. Delivery validity, construction and effect of an executed counterpart of a signature page to this Award Agreement by telecopier in all respects shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9. Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York. Delaware, without giving effect to the conflict of law principles thereof. SECTION 15. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words "include", "includes" or "including" are used in this Award Agreement, they shall be deemed to be followed by the words "but not limited to". The term "or" is not exclusive. SECTION 16. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 17(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancelation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the PSUs shall be subject to the provisions of Section 7(c) of the Plan). SECTION 17. Section 409A. (a) It is intended that the provisions of this Award Agreement be exempt from, or comply with, Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Award Agreement or any term or condition of the PSUs would otherwise conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Except as otherwise set forth herein, the Settlement Date shall occur within the same taxable year of the Company in which the scheduled Vesting Date occurs. With respect to any portion of the Award intended to be exempt from Section 409A, the Settlement Date shall occur within the short-term deferral period thereunder. With respect to any portion of the Award payable upon a separation from service pursuant to Section 3(b) hereof that is subject to Section 409A, the Settlement Date shall occur either (i) within the same taxable year of the Company in which the separation from service (or, if later and applicable, the Determination Date for the relevant Tranche) occurs or (ii) if later (to the extent permitted by Section 409A), by the 15th day of the third calendar month following the separation from service, as determined by the Company, subject to clause (c) below.



9 (b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates. (c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii). To the extent required by Section 409A, if the period during which you have discretion to execute or revoke a release straddles two calendar years, the Settlement Date for any PSUs that become vested based on such release shall occur in the second of the two calendar years. All references to "termination of employment" or similar references in this Award Agreement shall mean a "separation from service" (within the meaning of Section 409A). (d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its

Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties. SECTION 10. Headings. Section headings herein are included 18. Counterparts and Severability. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for convenience all purposes. The invalidity or unenforceability of reference only and any provision of this Award Agreement shall not affect the interpretation validity or enforceability of any other provision of this Agreement. Award Agreement, and each other provision of this Award Agreement shall be severable and enforceable to the extent permitted by law.

Remainder



IN WITNESS WHEREOF, each whether this Award Agreement has otherwise expired or terminated, unless otherwise provided in your Employment Agreement, in the event that any payments, distributions, benefits or entitlements of any type payable to you ("CIC Benefits") (i) constitute "parachute payments" within the meaning of Section 280G of the **undersigned has caused its** Code, and (ii) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your CIC Benefits shall be reduced to such lesser amount (the "Reduced Amount") that would result in no portion of such benefits being subject to the Excise Tax; provided that such amounts shall not be so reduced if the Company determines, based on the advice of Golden Parachute Tax Solutions LLC, or such other nationally recognized certified public accounting firm as may be designated by the Company (the "Accounting Firm"), that without such reduction you would be entitled to receive and retain, on a net after tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code), an amount that is greater than the amount, on a net after tax basis, that you would be entitled to retain upon receipt of the Reduced Amount. Unless the Company and you otherwise agree in writing, any determination required under this Section 19 shall be made in writing in good faith by the Accounting Firm. In the event of a reduction of benefits hereunder, benefits shall be reduced by first reducing or eliminating the portion of the CIC Benefits that are payable under this Award Agreement and then by reducing or eliminating the portion of the CIC Benefits that are payable in cash and then by reducing or eliminating the non-cash portion of the CIC Benefits, in each case, in reverse order beginning with payments or benefits which are to be paid the furthest in the future. For purposes of making the calculations required by this Section 19, the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably require in order to make a determination under this Section 18, and the Company shall bear the cost of all fees the Accounting Firm charges in connection with any calculations contemplated by this Section 19. In connection with making determinations under this Section 19, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by you before or after the Change of Control, including any non-competition provisions that may apply to you and the Company shall cooperate in the valuation of any such services, including any non-competition provisions. **SECTION 20. Trade Monitoring Policy.** You are required to maintain a securities brokerage account with the Company's preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the "Trade Monitoring Policy"). The Company's preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company's preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your

11 noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time. SECTION 21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on this Award and on any Shares acquired upon settlement of this Award, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or

undertakings that may be necessary to accomplish the foregoing. The parties have duly authorized officer to execute and deliver executed this Award Agreement as of the date first written above.

RXO, INC., as the Company

By: /s/ David Murray

Name: David Murray

Title: Vice President

[Signature Page to RXO, Incremental Amendment and Lender Joinder Agreement] INC. By: /s/ Heidi Ratti Name: Heidi Ratti Title: Chief Human Resources Officer

BANK OF AMERICA, N.A., as an

Incremental Lender

By: /s/ Mukesh Singh

Name: Mukesh Singh

Title: Director

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

BARCLAYS BANK PLC, as an Incremental

Lender

By: /s/ Charlene Saldanha

Name: Charlene Saldanha

Title: Authorized Signatory

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

GOLDMAN SACHS BANK USA, as an

Incremental Lender

By: /s/ Rebecca Kratz

Name: Rebecca Kratz

Title: Authorized Signatory

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

KeyBank National Association, as an

Incremental Lender

By: /s/ Brian P. Fox

Name: Brian P. Fox

Title: Senior Vice President

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

MORGAN STANLEY BANK, N.A., as an Incremental Lender

By: /s/ Michael King

Name: Michael King

Title: Authorized Signatory

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

The Bank of Nova Scotia, as an Incremental

Lender

By: /s/ Kevin D. McCarthy

Name: Kevin McCarthy

Title: Director

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

Wells Fargo, as an Incremental Lender

By: /s/ Mylissa Merten

Name: Mylissa Merten

Title: Vice President

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

REGIONS BANK, as an Incremental Lender

By: /s/ Holli Balzer

Name: Holli Balzer

Title: Director

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

Truist Bank, as an Incremental Lender

By: /s/ Chris Hursey

Name: Chris Hursey

Title: Director

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

U.S. BANK NATIONAL ASSOCIATION, as

an Incremental Lender

By: /s/ Eric. M. Herm

Name: Eric M. Herm

Title: Vice President

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

JPMORGAN CHASE BANK, N.A., as an

Incremental Lender and the New Lender

By: /s/ Ryan P. Viaclovsky

Name: Ryan P. Viaclovsky

Title: Authorized Officer

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

CITIBANK, N.A., as Administrative Agent and an Incremental Lender

By: /s/ Paul L. Colon

Name: Paul L. Colon

Title: SVP

Agreed to (with respect to the New Lender only) and accepted by:

[Signature Page to RXO Incremental Amendment and Lender Joinder Agreement]

SCHEDULE A

Incremental Revolving Credit Commitments

Name of Incremental Lender	Incremental Revolving Credit Commitments
Citibank, N.A.	\$6,000,000.00
Bank of America, N.A.	\$6,000,000.00
Barclays Bank PLC	\$3,750,000.00
Goldman Sachs Bank USA	\$3,750,000.00
Morgan Stanley Bank, N.A.	\$3,750,000.00
The Bank of Nova Scotia	\$3,750,000.00
Wells Fargo Bank, National Association	\$3,750,000.00
Regions Bank	\$2,000,000.00
Truist Bank	\$2,000,000.00
U.S. Bank National Association	\$15,250,000.00
JPMorgan Chase Bank, N.A.	\$50,000,000.00
TOTAL:	\$100,000,000

Schedule B

COMMITMENT SCHEDULE

COMMITMENTS AND PRO RATA SHARES

Lender	Commitment	Pro Rata Share of Aggregate Commitment
Citibank, N.A.	\$72,250,000.00	12.0417%

Bank of America, N.A.	\$72,250,000.00	12.0417%
Barclays Bank PLC	\$50,000,000.00	8.3333%
Goldman Sachs Bank USA	\$50,000,000.00	8.3333%
KeyBank National Association	\$46,250,000.00	7.7083%
Morgan Stanley Bank, N.A.	\$50,000,000.00	8.3333%
The Bank of Nova Scotia	\$50,000,000.00	8.3333%
Wells Fargo Bank, National Association	\$50,000,000.00	8.3333%
JPMorgan Chase Bank, N.A.	\$50,000,000.00	8.3333%
U.S. Bank National Association	\$45,250,000.00	7.5417%
Regions Bank	\$32,000,000.00	5.3333%
Truist Bank	\$32,000,000.00	5.3333%
TOTAL:	\$600,000,000.00	100.0000%

Exhibit 31.1

CERTIFICATION

I, Drew M. Wilkerson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of RXO, 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/ Drew M. Wilkerson
Drew M. Wilkerson
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2023 May 7, 2024

Exhibit 31.2

CERTIFICATION

I, James E. Harris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 of RXO, 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/ James E. Harris
James E. Harris
Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2023 May 7, 2024

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 RXO, 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, 2023** **March 31, 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/ Drew M. Wilkerson
Drew M. Wilkerson
Chief Executive Officer
(Principal Executive Officer)

Date: **November 7, 2023** **May 7, 2024**

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 RXO, 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, 2023** **March 31, 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/ James E. Harris
James E. Harris
Chief Financial Officer
(Principal Financial Officer)

Date: **November 7, 2023** **May 7, 2024**

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