UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 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: 001-32172

XPO

XPO, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**03-0450326**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Five American Lane	
Greenwich, CT	**06831**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (855) 976-6951

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 $0.001 per share	XPO	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant’s common stock held by non-affiliates of the registrant was $ 12.1 billion as of June 28, 2024 (the last business day of the registrant’s most recently completed second fiscal quarter), based upon the closing price of the common stock on that date.

As of January 31, 2025, there were 117,242,596 shares of the registrant’s common stock, par value $0.001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant’s proxy statement, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant’s 2025 Annual Meeting of Stockholders (the “Proxy Statement”), are incorporated by reference into Part III of this Annual Report on Form 10-K (the “Annual Report”). Except with respect to information specifically incorporated by reference in this Annual Report, the Proxy Statement is not deemed to be filed as part hereof.

XPO, INC.

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2024

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PART I

In this Annual Report, "we," "our," "us," "XPO, Inc.," "XPO," and "the Company" refer to XPO, Inc. and its consolidated subsidiaries, unless the context requires otherwise.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report 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 future results, levels of activity, performance or achievements to be materially different from our expected 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 Annual 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 audited Consolidated Financial Statements and related notes thereto included elsewhere in this Annual Report. Forward-looking statements set forth in this Annual 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.

ITEM 1. *BUSINESS*

Company Overview

XPO, Inc., together with its subsidiaries, is a leading provider of freight transportation services, with company-specific avenues for value creation. We use our proprietary technology to move goods efficiently through our customers' supply chains in North America and Europe. As of December 31, 2024, we had approximately 38,000 employees serving approximately 55,000 customers through 614 locations in 17 countries.

Our company has two reportable segments: North American Less-Than-Truckload ("LTL"), the largest component of our business, and European Transportation.

North American LTL Segment

LTL in North America is a bedrock industry providing a critical service to the economy, with secular growth drivers, a favorable pricing environment and an established competitive landscape. XPO is one of the largest LTL networks in North America, with approximately 9% share of the U.S. market, estimated to be $52 billion in 2023.

We provide approximately 36,000 shippers with critical geographic density and day-definite domestic services to approximately 99% of U.S. zip codes, as well as cross-border services to Mexico, Canada and the Caribbean. Our capacity and reach give us the ability to manage large freight volumes efficiently and balance our network to leverage fixed costs. For the full year 2024, our customer-focused organization of truck drivers, service center teams and sales professionals worked together to move approximately 18 billion pounds of freight through our network.

Importantly, our LTL business historically has generated a high return on invested capital and robust free cash flow. This supports our ongoing investments in people, network capacity and proprietary technology. We manage the business to specific objectives, such as on-time delivery and damage-free transport of customer freight, the optimal sourcing of linehaul transportation, and the strategic expansion of our footprint in markets with long-term demand. Since implementing our growth plan in the fourth quarter of 2021, we have added more than 2,000 net new doors to our network — this includes the acquisition of 28 service centers previously operated by Yellow Corporation (the "Yellow Asset Acquisition"), completed in December 2023. As of December 31, 2024, we had opened 23 of these acquired locations.

Additionally, we have continued to advance a host of initiatives that are specific to XPO and largely independent of the macroeconomic environment. Our in-house trailer manufacturing facility and truck driver schools are self-reliant capabilities that are competitively advantageous for us, particularly when industry conditions make it difficult to source equipment or drivers. In 2024, we produced over 4,400 trailers and continued to invest in training commercial drivers at our 130 XPO driver schools.

Specific to our technology, we believe that we have a large opportunity to drive further growth and profitability in our LTL network through innovation. For more information, see "Proprietary Technology and Intellectual Property" below.

European Transportation Segment

XPO has a unique pan-European transportation platform with leading positions in key geographies: We are the #1 full truckload broker and the #1 pallet network (LTL) provider in France; the #1 full truckload broker and the #1 LTL provider in Iberia (Spain and Portugal); and a top-tier dedicated truckload provider in the U.K., where we also have the largest single-owner LTL network. We serve an extensive base of customers in the consumer, trade and industrial markets, including many sector leaders that have long-tenured relationships with us.

Our range of freight services in Europe encompasses dedicated truckload, LTL, full truckload brokerage, managed transportation, last mile, freight forwarding, warehousing and, increasingly, multimodal solutions customized for our customers, such as road-rail and road-short sea combinations. Our operators use our proprietary technology to manage these services within our digital ecosystem in Europe.

Strategic Developments

XPO has operated solely as an asset-based LTL service provider in North America since November 2022, when we completed the spin-off of RXO, Inc. ("RXO"). This followed our completion of two additional components of our strategic plan: the spin-off of GXO Logistics, Inc. ("GXO") in August 2021, and the sale of our North American intermodal operation in March 2022.

In December 2023, we completed the Yellow Asset Acquisition, in line with our commitment to expand capacity in key freight markets and operate the network more efficiently. In connection with this transaction, we purchased 26 LTL service centers previously operated by Yellow Corporation and assumed existing leases for two additional locations.

The previously announced authorization by our Board of Directors to divest our European business remains in effect. There can be no assurance that the divestiture will occur, or of the terms or timing of a transaction.

Proprietary Technology and Intellectual Property

One of the ways in which we deliver superior service to our customers is by empowering our employees with technology. Our industry is evolving, and customers want to de-risk their supply chains by forming relationships with reliable service providers that have invested in innovation.

We have built a highly scalable ecosystem on the cloud that deploys our software consistently across our operating footprint. In our North American LTL business, the caliber of our technology is mission-critical to our success; it optimizes pricing, linehaul, pickup-and-delivery and dock operations — the main components of the service we provide. An LTL network of our scale has hundreds of thousands of activities underway at any given time, all managed on our technology. In 2024, we moved approximately 18 billion pounds of freight 815 million miles, including moving linehaul freight an average of 2.6 million miles a day.

With intelligent route-building, we can reduce empty miles in our linehaul network, improve load factor and mitigate cargo damage. Our proprietary bypass models make recommendations to enhance trailer utilization, assimilating massive amounts of data and taking volume, density, and freight dimensions into account. We use our real-time visualization tools to reduce costs with pickups and deliveries and developed a robust pricing platform for contractual account management and automated, dynamic pricing for local accounts.

XPO Smart® is our proprietary suite of intelligent tools and analytics that self-adjusts site by site to drive productivity across our LTL service center operations. Our software incorporates dynamic data science, predictive analytics and machine learning to aid our managers in workflow decision-making. We use XPO Smart® to improve our labor in a safe, disciplined and cost-effective manner.

The "XPO" trademark, service mark, and trade name are essential to our business and critical to our success. XPO, XPO Smart, and Your Freight First, among others, are trademarks and service marks for which registrations, or applications for registration, are on file, as applicable with the United States Patent and Trademark Office. We believe these trademarks, service marks, and trade names are important components of our marketing strategy, and seek to protect those proprietary marks and trade names relevant to our business. For some marks, we have also registered or are pursuing registration in certain other countries.

Environmental Information

Our innovation strategy is focused on providing highly efficient supply chain services that use automation and data science to create value for our shareholders and customers. We use our proprietary technology to provide reliable freight transportation services and make the most of the resources within our company.

For many of our customers, the transportation needs of their business account for a significant portion of their value chain emissions. Our technology can coordinate the movement of customer goods in ways that are more efficient. Some of our key priorities in this regard are optimizing the utilization of truck and trailer capacity; streamlining local and linehaul freight flows; and, as described further below, investing in a modern, fuel-efficient fleet.

In the course of our business, customers, shareholders and other stakeholders ask us to disclose our emissions data and sustainability strategies and outcomes. Our Nominating, Corporate Governance and Sustainability Committee of our Board of Directors provides oversight of, and engagement with, our management team on sustainability strategies and disclosures, ensuring our activities meet the evolving needs and expectations of our shareholders and other stakeholders. We are proud of our sustainability efforts and initiatives, and note that in 2024, our European business was awarded the prestigious EcoVadis Gold Medal for its Corporate Social Responsibility strategy and performance.

Transportation Fleet

Our ongoing fleet initiatives companywide include modernizing our tractors and trailers; deploying cleaner fuels where practical, such as natural gas, biodiesel, biogas, hydrotreated vegetable oil and electricity; expanding our use of data and analytics to improve the efficiency of routing, loading and handling freight; and exploring the commercial viability of alternative fuel vehicles.

We continue to invest in tractors with 15-liter engines and automatic transmissions that improve reliability and fuel economy, while lowering emissions and extending engine life. In 2023, we bolstered our North American fleet with the addition of over 1,400 new tractors, reducing our average tractor age to 5.0 years at year-end from 5.9 years at the end of 2022. In 2024, we purchased over 2,300 tractors in North America, reducing our average tractor age to approximately 4.1 years. We continue to calibrate our vehicles to improve fuel efficiency by implementing improvements such as equipping our trucks with aero packages that reduce drag and improve miles per gallon, and utilizing SmartWay-approved low-resistance tires.

In Europe, our diesel road fleet is over 98% compliant with Euro 6 standards, and we have a natural gas-powered fleet of more than 180 trucks serving customers in France, the U.K., Spain and Portugal. Additionally, we have environmentally-sound fleet initiatives ranging from government-approved mega-trucks in Spain, which can transport more freight with fewer trips, to fully electric vehicles for certain “last mile” and “regional” (220 miles range) deliveries. We are also testing the use of duo-trailer vehicles that have the potential to reduce CO2 emissions, compared with using traditional trucks for the same freight.

Electric vehicles show promise in commercial transport applications as an alternative to diesel, particularly in urban areas. Our fleet experts are working with manufacturers of larger electric trucks, and we have completed pilot programs to advance our understanding of the commercial viability of these vehicles. In the U.S., we purchased nine all-electric trucks for use in our operations in California. In Europe we have more than 75 all-electric trucks currently deployed and have committed to order more than 275 additional all-electric trucks in 2025 supported by the existing and ongoing installation of more than 350 electric charging stations at our facilities.

Facilities

Our expertise in the circular economy helps us to continually improve the efficiency of our facilities. We have ongoing initiatives underway to install LED lighting in our buildings, right-size packaging and incorporate other environmentally friendly practices in our operations. We also reduce waste by recycling or reusing materials where feasible, including recycling 86% of the materials in trailers at the end of their life.

Our Strategy

Our strategy is to help customers move goods efficiently through their supply chains by using our transportation capacity, organizational strengths and proprietary technology. We deliver value in the form of network resources, technological innovations, process and cost efficiencies and reliable outcomes. Our services are both highly responsive to customer goals, such as mitigating environmental impacts over time, and proactive in identifying potential improvements.

We have instilled a culture that defines success as mutually beneficial results for our company and our customers. Our comprehensive growth plan in North America focuses on four levers of value creation: provide best-in-class customer service; invest in adding capacity and enhancing our network for the long term; accelerate yield growth; and drive cost efficiencies. We have made considerable progress in each of these areas since launching our growth plan in the fourth quarter of 2021, and we see significant potential for further improvements:

- *Provide best-in-class service*. We are committed to building a premium service organization by aligning employee incentives and accountability with tangible quality-of-service results for customers. In the fourth quarter of 2024, we delivered a damage claims ratio of 0.2%, representing a major improvement from 1.2% in the fourth quarter of 2021, and we improved our 2024 on-time performance from 2023. Our ongoing investments in employee training programs, state-of-the-art equipment and technological enhancements support our team in continuously improving service quality and productivity.

- *Invest in network capacity and enhancements for the long-term* . The targeted investments we make enable us to onboard more freight and position our network for the future, while further enhancing service and fluidity. In 2024, approximately two-thirds of our capital expenditures were deployed to increase the capacity of our fleet — we added more than 4,400 trailers and 2,300 tractors, including sleeper cab trucks for linehaul insourcing. Our average tractor age at year-end 2024 was 4.1 years, compared with 5.9 years at year-end 2022. Since the launch of our growth plan in late 2021, we have added more than 15,500 trailers and 4,700 tractors to our fleet and added more than 2,000 net new doors to our network.

- *Accelerate yield growth*. We are intently focused on customer service excellence as our most powerful lever to grow yield, which we measure as gross revenue per hundredweight, excluding fuel surcharges. Our full-year yield growth of 7.8%, compared with 2023, was primarily driven by our service improvements and, to a lesser extent, by our expansion of accessorial services and revenue growth generated from local customers.

- *Drive cost efficiencies*. We aim to improve cost efficiency by optimizing our purchased transportation, variable costs and overhead. For the full year 2024, we lowered our cost of third-party purchased transportation by over 32% compared with 2023. These cost savings were driven by reducing the number of outsourced linehaul miles as a percentage of total linehaul miles to 14.7% for the full year 2024, compared with 23.6% in 2021 at the start of our growth plan, and by negotiating lower contract rates for the miles we outsourced. For the fourth quarter of 2024, we accelerated this initiative, reducing the number of outsourced linehaul miles as a percentage of total linehaul miles to 10.7%. We expect that the investments we are making in capacity will further enhance our service quality, network fluidity and productivity, thereby accelerating cost efficiencies.

Customers and Markets

We provide freight transportation services to approximately 55,000 customers ranging in size from small, entrepreneurial businesses to Fortune 500 companies. Our customers span every major industry, giving us a presence in verticals that are fundamental to the economy, such as industrial and manufacturing, retail and e-commerce, food and beverage, and consumer goods. In 2024, we generated approximately 60% of our revenue in North America, almost entirely in the U.S., 16% in France, 13% in the U.K. and 11% in the rest of Europe.

The diversification of our customer base minimizes concentration risk. Globally, in 2024, our top five customers combined accounted for approximately 7% of revenue, with the largest customer accounting for less than 3% of revenue. In our North American LTL segment, in 2024, our top five customers combined accounted for approximately 10% of revenue, with the largest customer accounting for less than 4% of revenue.

Competition

We operate in highly competitive marketplaces where customers can choose from among many different transportation providers with distinct value propositions. We compete on quality and reliability of service, scope and scale of operations, technological capabilities, expertise and price.

Our competitors in North America include local, regional and national LTL carriers that offer the same services we provide, such as Old Dominion Freight Line and Saia. Our competitors in Europe vary based on the types of services provided; for example, LTL transportation versus dedicated or brokered full truckload transportation or multimodal solutions. Due to the competitive nature of our marketplaces, we place equal importance on strengthening existing customer relationships and forging new relationships.

Our ability to continually invest in the business is a compelling competitive strength of XPO — it ensures that we deliver what our customers value: reliable capacity, technological solutions and problem-solving expertise. Strategically, this positions us to capitalize quickly in an upcycle, with substantial operating leverage built in, and accelerate profitable market share gains. For example, while a freight recession in North America hampered demand for LTL services throughout 2024, and continues to do so, we believe that we are positioned to onboard significantly more freight when market conditions improve, due to our investments in network expansion.

Furthermore, we believe that we are in a strong position to benefit from secular industrial and retail trends in all parts of the cycle, such as the trend toward shippers increasingly outsourcing freight transportation, the shift toward more frequent LTL shipments versus full truckload freight in some sectors, and an increase in the nearshoring of manufacturing activity to North America.

Regulation

Our operations are regulated by various governmental agencies in the U.S. and in other countries where we conduct business. These regulations impact us directly and indirectly because they regulate third-party transportation providers with which we arrange and/or contract to transport freight for our customers.

Regulations Affecting Motor Carriers and Transportation Brokers. In the U.S., our subsidiaries that operate as motor carriers and freight transportation brokers are licensed by the Federal Motor Carrier Safety Administration ("FMCSA") of the U.S. Department of Transportation ("DOT"). Our motor carrier subsidiaries and the third-party motor carriers we contract with in the U.S. must comply with the safety and operations regulations of the DOT. Like all motor carriers, XPO must participate in the FMCSA's Compliance Safety Accountability ("CSA") program, which uses a Safety Measurement System ("SMS") to rank motor carriers on seven categories of safety-related data, known as Behavioral Analysis and Safety Improvement Categories ("BASICs"), including those related to, without limitation, controlled substances and alcohol, hours-of-service compliance, vehicle maintenance, hazardous materials compliance, driver fitness, accidents or crashes, and unsafe driving. We are also subject to a variety of vehicle registration and licensing requirements in certain states and local jurisdictions where we operate, as are the third-party transportation providers with which we contract. In foreign jurisdictions where we operate, our operations are regulated by the appropriate governmental authorities.

Other federal and state agencies, such as the U.S. Environmental Protection Agency ("EPA"), the U.S. Food and Drug Administration ("FDA"), the U.S. Department of Homeland Security ("DHS") and the California Air Resources Board ("CARB"), also regulate our equipment and operations. We may become subject to new or more restrictive regulations relating to emissions, drivers' hours-of-service, onboard reporting of operations, cargo security and other regulations affecting safety or operating methods. Regulatory requirements, and changes to the regulatory environment, may affect our business or the economics of the transportation industry by requiring changes in operating practices that could impact the demand for, and increase the costs of, providing transportation services.

Environmental Regulations. We are subject to various environmental laws and regulations in the jurisdictions where we operate. In the U.S., these laws and regulations deal with the hauling, handling and disposal of hazardous materials, emissions from vehicles, engine-idling, storage tanks (fuel, oil, antifreeze and other products) and related fuel spillage and seepage, discharge and retention of storm water, and other environmental matters. We may be responsible for the cleanup of a spill or other incident involving hazardous materials caused by our business. In the past, we have been responsible for the cost to clean up diesel fuel spills caused by traffic accidents or other events for which we are legally responsible, and none of these incidents materially affected our business or operations. We generally transport only hazardous materials rated as low-to-medium-risk, and only a small percentage of our total loads contain hazardous materials. We do not know of any existing environmental law, regulation or condition that reasonably would be expected to have a material adverse effect on our business, capital expenditures, or operating results. However, future changes to environmental laws or regulations may impact our operations and could result in increased costs.

Other Regulations. We are subject to a variety of other U.S. and foreign laws and regulations, including, but not limited to, the Foreign Corrupt Practices Act and other anti-bribery and anti-corruption statutes, and trade compliance laws. We are also subject to state and U.S. federal laws and regulations addressing some types of cargo transported or stored by our subsidiaries, or transported pursuant to a government contract or subcontract. Violations or noncompliance could result in significant fines from governmental authorities and negatively impact our reputation, operations and financial condition.

Risk Management and Insurance

We maintain insurance for commercial automobile and trucker's liability, commercial general liability, cargo legal liability, workers' compensation and employers' liability, umbrella and excess liability, cyber risk, and property coverage with coverage limits, deductibles and self-insured retention levels that we believe are reasonable given the varying historical frequency, severity and timing of claims.

Seasonality

Our revenue and profitability in the first and fourth quarters of the calendar year are typically lower than in the second and third quarters. The productivity of our transportation fleet historically decreases during the winter season, as it does for the industry in general, because inclement weather impedes operations. Additionally, we believe that many of our customers experience lower post-holiday demand for their products, contributing to the historical decrease in industry freight shipments in the first quarter. It is not possible to reliably predict whether our historical revenue and profitability trends will continue to occur in future periods.

Human Capital Management

As a people-driven company with a strong customer service culture, our ability to be an employer of choice and a business partner of choice are intertwined. We have an unwavering commitment to a workplace culture that places a premium on safety, as well as professional growth, engagement and competitive total compensation and benefits for our employees. These and many other aspects of our culture help us attract and retain a high caliber of talent to our organization.

Our Chief Human Resources Officer ("CHRO") has primary responsibility for our human capital management strategy, including recruiting, developing, engaging and retaining employees who share our work ethic and values. The CHRO is also responsible for the design of employee compensation and benefits programs.

In addition to our employment culture, our success relies on our company's robust governance structure, our Code of Business Ethics and the importance we place on being a good corporate citizen. Ultimately, our decisions and actions are guided by XPO's values — overachieve for customers, be safe, be accountable, always improve, respect each other and be world-class in every way.

Employee Base Profile

Based on December 31, 2024 data, XPO has locations in 17 countries, with approximately 23,100 employees in North America, 14,500 employees in Europe and 400 employees in Asia, supplemented by approximately 3,000 temporary workers.

By geography, approximately 61% of our global employees are based in North America, 38% in Europe and 1% in Asia. By job description, approximately 64% of our employees work as drivers and dockworkers, 24% as operations and facility workers, and the remainder in support roles and other positions. In North America, approximately 86% of our employees have hourly roles and 14% have salaried positions.

By gender, approximately 14% of our global employees are women — this increases to 37% when excluding drivers, dockworkers and technicians. In North America, 50% of our professional management positions are held by women, representing a decrease of 2.0% from 2023.

In 2024, 52% of our newly hired U.S. employees self-identified as ethnically or racially diverse, representing a 4% decrease from 2023, and approximately 43% of our total U.S. employee population was ethnically or racially diverse. This includes 20% of U.S. employees who self-identified as Black or African American, which is seven percentage points higher than the U.S. population, based on the most recent census data.

In our total workforce, the absolute number of females in managerial positions grew by 28% cumulatively from 2021 to 2024; the absolute number of ethnically or racially diverse employees in managerial positions grew by 26% cumulatively in the same period. Ethnically or racially diverse employees earned 35% of managerial promotions in 2024, up from 34% in 2023, and held 20% of executive leadership positions (vice president and above), 28% of professional management roles and 31% of operational management roles.

We have publicly disclosed our 2024 EEO-1 report on our website, and expect to publish our 2025 EEO-1 report in the second quarter of this year.

As of December 31, 2024, none of our employees were represented by a union in North America and 85% of our employees in Europe were covered by a collective bargaining or similar agreement, consistent with our December 31, 2023 position.

Throughout 2024, we continued to make substantial investments in direct employee communications, conducting quarterly engagement surveys and holding over 7,000 roundtable discussions and safety and engagement committee meetings across our North American LTL network. The employee feedback we receive is often instrumental in driving new initiatives that strengthen our culture of respect, appreciation and opportunity.

Health and Safety

The physical and emotional safety of our employees is paramount, and we have numerous protocols in place to ensure a safe work environment. We developed our Road to Zero program to decrease occupational injuries and illnesses through education, mentoring, communication and on-the-job training that instills awareness and reduces risk. These same priorities are emphasized when we train new commercial driver candidates at our inhouse, LTL driver training schools nationwide, where veteran XPO driver-instructors reinforce our safety culture.

As part of Road to Zero, we track accident-free miles and recognize XPO drivers who have achieved million-mile safety milestones. As of December 31, 2024, more than 2,500 of our LTL drivers have achieved a safety designation of at least one million accident-free miles, with 246 of these drivers meeting this threshold in 2024. Since the inception of Road to Zero in 2022, we have had four drivers reach four million accident-free miles during their career, which is the highest driver safety record in XPO's history.

In addition to physical well-being, we consider emotional well-being to be an important part of workplace safety. Our Code of Business Ethics mandates zero tolerance of discrimination, harassment, retaliation, bullying and other unacceptable behaviors. We want our employees to feel welcome at work, and we give them multiple channels to report any incidents. This includes an open-door policy that encourages employees to speak with any supervisor, manager or member of the HR team, and our EthicsPoint hotline and website for reporting incidents anonymously.

We are diligent about evaluating new programs as they become available to support the physical and mental health of our employees. In our open enrollment period for 2025 benefit plans, we introduced new options for virtual physical therapy and "physicals on the go," and enhanced our employee assistance programs specifically for mental health.

Employee Engagement and Development

XPO executive leadership regularly solicits feedback from employees to gauge our progress, assess satisfaction and encourage constructive suggestions. Each quarter, we ask our "wired" employees to submit their input through an anonymous online satisfaction survey. In the U.S., we also conduct an annual satisfaction survey of our "non-wired" frontline employees, and hold regular roundtables and town halls. Based on employee feedback, we develop action plans at the business unit and facility levels to implement targeted improvements.

XPO was named a 2024 "Top Company for Women to Work for in Transportation – Elite 30" by the Women in Trucking Association, a 2024 "4 Star Employer" by VETS Index, and a "2025 Military Friendly Employer – Gold Ranking" by Viqtory.

Additionally, we foster career development at all levels to recruit and retain high-caliber employees. Our career development infrastructure includes the following areas of focus, among others:

Recruitment. We use an array of channels and recruiting partnerships to attract qualified job candidates. Our goal is to identify candidates who have the skills our customers need, or the desire to learn those skills. In 2024, for example, we partnered with Partnership for Your Success to attract military veterans, and worked with Women in Trucking to engage more women in transportation industry careers.

Interactive Hiring. Our integrated approach to talent development begins with our robust digital recruitment platform, which includes online job previews and pre-employment assessments for key positions. Our platform provides an efficient way for candidates to learn about XPO at their convenience and explore positions that match their interests and abilities. This is a more stress-free entry into the recruitment process for job candidates, and improves both the onboarding experience and retention rates for new hires.

XPO Accelerate. Launched in September 2022, XPO Accelerate provides high-potential leaders in service center, sales and support staff roles with the critical skills necessary to take on more senior leadership roles. This program helps retain and promote promising leadership talent by building relevant strategic skills.

XPO Field Management Training. XPO maintains a strong "ready now" pipeline of future leaders for our operations through a comprehensive, 14-week, blended learning approach. Our Field Management Training program graduated 68 supervisors in 2024, of which more than 40% were ethnically or racially diverse, or female.

Frontline Leadership Training. XPO's Freight Leadership Certification and Freight Operations Onboarding webinars support newly hired frontline leaders as they transition into their roles. The programs equip employees with fundamental skills to succeed in freight operations, including online learning and weekly instructor-led webinars.

LTL Driver Training Schools. XPO's commercial truck driver training schools are an essential channel for recruiting new drivers to XPO, as well as providing new careers for employees currently in other roles, such as dockworkers. Trainees attend our driver school tuition-free, receive pay while training and have an opportunity for full-time employment with XPO after earning a CDL-A license. We also offer employees tuition reimbursement of up to $5,000 for any approved non-XPO driver training school. In 2024, we graduated over 650 students from our LTL driver training locations.

Maintenance Training. Well-maintained tractors and trailers are an essential component of both safety and customer service in LTL transportation. Our in-house maintenance training school enhances technical skills for new hires and provides continuous learning for our field maintenance personnel to stay abreast of maintenance developments and warranty recovery requirements.

XPO University. Our learning and development platform, XPO University, delivers approximately 21,000 online and in-person learning and assessment programs to our employees in North America and Europe in areas such as onboarding, management training, technology, compliance and safety and professional skills development. In 2024, 420,000 training hours were completed by our employees worldwide.

Expansive Total Rewards

Our total compensation package is instrumental in providing a superior employment experience, and conveys how much we appreciate each employee's choice of XPO. The pillars of the expansive total rewards we offer are:

Competitive Wages and Jobs Creation. In addition to our annual merit and hourly pay increases that broadly cover our employee population in North America, approximately 1,000 eligible LTL employees at over 35 locations received additional wage increases throughout 2024. Further, across our North American and European operations, our ongoing investments in growth expanded our total permanent workforce by 0.2% year-over-year with a net 95 new permanent employees.

Comprehensive Benefits. We offer an extensive suite of benefits to support the health and well-being of our employees and their families, often reflecting responsiveness to employee feedback. In the U.S., examples include:

- *Pregnancy Care Policy:* Guarantees up to 80 hours of paid prenatal leave and certain automatic accommodations, plus consideration of more significant accommodations while preserving existing wage rates.
- *Family Bonding Policy:* Provides up to an additional six weeks of 100% paid time off for the primary caregiver of a newborn or newly adopted child, and two weeks of 100% paid time off for a secondary caregiver.
- *Tuition Reimbursement:* Provides for up to $5,250 of annual reimbursement for continuing education, academic discounts in more than 80 fields of online study and tuition-free commercial driver training.

- *Additional Benefits:* Includes virtual preventive health care, pelvic health management, physical therapy services and diabetes management services at no cost to employees, as well as supplemental insurance, short-term loans and a personalized Total Rewards Statement.

In Europe, XPO's benefit programs vary by country and are tailored to the needs of local markets. Examples include comprehensive health and risk insurances, employee assistance programs covering mental, physical and financial well-being, commercial driver training, vocational coaching and training, and a fully flexible benefits program in the U.K.

Community Outreach

XPO continues to support organizations that reflect the interests of our employees and the communities where we operate. In 2024, our company served as the official transportation partner for the Susan G. Komen 3-Day Walks to end breast cancer, and partnered with Truckers Against Trafficking to educate our employees about human trafficking. We supported homeless shelters by donating more than 64,000 pairs of socks, donated more than $115,000 worth of schools supplies to local kids across our network, and sponsored Pat's Run to support the Pat Tillman Foundation. On the safety front, our employees take pride in XPO being the official transport partner for the Tour de France competition for 44 years.

Information about our Executive Officers

The following information relates to each of our executive officers:

Name	Age	Position
Brad Jacobs	68	Executive Chairman of the Board
Mario Harik	44	Chief Executive Officer
Kyle Wismans	41	Chief Financial Officer
David Bates	59	Chief Operating Officer
Wendy Cassity	49	Chief Legal Officer and Corporate Secretary

Brad Jacobs has served as XPO's executive chairman since November 2022, and served as the Company's chairman and chief executive officer from September 2011 through October 2022. Mr. Jacobs led the spin-offs of GXO and RXO from XPO as separate public companies and has served as non-executive chairman of GXO and RXO from August 2021 and November 2022, respectively. Also, since June 2024, Mr. Jacobs has served as chairman and chief executive officer of QXO, Inc., a publicly traded company. Additionally, he is the managing member of Jacobs Private Equity, LLC and Jacobs Private Equity II, LLC. Prior to XPO, Mr. Jacobs led two other public companies: United Rentals, Inc., which he founded in 1997, and United Waste Systems, Inc., which he founded in 1989. He served as chairman of United Rentals from 1997 to 2007, and as chief executive officer from 1997 to 2003. He served as chairman and chief executive officer of United Waste Systems from 1989 to 1997.

Mario Harik has served as XPO's chief executive officer and a director since November 2022, after previously leading the Company's North American LTL segment as president from October 2021 to October 2022. Additionally, he served as XPO's chief information officer from November 2011 to October 2022 and XPO's chief customer officer from February 2021 to January 2022. Mr. Harik has served as a director of QXO, Inc. since June 2024. Mr. Harik has led numerous technological developments for global transportation and logistics operations, built comprehensive technology organizations and consulted to Fortune 100 companies. His prior positions include chief information officer and senior vice president of research and development with Oakleaf Waste Management; chief technology officer with Tallan, Inc.; co-founder of G3 Analyst, where he served as chief architect of web and voice applications; and solutions architect and consultant with Adea Solutions. Mr. Harik holds a master's degree in engineering – information technology from Massachusetts Institute of Technology, and a degree in engineering – computer and communications from the American University of Beirut, Lebanon.

Kyle Wismans has served as XPO's chief financial officer since August 2023, after being promoted from our senior vice president of revenue management and finance, a position he held from February 2023 to August 2023. Additionally, he served as XPO's senior vice president, financial planning and analysis from September 2019 to February 2023. Mr. Wismans has played a vital role in the implementation of our LTL growth strategy, as well as our spin-offs of GXO and RXO. He was previously an executive with General Electric Company for over a decade, including most recently as head of global financial planning and analysis for Baker Hughes Oilfield Services, a GE company, from August 2017 to August 2019. Mr. Wismans holds a degree in business administration from the University of Michigan, Stephen M. Ross School of Business.

David Bates has served as XPO's chief operating officer since April 2023. He previously served as senior vice president – operations at Old Dominion Freight Line, Inc. from November 2011 to April 2023. From July 2007 to November 2011, Mr. Bates served as a regional vice president, and from December 1995 to July 2007 as a manager, at Old Dominion. Prior to joining Old Dominion, Mr. Bates served in supervisory roles with Carolina Freight Carriers and YRC Freight. Mr. Bates received his Bachelor's degree in Business Management from Juniata College.

Wendy Cassity has served as XPO's chief legal officer and corporate secretary since March 2023. Prior to joining XPO, she was chief legal officer of Nuance Communications, Inc. from September 2018 to March 2023. Nuance was publicly traded until it was acquired in March 2022. Prior to joining Nuance, she was general counsel of Zayo Group, a publicly traded communications infrastructure company, from January 2016 to August 2018, and general counsel of Thompson Creek Metals Company, a publicly traded natural resources company, from 2010 to January 2016. Prior to joining Thompson Creek Metals Company, Ms. Cassity was in private practice as a corporate transactional attorney at McDermott Will & Emery, LLP and Cravath Swaine & Moore, LLP in their New York offices. Ms. Cassity holds a B.A. from the University of Arizona in English and History and received her J.D. from Columbia Law School.

Available Information

Our corporate website is www.xpo.com. On this website, you can access, free of charge, our Annual Report on Form 10–K, Quarterly Reports on Form 10–Q, and Current Reports on Form 8–K, as well as specialized disclosure reports on Form SD, Proxy Statements on Schedule 14A and amendments to those materials filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. Materials are available online as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. You can also access materials on our website regarding our corporate governance policies and practices, including our Corporate Governance Guidelines, Code of Business Ethics and the charters relating to the committees of our Board of Directors. You may request a printed copy of these materials without charge by writing to: Investor Relations, XPO, Inc., Five American Lane, Greenwich, Connecticut 06831. Information filed electronically with, or furnished to, the SEC is also available at www.sec.gov. References to these websites do not constitute incorporation by reference of the information contained therein and should not be considered part of this document.

ITEM 1A. RISK FACTORS

The following are important factors that could affect our financial performance and could cause actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Annual Report or our other filings with the SEC or in oral presentations such as telephone conferences and webcasts open to the public. You should carefully consider the following factors in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 and our Consolidated Financial Statements and related Notes in Item 8.

COMPANY RISK

Risks related to Our Business Model

Economic recessions and other factors that reduce freight volumes, both in North America and Europe, could have a material adverse impact on our business.

The transportation industry in North America and Europe historically has experienced cyclical fluctuations in financial results due to economic recessions, downturns in the business cycles of our customers, increases in the prices charged by third-party carriers, interest rate fluctuations, changes in international trade policies and other U.S. and global economic factors beyond our control. Our business levels are directly tied to the purchase and production of goods and the rate of growth of global trade — key macroeconomic measurements influenced by, among other things, inflation and deflation, supply chain disruptions, interest rates and currency exchange rates, labor costs and unemployment levels, fuel and energy prices, pandemics and other public health crises, inventory levels, buying patterns and disposable income, debt levels, and credit availability. When individuals and companies purchase and produce fewer goods, we transport fewer goods, and as companies move manufacturing closer to consumer markets and expand the number of distribution centers, we transport goods shorter distances, which adversely affects our yields and profitability. During economic downturns, a reduction in overall demand for transportation services will likely reduce demand for our services and exert downward pressures on our rates and margins. In addition, in periods of strong economic growth, overall demand may exceed the available supply of transportation resources, resulting in increased network congestion and operating inefficiencies. Additional changes in international trade policies could significantly reduce the volume of goods transported globally and adversely affect our business and results of operations. These factors subject our business to various risks that may have a material impact on our operating results and future prospects. These risks may include the following:

- A reduction in overall freight volume reduces our opportunities for growth. In addition, if a downturn in our customers’ business causes a reduction in the volume of freight shipped by those customers, our operating results could be adversely affected;
- Some of our customers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business and may be unable to pay us. In addition, some customers may not pay us as quickly as they have in the past, causing our working capital needs to increase;
- A significant number of our transportation providers may go out of business and we may be unable to secure sufficient equipment capacity or services to meet our commitments to our customers;
- A pandemic or other public health epidemic poses the risk that we or our employees, customers, suppliers, manufacturers and other commercial partners may be prevented from conducting business activities for an indefinite period of time, including due to the spread of the disease or shutdowns requested or mandated by governmental authorities;
- We may not be able to appropriately adjust our expenses to rapid changes in market demand. In order to maintain high variability in our business model, it is necessary to adjust staffing levels when market demand changes. In periods of rapid change, it is more difficult to match our staffing levels to our business needs. In addition, we have other expenses that are primarily variable but are fixed for a period of time, as well as certain significant fixed expenses; we may be unable to adequately adjust these expenses to match a rapid change in demand;

- The U.S. government has made significant changes in U.S. trade policy and has taken certain actions that have negatively impacted U.S. trade, including imposing tariffs on certain goods imported into the U.S. To date, several governments, including the European Union ("EU"), have imposed tariffs on certain goods imported from the U.S. These actions may contribute to weakness in the global economy that could adversely affect our results of operations. Any further changes in U.S. or international trade policy could trigger additional retaliatory actions by affected countries, resulting in "trade wars" and further increased costs for goods transported globally, which may reduce customer demand for these products if the parties having to pay those tariffs increase their prices, or in trading partners limiting their trade with countries that impose anti-trade measures. Such conditions could have an adverse effect on our business, results of operations and financial condition, as well as on the price of our common stock; and

- Governmental authorities have implemented and are continuing to implement various anti-terrorism measures, including checkpoints and travel restrictions on trucks. If such measures or new anti-terrorism measures disrupt or impede our operations, we may fail to timely deliver products to our customers or incur increased expenses to do so. Such measures could have an adverse effect on our business, results of operations and financial condition, as well as on the price of our common stock.

Risks related to Our Strategy and Operations

Our company-specific action plan to enhance network efficiencies and drive growth in our North American LTL business, and other management actions to improve our North American LTL business, may not be effective or timely, and may not improve our results of operations or cash flow from operations as planned.

We have undertaken a company-specific action plan to enhance network operating efficiencies and drive growth in our North American LTL business, including by, among other actions, growing yield by providing best-in-class customer service and enhancing business mix, expanding our tractor fleet, managing the production capacity of our trailer manufacturing facility, investing in the door count in our network of service center facilities, and driving cost efficiencies through, among other actions, insourcing linehaul from third-party transportation providers and improving productivity. The effectiveness and timeliness of these actions, which are and will be costly, and other management actions to improve our North American LTL business, may not result in the expected improvements in our results of operations or cash flow from operations in our North American LTL business.

Our profitability may be materially adversely impacted if our investments in equipment and service centers do not match customer demand for these resources or if there is a decline in the availability of funding sources for these investments.

Our LTL and full truckload operations require significant investments in equipment and freight service centers. The amount and timing of our capital investments depend on various factors, including anticipated freight volume levels and the price and availability of appropriate property for service centers and newly manufactured tractors. If our anticipated requirements for service centers or fleet differ materially from actual usage, our capital-intensive operations, specifically LTL and full truckload, may have more or less capacity than is optimal.

Our investments in equipment and service centers depend on our ability to generate cash flow from operations and our access to credit, debt and equity capital markets. A decline in the availability of these funding sources could adversely affect our financial condition and results of operations.

Failure to successfully implement our cost and revenue initiatives could cause our future financial results to suffer.

We are implementing various cost and revenue initiatives to further increase our profitability, including advanced pricing analytics and revenue management tools, LTL process improvements, workforce productivity, European margin expansion, global procurement and further back-office optimization. If we are not able to successfully implement these cost and revenue initiatives, our future financial results may suffer.

Our past acquisitions, as well as any acquisitions that we may complete in the future, may be unsuccessful or result in other risks or developments that adversely affect our financial condition and results.

While we intend for our acquisitions to enhance our competitiveness and profitability, we cannot be certain that our past or future acquisitions will be accretive to earnings or otherwise meet our operational or strategic expectations. Special risks, including accounting, regulatory, compliance, information technology or human resources issues, may arise in connection with, or as a result of, an acquisition, including the assumption of unanticipated liabilities and contingencies, difficulties in integrating acquired assets or businesses, possible management distractions, or the inability of acquired assets or businesses to achieve the levels of revenue, profit, productivity or synergies we anticipate or otherwise perform as we expect on the timeline contemplated. We are unable to predict all of the risks that could arise as a result of our acquisitions. In December 2023, we completed our acquisition of 28 service centers, including the assumption of certain leases, of Yellow Corporation (the “Yellow Service Centers”). The ultimate success of the acquisition of the Yellow Service Centers will depend on, among other things, the ability to integrate the Yellow Service Centers into our LTL network in a manner that supports our North American LTL business and facilitates growth opportunities. It is possible that the integration process could result in the loss of customers, the disruption of ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues and delays, potential environmental liabilities and higher than expected integration costs.

We may not successfully manage our growth.

We have grown rapidly and substantially over prior years, including by expanding our internal resources, making acquisitions and entering into new markets, and we intend to continue to focus on growth, including organic growth through new customer wins and increased business with existing customers, as well as additional acquisitions. We may experience difficulties and higher-than-expected expenses in executing this strategy as a result of unfamiliarity with new markets, changes in revenue and business models, entry into new geographic areas and increased pressure on our existing infrastructure and information technology systems from multiple customer project implementations.

Our growth may place a significant strain on our management, operational, financial and information technology resources. We seek to continually improve existing procedures and controls, as well as implement new transaction processing, operational and financial systems, and procedures and controls to expand, train and manage our employee base. Our working capital needs may continue to increase as our operations grow. Failure to manage our growth effectively, or obtain necessary working capital, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We may sell or otherwise divest our European business, which may have an adverse effect on our results of operations and cash flows, the market price of our common stock, and on our North American LTL business.

In potentially selling or otherwise divesting our European business, we may not realize the price we expect to receive when contemplating the divestment of the business, we may incur a loss in connection with a sale or other divestiture of the business, the market price of our common stock and the multiples at which our common stock trades may not increase following a sale or other divestiture of our European business, and/or we may incur ongoing transition obligations and costs that adversely impact our operations following a sale or other divestiture of our European business. We also would anticipate incurring material compensation, transactional and other expenses, in connection with entering into and/or completing a sale of our European business. Certain of these factors could have an adverse effect on our results of operations and cash flows, and the market price of our common stock.

A sale or other divestiture of our European business will result in us being a smaller, less diversified company with a more concentrated area of focus and less geographical diversification, as North American LTL would be our only remaining business. Following a potential sale or other divestiture of our European business, our Company likely would become more vulnerable to changing market conditions in the U.S., which could have a material adverse effect on our business, financial condition and results of operations. The diversification of our revenues, costs and cash flows will diminish as a result of a sale or other divestiture of our European business, and our ability to fund capital expenditures, investments and service our debt may be diminished. We may also incur ongoing costs and retain certain liabilities that were previously allocated to entities that are sold or otherwise divested. Those costs may exceed our estimates or could diminish the benefits we expect to realize.

Further, a sale or other divestiture of one or more of our business units may subject us to litigation. An unfavorable outcome of such litigation may result in a material adverse impact on our business, financial condition, cash flows or results of operations. In addition, regardless of the outcome, litigation proceedings can be costly, time-consuming, disruptive to our operations, and distracting to management.

There can be no assurance that a sale or other divestiture of our European business will occur, or the terms or timing of a potential transaction.

If we determine that our goodwill has become impaired, we may incur impairment charges, which would negatively impact our operating results.

At December 31, 2024, we had approximately $1.5 billion of goodwill on our consolidated balance sheet. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. We assess potential impairment of our goodwill annually, or more frequently if an event or circumstance indicates an impairment loss may have been incurred. Impairment may result from significant changes in the manner or use of the acquired assets, in connection with the sale, spin off or other divestiture of a business unit, negative industry or economic trends and/or significant underperformance relative to historic or projected operating results. For a discussion of our goodwill impairment testing, see “Critical Accounting Policies and Estimates - Evaluation of Goodwill” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Issues related to the intellectual property rights on which our business depends, whether related to our failure to enforce our own rights or infringement claims brought by others, could have a material adverse effect on our business, financial condition and results of operations.

We use both internally developed and purchased technologies in conducting our business. Whether internally developed or purchased, it is possible that users of these technologies could be claimed to infringe upon or violate the intellectual property rights of third parties. In the event that a claim is made against us by a third party for the infringement of intellectual property rights, a settlement or adverse judgment against us could result in increased costs to license the technology or a legal prohibition against our use of the technology. Thus, our failure to obtain, maintain or enforce our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We rely on a combination of intellectual property rights, including patents, copyrights, trademarks, domain names, trade secrets, intellectual property licenses and other contractual rights, to protect our intellectual property and technology. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated; our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties; or we may fail to secure the rights to intellectual property developed by our employees, contractors and others. Efforts to enforce our intellectual property rights may be time-consuming and costly, distract management’s attention and divert our resources, and ultimately be unsuccessful. Moreover, should we fail to develop and properly manage future intellectual property, this could adversely affect our market positions and business opportunities.

Our overseas operations are subject to various operational and financial risks that could adversely affect our business.

The services we provide outside the U.S. are subject to risks resulting from changes in tariffs, trade restrictions, trade agreements, tax policies, difficulties in managing or overseeing foreign operations and external agents, different liability standards, issues related to compliance with data protection laws, competition laws, and intellectual property laws of countries that do not protect our rights relating to our intellectual property, including our proprietary information systems, to the same extent as do U.S. laws. The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region or decrease the profitability of our operations in that region. In addition, as we expand our business in foreign countries, we will be exposed to increased risk of loss from foreign currency fluctuations and exchange controls.

We are exposed to currency exchange rate fluctuations because a significant proportion of our assets, liabilities and earnings are denominated in foreign currencies.

We present our financial statements in U.S. dollars, but we have a significant proportion of our net assets and income in non-U.S. dollar currencies, primarily the euro and British pound sterling. Consequently, a depreciation of non-U.S. dollar currencies relative to the U.S. dollar could have an adverse impact on our financial results as further discussed in Item 7A, “Quantitative and Qualitative Disclosures about Market Risk.”

Volatility in fuel prices impacts our fuel surcharge revenue and may impact our profitability.

We are subject to risks associated with the availability and price of fuel, all of which are subject to political, economic and market factors that are outside of our control.

Fuel expense constitutes one of the greatest costs to our LTL carrier operations, as well as to third-party linehaul and transportation providers. Accordingly, we may be adversely affected by the timing and degree of fuel price fluctuations. As is customary in our industry, most of our customer contracts include fuel surcharge programs or other cost-recovery mechanisms to mitigate the effect of any fuel price increases over base amounts established in the contract. However, these mechanisms may not fully capture an increase in fuel price. Furthermore, market pressures may limit our ability to assess fuel surcharges in the future. The extent to which we are able to recover increases in fuel costs may be impacted by the amount of empty or out-of-route truck miles or engine idling time.

Decreases in fuel prices reduce the cost of transportation services and accordingly, will reduce our revenues and may reduce margins for certain lines of business. Significant changes in the price or availability of fuel in future periods, or significant changes in our ability to mitigate fuel price increases through the use of fuel surcharges, could have a material adverse impact on our operations, fleet capacity and ability to generate both revenues and profits.

Productivity of our fleet historically decreases during the winter season and extreme or unusual weather conditions, whether due to climate change or otherwise, can disrupt our operations, impact freight volumes, and increase our costs, all of which could have a material adverse effect on our business results.

Our business depends, in part, on predictable temperate weather patterns. Our productivity historically decreases during the winter season, as it does for the industry in general, because inclement weather impedes operations. Certain seasonal weather conditions and isolated weather events can disrupt our operations and further impact productivity. We frequently incur costs related to snow and ice removal, towing and other maintenance activities during winter months. Our activities in the southern United States are particularly susceptible to the occurrence of hurricanes and tropical storms and, depending on where any particular hurricane or tropical storm makes landfall, our properties and operations could experience significant damage and disruptions. At least some of our operations are constantly at risk of extreme adverse weather conditions. Any unusual or prolonged adverse weather patterns in our areas of operations or markets, whether due to climate change or otherwise, can temporarily impact freight volumes and increase our costs.

Also, concerns relating to climate change have led to a range of local, state, federal, and international regulatory and policy efforts to seek to address greenhouse gas (“GHG”) emissions. In the U.S., various approaches are being proposed or adopted at the federal, state, and local government levels. These efforts could lead to additional compliance costs or operational disruption now or in the future, including increased fuel and other capital or operational costs or additional legal requirements on the Company. In addition to the potential for additional GHG regulation or incentives, enhanced corporate, public, and stakeholder attention to fuel-efficiency and emissions transparency could impact the Company’s reputation or require the Company to provide additional GHG related disclosures. Climate change concerns and GHG regulatory efforts could also affect the Company's customers themselves. Any of these factors, individually or combined with one or more factors, or other unforeseen factors or other impacts of climate change, could affect the Company and have an adverse effect on our business, operations, or financial condition.

Our reputation could be harmed if we fail to satisfy evolving stakeholder expectations regarding environmental and social matters.

Companies across all industries have faced scrutiny from stakeholders related to environmental and social matters, including practices and disclosures related to carbon emissions and diversity, equity and inclusion. If we are unable to meet stakeholder expectations, or if we are perceived to have not responded appropriately, our reputation could be negatively impacted or we could be the target of litigation. In addition, in recent years, investor advocacy groups and certain institutional investors have placed increasing importance on environmental and social matters. If, as a result of their assessment of our environmental and social practices, certain investors are unsatisfied with our actions, they may reconsider their investment in our company.

Risks related to Our Use of Technology

Our business will be seriously harmed if we fail to develop, implement, maintain, upgrade, enhance, protect and integrate our information technology systems, including those systems of any businesses that we acquire.

We rely heavily on our information technology systems in managing our business; they are a key component of our customer-facing services and internal growth strategy. In general, we expect our customers to continue to demand more sophisticated, fully integrated technology from their transportation providers. This process of continuous enhancement may lead to significant ongoing software development costs, which will continue to increase if we pursue new acquisitions of companies and their current systems. Technology and new market entrants may also disrupt the way we and our competitors operate. In addition, we may fail to accurately determine the needs of our customers or trends in the transportation industry. Any such failures could result in decreased demand for our services and a corresponding decrease in our revenues.

We must ensure that our information technology systems remain competitive. If our information technology systems are unable to manage high volumes with reliability, accuracy and speed as we grow, or if such systems are not suited to manage the various services we offer, our service levels and operating efficiency could decline. In addition, if we fail to hire and retain qualified personnel to implement, protect and maintain our information technology systems, or if we fail to enhance our systems to meet our customers' needs, our results of operations could be seriously harmed. This could result in a loss of customers or a decline in the volume of freight we receive from customers.

We are developing proprietary information technology. Our technology may not be successful or may not achieve the desired results, and we may require additional training or different personnel to successfully implement this technology. Our technology development process may be subject to cost overruns or delays in obtaining the expected results, which may result in disruptions to our operations.

A significant breach of our information security systems, networks or processes could materially adversely affect our business.

We process and maintain certain information that is confidential, proprietary, personal, or otherwise sensitive, including financial and confidential business information. Our information technology systems, devices, storage and applications, as well as those maintained by our third-party providers, are susceptible to damage, disruptions and shutdowns due to computer viruses, cyberattacks, ransomware or malware attacks, phishing, denial of service attacks, malicious social engineering, attacks by foreign actors, and other attempts to gain unauthorized access. Our systems and the systems maintained by our third-party providers have been subject to attempts to gain unauthorized access, breaches, and other system disruptions, and these and similar incidents could happen again. These events could, from time to time, cause material service outages, allow inappropriate or block legitimate access to systems or information, or result in other material interruptions to our business, our customers and other stakeholders could be impacted, and our reputation could be harmed. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and the frequency and sophistication of cyber-attacks globally have increased over time. As a result, we may be unable to anticipate these attacks or techniques or to implement adequate measures to recognize, detect or prevent the occurrence of any of the events described above or to adequately mitigate their effects. We also may not discover the occurrence of any of the events described above for a significant period of time after the event occurs. These risks, as well as the number and frequency of cybersecurity events globally, may also be heightened during times of geopolitical tension or instability between countries.

We operate a robust information security program that includes: access control tools; detection and response tools; security awareness, penetration testing, vulnerability management, and incident response programs; data encryption; formal risk management, including 3rd party risk management; and cyber insurance. We depend on and interact with the information technology networks and systems of third parties for many aspects of our operations, including our customers and service providers such as cloud service providers and third-party delivery services. These third parties are subject to risks resulting from data breaches, cyberattacks, and other events or actions that could damage or disrupt their networks or systems, which could adversely affect our operations and have an impact on our business.

Any failure to identify and address such defects or errors or prevent a cyber-attack could result in service interruptions, operational difficulties, loss of revenues or market share, liability to our customers or others, the diversion of corporate resources, injury to our reputation or increased service and maintenance costs. Addressing such issues could prove to be impossible or very costly and responding to the resulting claims or liability could similarly involve substantial cost, and the costs related to cybersecurity threats or disruptions may not be fully insured or indemnified by other means. While we have dedicated significant resources to security and privacy and to incident response capabilities, our response processes may not be adequate, may fail to accurately assess the severity of an incident, may not be sufficient to prevent or limit harm, or may fail to sufficiently remediate an incident in a timely fashion, any of which could harm our business, reputation, results of operations and financial condition.

A failure of our information technology infrastructure may materially adversely affect our business.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage our order entry and fulfillment, communications, labor management, sales and marketing, financial, legal and compliance functions, engineering and product development tasks, research and development data, and other business processes. We also rely on third parties and virtualized infrastructure to operate our information technology systems. Despite significant testing, external and internal risks, such as malware, insecure coding, “Acts of God,” data leakage and human error, pose a direct threat to the stability and effectiveness of our information technology systems and operations. The failure of our information technology systems to perform as we anticipate has in the past adversely affected, and could in the future adversely affect our business, including through service delays, delayed communications, loss and delay of sales, transaction errors, billing and invoicing errors, processing inefficiencies and delayed receivables collection. Any such failure could result in harm to our reputation and have an ongoing adverse impact on our business, results of operations and financial condition, including after the underlying failure has been remedied. Further, the delay or failure to implement information system upgrades and new systems effectively could disrupt our business, distract management’s focus and attention from our business operations, and increase our implementation and operating costs, any of which could negatively impact our operations and operating results.

Also, due to recent advances in technology and well-known efforts on the part of computer hackers and cyber-terrorists to breach the data security of companies, we face risks associated with the potential failure to adequately protect critical corporate, customer and employee data, which, if released, could adversely impact our customer and employee relationships, our reputation, and even violate privacy laws. Recently, regulatory and enforcement focus on data protection has heightened in the United States and abroad, particularly in the EU. Failure to comply with applicable U.S. or foreign data protection regulations or other data protection standards may expose us to litigation, fines, sanctions or other penalties, which could harm our business, reputation, results of operations and financial condition.

Risks related to Our Credit and Liquidity

Our indebtedness could adversely affect our financial condition.

We have outstanding indebtedness, which could: negatively affect our ability to pay principal and interest on our debt; increase our vulnerability to general adverse economic and industry conditions; limit our ability to fund future capital expenditures and working capital, to engage in future acquisitions or development activities, or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow to payments of interest and principal or to comply with any restrictive terms of our debt; limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; impair our ability to obtain additional financing or to refinance our indebtedness in the future; and place us at a competitive disadvantage compared to our competitors that may have proportionately less debt.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could materially and adversely affect our financial position and results of operations. Further, failure to comply with the covenants under our indebtedness may have a material adverse impact on our operations. If we fail to comply with any of the covenants under our indebtedness, and are unable to obtain a waiver or amendment, such failure may result in an event of default under our indebtedness. We may not have sufficient liquidity to repay or refinance our indebtedness if such indebtedness were accelerated upon an event of default.

Under the terms of our outstanding indebtedness, we may not be able to incur substantial additional indebtedness in the future, which could further exacerbate the risks described above.

The execution of our strategy could depend on our ability to raise capital in the future, and our inability to do so could prevent us from achieving our growth objectives.

We may in the future be required to raise capital through public or private financing or other arrangements in order to pursue our growth strategy or operate our businesses. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business and/or our ability to execute our strategy. Further debt financing may involve restrictive covenants and could reduce our profitability. We currently have investment grade credit ratings for our secured debt, however, we may not be able to maintain these ratings or obtain investment grade credit ratings for our unsecured debt. Without investment grade credit ratings, we incur increased interest expense and borrowing costs and may have reduced access to financial markets to obtain additional debt financing or refinance our existing debt, potentially adversely affecting our financial condition and results of operations. If we cannot raise funds on acceptable terms, we may not be able to grow our business as planned or respond to competitive pressures.

We may be adversely affected by interest rate changes because of our floating rate credit facilities.

The Second Amended and Restated Revolving Loan Credit Agreement, as amended (the “ABL Facility”), and the senior secured term loan credit agreement, as amended (the “Term Loan Facility”), provide for an interest rate based on the Secured Overnight Offering Rate (“SOFR”) or a Base Rate, as defined in the agreements, plus an applicable margin. Our European trade receivables securitization program (the “Receivables Securitization Program”) provides for an interest rate at lenders’ cost of funds plus an applicable margin. Our financial position may be affected by fluctuations in interest rates since the ABL Facility, Term Loan Facility and Receivables Securitization Program are subject to floating interest rates. Refer to Item 7A, “Quantitative and Qualitative Disclosures about Market Risk” for the impact on interest expense of a hypothetical 1% increase in the interest rate. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. A significant increase in interest rates could have an adverse effect on our financial position and results of operations.

Risks related to Third-Party Relationships

We depend on third parties in the operation of our business.

Our European business heavily relies on subcontracting and we use a large number of temporary employees in these operations. As a result, we are exposed to various risks related to managing our subcontractors, such as the risk that they do not fulfill their assignments in a satisfactory manner or within the specified deadlines. Moreover, we cannot guarantee that temporary employees are as well-trained as our other employees. Specifically, we may be exposed to the risk that temporary employees may not perform their assignments in a satisfactory manner or may not comply with our safety rules in an appropriate manner, whether as a result of their lack of experience or otherwise. Such failures could compromise our ability to fulfill our commitments to our customers, comply with applicable regulations or otherwise meet our customers' expectations. Such failures could also harm our reputation and ability to win new business and could lead to us being liable for contractual damages. Furthermore, in the event of a failure by our subcontractors or temporary employees to fulfill their assignments in a satisfactory manner, we could be required to perform unplanned work or additional services in line with the contracted service, without receiving any additional compensation. As a result, any failure to properly manage our subcontractors or temporary employees in Europe or elsewhere could have a material adverse impact on our revenues, earnings, financial position and outlook.

Increases in driver compensation and difficulties with attracting and retaining drivers could adversely affect our revenues and profitability.

Our LTL services in North America and Europe and our full truckload services in Europe are conducted primarily with employee drivers. Our industry may experience intense competition for qualified drivers in the transportation industry due to a shortage of drivers. The availability of qualified drivers may be affected from time to time by changing workforce demographics, competition from other transportation companies and industries for employees, the availability and affordability of driver training schools, changing industry regulations, and the demand for drivers in the labor market. If an industry-wide shortage of qualified drivers occurs, our global LTL operations and our European truckload operation could experience difficulty in attracting and retaining enough qualified drivers to fully satisfy customer demand. During periods of increased competition in the labor market for drivers, our LTL and full truckload operations may be required to increase driver compensation and benefits in the future to attract and retain a sufficient number of qualified drivers or face difficulty meeting customer demand, all of which could adversely affect our profitability. Additionally, a shortage of drivers could result in the underutilization of our truck fleet, lost revenue, increased costs for purchased transportation or increased costs for driver recruitment.

If we are unable to attract and retain management talent and key employees, our business, results of operations and financial position could be adversely affected.

Our success is dependent upon our ability to attract and retain qualified management in a highly competitive environment and the experience and leadership of our key employees. Qualified individuals are in high demand, and we may incur significant costs to attract them, particularly at the executive level. We may face difficulty in attracting, retaining and compensating key talent for a number of reasons, including competitive market conditions. Replacing departing executives, directors or other key personnel can involve organizational disruption and uncertainty. If we fail to attract and retain management talent and key employees or fail to manage integration of new management talent or key employees successfully, we could experience significant delays or difficulty in the achievement of our strategic objectives and our business, financial condition and results of operations could be materially and adversely harmed.

Our business may be materially adversely affected by labor disputes.

Our business could be adversely affected by strikes and labor negotiations at seaports, labor disputes between railroads and their union employees, or by a work stoppage at one or more railroads or local trucking companies servicing rail or port terminals. Strikes and work stoppages also could occur at our own facilities. Port shutdowns and similar disruptions to major points in national or international transportation networks, most of which are beyond our control, could result in terminal embargoes, disrupt equipment and freight flows, depress volumes and revenues, increase costs and have other negative effects on our operations and financial results.

Labor disputes involving our customers could affect our operations. If our customers experience plant slowdowns or closures because they are unable to negotiate labor contracts, our revenue and profitability could be negatively impacted.

Our European business activities require a large amount of labor, which represents one of our most significant costs. It is essential that we maintain good relations with employees, trade unions and other staff representative institutions. A deteriorating economic environment may result in tensions in industrial relations, which may lead to industrial action within our European operations; this could have a direct impact on our business operations. Generally, any deterioration in industrial relations in our European operations, such as general strike activities or other material labor disputes, could have an adverse effect on our revenues, earnings, financial position and outlook.

Efforts by labor organizations to organize employees at certain locations in North America, if successful, may impact costs and efficiencies at those locations.

Since 2014, in the U.S., the International Brotherhood of Teamsters ("Teamsters") has attempted to organize employees at dozens of our LTL locations, and the International Association of Machinists ("Machinists") has attempted to organize a small number of mechanics at three LTL maintenance shops. The majority of our employees involved in these organizing efforts rejected union representation. As of December 31, 2024, our employees had voted against union representation in 19 of the 28 union elections held since 2014. As of December 31, 2024, none of our employees were represented by a union in North America, consistent with our December 31, 2023 position. We cannot predict with certainty whether further organizing efforts may result in the unionization of any additional locations in the U.S. If union efforts are successful, these efforts may impact costs and efficiencies at the specific locations where representation is elected and have an adverse effect on our results of operations, cash flows and business.

Risks related to Litigation and Regulations

We are involved in multiple lawsuits and are subject to various claims that could result in significant expenditures and impact our operations.

The nature of our business exposes us to the potential for various types of claims and litigation, including matters related to commercial disputes, labor and employment, workers' compensation, personal injury, cargo and other property damage, product liability, environmental liability, insurance coverage, securities and other matters, including with respect to claims asserted under various other theories of agency or employer liability. Claims against us may exceed the amount of insurance coverage that we have or may not be covered by insurance at all. Businesses that we acquire may also increase our exposure to litigation. Material increases in the frequency or severity of vehicular accidents, liability claims or workers' compensation claims, or the unfavorable resolution of claims, or our failure to recover, in full or in part, under subrogation or indemnity provisions with third-party transportation providers, could materially and adversely affect our operating results. Our involvement in the transportation of certain goods, including but not limited to hazardous materials, could also increase our exposure in the event that we or one of our third-party transportation providers is involved in an accident resulting in injury or contamination. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims and industry-wide factors affecting insurance availability and cost could reduce our profitability. Under some agreements, we maintain the inventory of our customers, some of which may be significant in value. Our failure to properly handle and safeguard such inventory, or damages occurring as a result of acts of God, exposes us to potential claims and expenses.

An increase in the number or severity of self-insured claims or an increase in insurance premiums could have an adverse effect on us.

We use a combination of self-insurance programs and purchased insurance to provide for the costs of employee medical, vehicular collision and accident, cargo loss and damage, property damage, and workers' compensation claims. Our estimated liability for self-retained insurance claims reflects certain actuarial assumptions and judgments, which are subject to a degree of variability and uncertainty. We reserve for anticipated losses and expenses and periodically evaluate and adjust our claims reserves to reflect our experience. Estimating the number and severity of claims, as well as related potential judgment or settlement amounts, is inherently difficult. This inherent difficulty, along with legal expenses, incurred but not reported claims, and other uncertainties can cause unfavorable differences between actual self-insurance costs and our reserve estimates. Our operating results could be adversely affected if any of the following were to occur: (i) the number or the severity of claims increases; (ii) we are required to accrue or pay additional amounts because claims as they develop prove to be more severe than our initial assessment; or (iii) claims exceed our coverage. Accordingly, our ultimate results may differ from our estimates, which could result in losses over our reserved amounts. We periodically evaluate our level of insurance coverage and adjust insurance levels based on targeted risk tolerance and premium expense. An increase in the number or severity of self-insured claims or an increase in insurance premiums could have an adverse effect on us, while higher self-insured retention levels may increase the impact of loss occurrences on our results of operations.

In addition, the cost of providing benefits under our medical plans is dependent on a variety of factors, including governmental laws and regulations, healthcare cost trends, claims experience and healthcare decisions by plan participants. As a result, we are unable to predict how the cost of providing benefits under medical plans will affect our financial condition, results of operations or cash flows.

We are subject to risks associated with defined benefit plans for our current and former employees, which could have a material adverse effect on our earnings and financial position.

We maintain defined benefit pension plans and a postretirement medical plan. Our defined benefit pension plans include funded and unfunded plans in the U.S. A decline in interest rates and/or lower returns on funded plan assets may cause increases in the expense and funding requirements for these defined benefit pension plans and for our postretirement medical plan. Despite past amendments that froze our defined benefit pension plans to new participants and curtailed benefits, these pension plans remain subject to volatility associated with interest rates, inflation, returns on plan assets, other actuarial assumptions and statutory funding requirements. In addition to being subject to volatility associated with interest rates, our postretirement medical plan remains subject to volatility associated with actuarial assumptions and trends in healthcare costs. Any of the aforementioned factors could lead to a significant increase in the expense of these plans and a deterioration in the solvency of these plans, which could significantly increase our contribution requirements. As a result, we are unable to predict the effect on our financial statements associated with our defined benefit pension plans and our postretirement medical plan.

Changes in income tax regulations for U.S. and multinational companies may increase our tax liability.

We are subject to income taxes in the United States and many foreign jurisdictions. Changes to income tax laws and regulations, or the interpretation of such laws, in any of the jurisdictions in which we operate could significantly increase our effective tax rate and ultimately reduce our cash flows from operating activities and otherwise have a material adverse effect on our financial condition, results of operations and cash flows. The U.S. Congress, the Organization for Economic Co-operation and Development (“OECD”), the EU and other government agencies in jurisdictions in which we and our affiliates do business have maintained a focus on the taxation of multinational companies. The OECD has recommended changes to numerous long-standing international tax principles through its base erosion and profit shifting (“BEPS”) project, and many jurisdictions have begun codifying those recommendations into law. These and other tax laws and related regulations changes, to the extent adopted, may increase tax uncertainty and/or our effective tax rate, result in higher compliance cost and adversely affect our provision for income taxes, results of operations and/or cash flows.

We are subject to governmental regulations, political conditions, and emissions-control regulations which could substantially increase operating expenses or negatively impact our business.

Our operations are regulated and licensed by various governmental agencies in the U.S. and in foreign countries where we operate. These regulatory agencies have authority and oversight of domestic and international transportation services and related activities, licensure, motor carrier operations, safety and security and other matters. We must comply with various insurance and surety bond requirements to act in the capacities for which we are licensed. Our subsidiaries and third-party transportation providers must also comply with applicable regulations and requirements of various agencies. Through our subsidiaries and operations, we hold various licenses required to carry out our domestic and international services. These licenses permit us to provide services as a motor carrier and property broker. In addition, we are subject to regulations and requirements promulgated by the DOT, EPA, FMCSA, DHS, CBP, Canada Border Services Agency and various other international, domestic, state and local agencies and port authorities.

Certain of our businesses engage in the transportation of hazardous materials, the movement, handling and accidental discharge of which are highly regulated. Our failure to obtain or maintain the required licenses, or to comply with applicable regulations, could have a material adverse impact on our business and results of operations. See the “Regulation” section under Item 1, “Business” for more information.

In 2021, the EPA announced a series of regulations to be implemented to decrease emissions from new heavy-duty vehicles and, in 2022 and 2024, finalized new stringent emission standards to reduce nitrogen oxides and establish new standards for greenhouse gas emissions from heavy-duty engines. In December 2021, CARB adopted its Advanced Clean Truck regulation requiring manufacturers to sell zero-emission trucks as an increasing percentage of their annual California sales. At this point, there are virtually no zero-emissions vehicles widely available that are suitable replacements for current technology used in less-than-truckload operations. If zero-emission vehicles are not available or not commercially viable for the less-than-truckload market, we may be required to modify or curtail our operations in California. The transition to utilizing zero-emission vehicles could have a material adverse effect on our financial condition, results of operations, and cash flows or may require us to incur significant additional costs, any of which could negatively impact our business.

Future laws and regulations may be more stringent and may require changes to our operating practices that influence the demand for our services or require us to incur significant additional costs. We are unable to predict the impact that recently enacted and future regulations may have on our business. In particular, it is difficult to predict which, and in what form, EPA, CARB and FMCSA regulations may be modified or enforced, and what impact these regulations may have on motor carrier and less-than-truckload operations. If higher costs are incurred by us as a result of future changes in regulations, or by third-party transportation providers who pass increased costs on to us, this could adversely affect our results of operations to the extent we are unable to obtain a corresponding increase in price from our customers.

Furthermore, political conditions at the federal, state, or local levels may alter the regulations that impact our business, may require changes to our operating practices, may influence demand for our services, or may require us to incur significant additional costs, any of which could negatively impact our business.

Failure to comply with trade compliance and anti-corruption laws and regulations applicable to our operations could expose us to potential fines, criminal sanctions, or reputational harm.

We are a global company subject to changing laws, policies, sanctions, and other regulatory requirements in the U.S., the U.K. and the E.U. relating to trade compliance and anti-corruption. Economic sanctions and other trade compliance restrictions in the U.S., the U.K., the E.U., and other countries may prohibit us from engaging in business activities with restricted entities or sanctioned countries. The U.S. and other export controls may restrict us from exporting specific products or arranging transportation or other services to or for the benefit of certain entities in specified countries. Global developments such as the ongoing conflict in Ukraine may result in new and evolving sanctions and trade restrictions. Non-compliance with trade compliance laws, policies, sanctions, and other regulatory requirements could result in reputational harm, operational delays, monetary fines and penalties, loss of revenues, increased costs, loss of export privileges, and criminal sanctions.

The U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act, Sapin II and other anti-corruption laws and regulations prohibit corrupt payments by our employees, vendors, or agents. While we have implemented policies, training, and internal controls designed to reduce the risk of corrupt payments, our employees, vendors, or agents may violate our policies and controls. Our failure to comply with anti-corruption laws and regulations could result in monetary fines and penalties, criminal sanctions against us, our officers, or our employees, restrictions on the conduct of our business, and reputational harm.

We may be unable to achieve some or all of the benefits that we expect to achieve from the spin-offs of GXO or RXO.

Although we believe that separating our logistics segment and tech-enabled broker transportation platform into stand-alone, publicly traded companies (the "Spin-offs") has provided financial, operational and other benefits to us and our stockholders, we cannot provide assurance that we will achieve the full strategic and financial benefits expected from the Spin-offs. If we do not realize the intended benefits of the Spin-offs, we could suffer a material adverse effect on our business, financial conditions, results of operations and cash flows.

If the spin-offs of GXO and/or RXO, together with certain related transactions, do not qualify as transactions that are generally tax-free for U.S. federal income tax purposes, XPO and XPO stockholders could be subject to significant tax liabilities. In addition, if certain internal restructuring transactions were to fail to qualify as transactions that are generally tax-free for U.S. federal or non-U.S. income tax purposes, we could be subject to significant tax liabilities.

In connection with the spin-offs of GXO and RXO, we received opinions from outside counsel regarding the qualification of each spin-off, together with certain related transactions, as a "reorganization" within the meaning of Sections 355 and 368(a)(1)(D) of the Internal Revenue Code. The opinions of counsel were based upon and relied on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of XPO, GXO, and RXO, including those relating to the past and future conduct of each company. If any of these facts, assumptions, representations, statements or undertakings was, or becomes, inaccurate or incomplete, or if XPO, GXO, or RXO breaches any of its representations or covenants contained in the separation agreement and certain other agreements and documents or in any documents relating to the related opinion of counsel, the opinion of counsel may be invalid, and the conclusions reached therein could be jeopardized.

Notwithstanding receipt of the opinion of counsel, there can be no assurance that the U.S. Internal Revenue Service (the "IRS") will not assert that either spin-off and/or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail with such challenge, XPO and XPO stockholders could be subject to significant U.S. federal income tax liability.

INDUSTRY RISK

Risks related to Our Markets and Competition

We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs, our business could suffer.

Competition in the transportation services industry is intense. Increased competition may lead to a reduction in revenues, reduced profit margins, or a loss of market share, any one of which could harm our business. There are many factors that could impair our profitability, including the following: (i) competition from other transportation services companies, some of which offer different services or have a broader coverage network, more fully developed information technology systems and greater capital resources than we do; (ii) a reduction in the rates charged by our competitors to gain business, especially during times of declining economic growth, which may limit our ability to maintain or increase our rates, maintain our operating margins or achieve significant growth in our business; (iii) shippers soliciting bids from multiple transportation providers for their shipping needs, which may result in the depression of freight rates or loss of business to competitors; (iv) the establishment by our competitors of cooperative relationships to increase their ability to address shipper needs; (v) decisions by our current or prospective customers to develop or expand internal capabilities for some of the services we provide; and (vi) the development of new technologies or business models that could result in our disintermediation in certain services we provide.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 1C. *CYBERSECURITY*

XPO employs a robust system of information technology and information security controls and measures to assess, identify, and manage risks from cybersecurity threats which we consider to be critically important to maintaining our business and ensuring our business continuity. Our information security program is overseen by our Chief Information Officer ("CIO") , whose team is responsible for leading enterprise-wide cybersecurity strategy, policy, standards, architecture, threat prevention, threat detection, and incident response processes. Our CIO has over 15 years of information technology and information security experience and he and his team have experience in cybersecurity and risk management, including assessing, designing, building and operating security platforms, identity and access, data protection, product and software security, cyber engineering, cyber defense, automation and compliance initiatives. The information security team provides periodic reports to our CIO, Board of Directors, as well as our Chief Executive Officer and other members of our senior management as appropriate. Our CIO meets regularly with his team as well as other key personnel to share information about potential cybersecurity events and monitor, prevent, and detect potential cybersecurity incidents and develop reports for our senior management. These reports include updates on the Company's cyber risks and threats, the status of projects to strengthen our information security systems, assessments of the information security program, including the results of security breach simulations, and the emerging threat landscape. Our Board of Directors will be informed of all material cybersecurity incidents and our information security program includes procedures for calling a special session of the Board of Directors in the event of a high or critical-risk cybersecurity incident. The Board of Directors also discusses relevant incidents in the industry and the evolving threat landscape.

As part of our information security program, our CIO and his team integrate our information security measures into our overall risk management processes to identify, evaluate, and quantify risks based on internal and external available information and classify the severity of potential cybersecurity incidents. XPO employs technical measures to protect against cybersecurity attacks that align with functions identified in the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. The information security team continuously reviews our information security systems for unauthorized system access, cybersecurity incidents, indicators of compromise, and unusual traffic on our systems. The information security leadership team meets regularly to ensure our processes to identify, assess, and manage cybersecurity threats, including those posed by third-party service providers who provide services to our business, are effective and current. Our information security team also reviews relevant legislative and regulatory developments and conducts regular and tailored information security training for our global workforce, in various formats.

In the event of a cybersecurity incident, our incident response team, composed of members of our information security team as well as other key personnel, identifies, evaluates, and quantifies the relevant risks based on the available information and classifies the severity of the cybersecurity incident based on the level of risk to the Company. Our incident response measures include procedures to provide incident updates and developments to our senior management and the Board of Directors in the event of an ongoing cybersecurity incident. We also maintain an information security risk insurance policy. We conduct internal exercises to prepare our leadership and cross-functional teams to respond in the event of a cybersecurity incident and to help us test and consider revisions to our incident response procedures. We also actively engage with key consultants, industry participants, and intelligence and law enforcement communities as part of our continuing efforts to evaluate and enhance the effectiveness of our information security program. Our program is regularly evaluated by internal and external experts, with the results of those reviews reported to senior management and the Board of Directors. To date, we have not experienced any cybersecurity threats or incidents which have materially affected or are reasonably likely to materially affect the Company.

While we have dedicated significant resources to identifying, assessing, and managing material risks from cybersecurity threats, our efforts may not be adequate, may fail to accurately assess the severity of an incident, may not be sufficient to prevent or limit harm, or may fail to sufficiently remediate an incident in a timely fashion, any of which could harm our business, reputation, results of operations and financial condition. For an additional discussion of certain risks associated with cybersecurity see Item 1A, "Risk Factors" above.

ITEM 2. *PROPERTIES*

As of December 31, 2024, we had approximately 614 locations, primarily in North America and Europe. These facilities are located in all 48 contiguous U.S. states, as well as globally.

Segment	Leased Facilities	Owned Facilities	Customer Facilities [1]	Total
North American LTL	225	144	—	369
European Transportation	218	17	4	239
Corporate	6	—	—	6
Total	449	161	4	614

[1] Includes locations owned or leased by customers.

We lease our current executive office located in Greenwich, Connecticut, as well as various office facilities in the U.S., France, the U.K. and India to support our global executive and shared-services functions. We believe that our facilities are sufficient for our current needs.

ITEM 3. *LEGAL PROCEEDINGS*

Information with respect to certain legal proceedings is included in Note 18—Commitments and Contingencies to our Consolidated Financial Statements (included in Part II, Item 8 of this Annual Report) and is incorporated herein by reference. For an additional discussion of certain risks associated with legal proceedings, see Item 1A, “Risk Factors” above.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

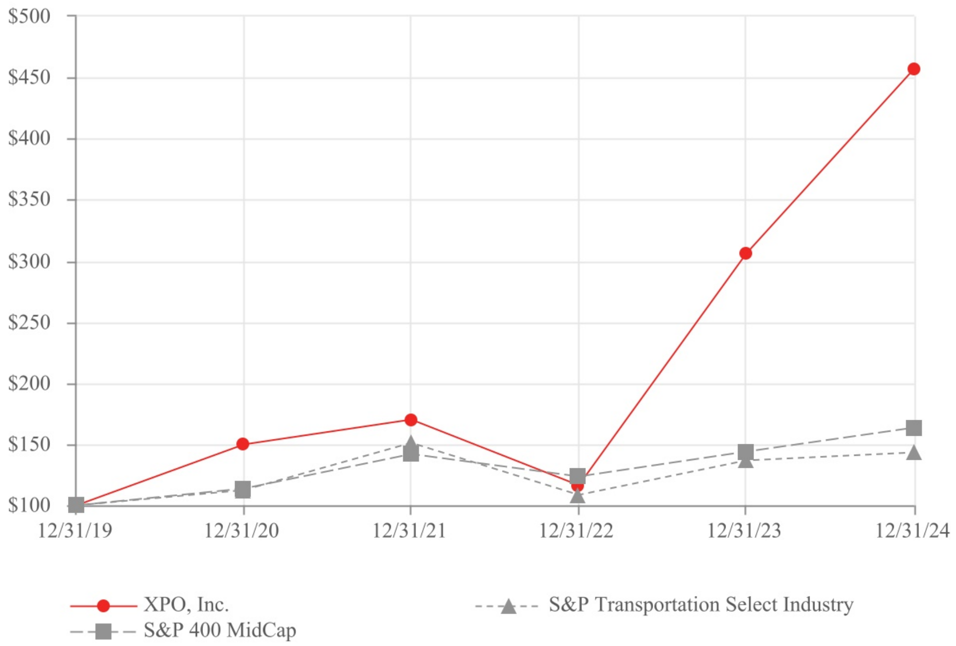
Common Stock

Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol XPO.

As of January 31, 2025, there were approximately 57 registered holders of our common stock. We have never paid, and have no immediate plans to pay, cash dividends on our common stock.

Stock Performance Graph

The graph below compares the cumulative five-year total return of holders of our common stock with the cumulative performance of the S&P Transportation Select Industry index and the S&P 400 MidCap index, of which we are a component. The graph assumes that the value of the investment in our common stock and each index was $100 on December 31, 2019 and that all dividends and other distributions, including the effect of Spin-offs, were reinvested. The comparisons in the graph below are based on historical data and not indicative of, or intended to forecast, future performance of our common stock.



	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
XPO, Inc.	$ 100.00	$ 149.56	$ 170.14	$ 116.05	$ 305.34	$ 457.19
S&P Transportation Select Industry	$ 100.00	$ 112.07	$ 150.64	$ 108.44	$ 136.32	$ 143.20
S&P 400 MidCap	$ 100.00	$ 113.66	$ 141.80	$ 123.28	$ 143.54	$ 163.54

Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 6. ***[RESERVED]***

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Overview

XPO is a leading provider of freight transportation services, with company-specific avenues for value creation. We use our proprietary technology to move goods efficiently through our customers' supply chains in North America and Europe.

Our company has two reportable segments: North American Less-Than-Truckload ("LTL"), the largest component of our business, and European Transportation. Our North American LTL segment includes the results of our trailer manufacturing operation.

Within the tables presented, certain amounts may not add due to the use of rounded numbers. Unless otherwise indicated, percentages presented are calculated from the underlying numbers in millions.

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for a discussion of our financial condition and results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022.

Strategic Developments

XPO has operated solely as an asset-based LTL service provider in North America since November 2022, when we completed the spin-off of RXO, Inc. ("RXO"). This followed the completion of two additional components of our strategic plan: the spin-off of GXO Logistics, Inc. ("GXO") in August 2021, and the sale of our North American intermodal operation in March 2022.

In December 2023, we completed the Yellow Asset Acquisition, purchasing 26 LTL service centers and assuming existing leases for two additional locations.

The previously announced authorization by our Board of Directors to divest our European business remains in effect. There can be no assurance that the divestiture will occur, or of the terms or timing of a transaction.

The historical results of operations and financial positions of RXO and our intermodal operation are presented as discontinued operations during the periods presented and, as such, have been excluded from both continuing operations and segment results. We completed the sale of our intermodal operation for cash proceeds of approximately $705 million, net of cash disposed. The pre-tax gain on the sale was $430 million, net of transaction costs and working capital adjustments, and was included in Income from discontinued operations, net of taxes, for the year ended December 31, 2022.

Impacts of Notable External Conditions

As a leading provider of freight transportation services, our business can be impacted to varying degrees by factors beyond our control. The overall freight environment continues to be recessionary, due to a mix of macroeconomic pressures on supply and demand. Importantly, we see growth potential ahead in our major markets, and we intend to continue expanding the business by investing in capacity for the long-term, gaining profitable market share, and aligning price with the value we provide.

Examples of macroeconomic factors that can affect our results are volatility in interest rates and economic inflation, which may have a negative impact on certain of our operating costs, such as salaries, wages and employee benefits, fuel, purchased transportation and insurance. We mitigate these impacts with mechanisms in our customer contracts, including fuel surcharge clauses and general rate increases.

Examples of supply chain constraints that may affect our results include potentially higher tariffs on goods produced outside the United States, and the increasing reluctance of shippers to route goods through areas with regional conflict. Regarding the war between Russia and Ukraine and the unrest in the Middle East, we have no direct exposure to these geographies.

We cannot predict how future macroeconomic conditions, supply chain constraints or global conflicts, if any, may adversely affect our results of operations.

Consolidated Summary Financial Results

	Years Ended December 31,		Percent of Revenue	
(Dollars in millions)	2024	2023	2024	2023
Revenue	$ 8,072	$ 7,744		
Salaries, wages and employee benefits	3,377	3,159	41.8 %	40.8 %
Purchased transportation	1,701	1,760	21.1 %	22.7 %
Fuel, operating expenses and supplies	1,589	1,623	19.7 %	21.0 %
Operating taxes and licenses	80	60	1.0 %	0.8 %
Insurance and claims	134	167	1.7 %	2.2 %
Gains on sales of property and equipment	(40)	(5)	(0.5)%	(0.1)%
Depreciation and amortization expense	490	432	6.1 %	5.6 %
Goodwill impairment	—	—	— %	— %
Litigation matter	—	8	— %	0.1 %
Transaction and integration costs	53	58	0.7 %	0.7 %
Restructuring costs	27	44	0.3 %	0.6 %
Operating income	660	438	8.2 %	5.7 %
Other income	(37)	(15)	(0.5)%	(0.2)%
Debt extinguishment loss	—	25	— %	0.3 %
Interest expense	223	168	2.8 %	2.2 %
Income from continuing operations before income tax provision	473	260	5.9 %	3.4 %
Income tax provision	86	68	1.1 %	0.9 %
Income from continuing operations	387	192	4.8 %	2.5 %
Income (loss) from discontinued operations, net of taxes	—	(3)	— %	— %
Net income	$ 387	$ 189	4.8 %	2.4 %

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Our consolidated revenue for 2024 increased by 4.2% to $8.1 billion, compared with 2023. The increase reflects growth in both of our reportable segments, partially offset by a decline in fuel surcharge revenue in our North American LTL segment. Foreign currency movement increased revenue by approximately 0.5 percentage points in 2024.

Salaries, wages and employee benefits includes compensation-related costs for our employees, including salaries, wages, incentive compensation, healthcare-related costs and payroll taxes, and covers drivers and dockworkers, operations and facility workers and employees in support roles and other positions. Salaries, wages and employee benefits in 2024 was $3.4 billion, or 41.8% of revenue, compared with $3.2 billion, or 40.8% of revenue, in 2023. The year-over-year increase as a percentage of revenue primarily reflects the impact of inflation on our cost base and the insourcing of a greater proportion of linehaul from third-party transportation providers.

Purchased transportation includes costs of procuring third-party freight transportation. Purchased transportation in 2024 was $1.7 billion, or 21.1% of revenue, compared with $1.8 billion, or 22.7% of revenue, in 2023. The year-over-year decrease as a percentage of revenue primarily reflects the insourcing of a greater proportion of linehaul from third-party transportation providers and, to a lesser extent, lower rates paid to third-party providers for purchased transportation miles in our North American LTL segment, partially offset by higher purchased transportation in our European Transportation segment.

Fuel, operating expenses and supplies includes the cost of fuel purchased for use in our vehicles as well as related taxes, maintenance and lease costs for our equipment, including tractors and trailers, costs related to operating our owned and leased facilities, bad debt expense, third-party professional fees, information technology expenses and supplies expense. Fuel, operating expenses and supplies was $1.59 billion in 2024, or 19.7% of revenue, compared with $1.62 billion, or 21.0% of revenue, in 2023. The year-over-year decrease as a percentage of revenue primarily reflects lower fuel costs due to lower diesel prices.

Operating taxes and licenses includes tax expenses related to our vehicles and our owned and leased facilities as well as license expenses to operate our vehicles. Operating taxes and licenses in 2024 was $80 million, compared with $60 million in 2023. The year-over-year increase primarily reflects property taxes on service centers acquired in the Yellow Asset Acquisition.

Insurance and claims includes costs related to vehicular and cargo claims for both purchased insurance and self-insurance programs. Insurance and claims in 2024 was $134 million, compared with $167 million in 2023. The year-over-year decrease reflects lower expense due to improved damage frequency, partially offset by higher vehicular insurance costs.

Gains on sales of property and equipment in 2024 was $40 million, compared with $5 million in 2023. The year-over-year increase primarily reflects $34 million in gains on real estate transactions in our North American LTL segment in 2024 from a planned service center relocation with no comparable gains in 2023.

Depreciation and amortization expense in 2024 was $490 million, compared with $432 million in 2023. The year-over-year increase reflects the impact of capital investments, in particular tractors and trailers, as well as service centers acquired in the Yellow Asset Acquisition.

Litigation matter was $8 million in 2023, with no comparable expense in 2024. See Note 18—Commitments and Contingencies to our Consolidated Financial Statements for further information.

Transaction and integration costs in 2024 were $53 million, compared with $58 million in 2023. Transaction and integration costs for 2024 and 2023 are primarily comprised of stock-based compensation for certain employees related to strategic initiatives, as well as retention awards for certain employees related to strategic initiatives in 2023. Stock-based compensation costs related to our previously announced strategic initiatives concluded in the fourth quarter of 2024.

Restructuring costs in 2024 were $27 million, compared with $44 million in 2023. We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and divestment activities. For more information, see Note 6—Restructuring Charges to our Consolidated Financial Statements.

Other income primarily consists of pension income for both 2024 and 2023, while 2024 also includes investment income. Other income for 2024 was $37 million, compared with $15 million in 2023. The year-over-year increase reflects $13 million of investment income in 2024 in Corporate on a past investment in a private company that was sold during the year, compared with no investment income in 2023, as well as an increase in net periodic pension income in 2024.

Debt extinguishment loss was $0 million in 2024, compared with $25 million in 2023. The debt extinguishment loss in 2023 related to the refinancing of our Existing Term Loan Facility (as defined below) and the redemption of our outstanding 6.25% senior notes due 2025 ("Senior Notes due 2025").

Interest expense for 2024 increased 32.7% to $223 million, from $168 million in 2023. The increase is primarily due to the debt issuance in the fourth quarter of 2023 to finance the Yellow Asset Acquisition. We anticipate interest expense to be between $220 million and $230 million in 2025.

Our consolidated income from continuing operations before income taxes in 2024 was $473 million, compared with $260 million in 2023. The increase was primarily driven by higher operating income partially offset by higher interest expense. With respect to our U.S. operations, income from continuing operations before income taxes was income of $486 million in 2024, compared with income of $286 million in 2023. The increase was primarily due to higher revenue, lower purchased transportation and higher gains on real estate transactions, partially offset by higher salaries, wages and employee benefits, depreciation and amortization and interest expense. With respect to our non-U.S. operations, loss from continuing operations before income taxes was $13 million in 2024, compared with a loss of $26 million in 2023. The decrease in the loss is primarily due to higher revenue, partially offset by higher purchased transportation and salaries, wages and employee benefits in 2024.

Our effective income tax rates were 18.1% and 26.0% in 2024 and 2023, respectively. The decrease in our effective income tax rate for 2024 compared to 2023 was primarily driven by a one-time tax benefit of $41 million associated with the legal entity reorganization in our European Transportation business and a reduced impact from non-deductible executive compensation expense as a result of higher pre-tax income in 2024 compared to 2023, partially offset by the impact of losses for which no tax benefit can be recognized. For 2024, our effective tax rate was impacted by $49 million of discrete tax benefits, the largest of which was a $41 million benefit from the legal entity reorganization in our European Transportation business, offset by $16 million from non-deductible compensation and $9 million from losses for which no tax benefit can be recognized. For 2023, our effective tax rate was impacted by $15 million from non-deductible compensation partially offset by $9 million of discrete tax benefits, the largest of which was a $4 million benefit from changes in reserves for uncertain tax positions.

We expect the legal entity reorganization in our European Transportation business to generate a net cash refund of approximately $45 million, to be received primarily in 2025.

Segment Financial Results

Our CODM regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. For our North American LTL and European Transportation segments, our CODM evaluates segment profit (loss) based on adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”), which we define as income from continuing operations before debt extinguishment loss, interest expense, income tax provision, depreciation and amortization expense, goodwill impairment charges, litigation matters, transaction and integration costs, restructuring costs and other adjustments. Segment adjusted EBITDA includes an allocation of corporate costs. See Note 4—Segment Reporting and Geographic Information for further information and a reconciliation of adjusted EBITDA to Income from continuing operations.

North American Less-Than-Truckload Segment

(Dollars in millions)	Years Ended December 31, 2024	Years Ended December 31, 2023	Percent of Revenue 2024	Percent of Revenue 2023
Revenue	$ 4,899	$ 4,671		
Adjusted EBITDA (1)	1,115	864	22.8 %	18.5 %
Depreciation and amortization expense	346	291	7.1 %	6.2 %

(1) Percent of Revenue is calculated using the underlying unrounded amounts.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue in our North American LTL segment increased 4.9% to $4.9 billion in 2024, compared with $4.7 billion in 2023. Revenue included fuel surcharge revenue of $785 million and $857 million, respectively, for the years ended December 31, 2024 and 2023. The decrease in fuel surcharge revenue was primarily driven by lower diesel prices.

We evaluate the revenue performance of our LTL business using several commonly used metrics, including volume (weight per day in pounds) and yield, which is a commonly used measure of LTL pricing trends. We measure yield using gross revenue per hundredweight, excluding fuel surcharges. Impacts on yield can include weight per shipment and length of haul, among other factors, while impacts on volume can include shipments per day and weight per shipment. The following table summarizes our key revenue metrics:

	Years Ended December 31, 2024	Years Ended December 31, 2023	Change %
Pounds per day (thousands)	69,606	70,196	(0.8) %
Shipments per day	51,508	51,322	0.4 %
Average weight per shipment (in pounds)	1,351	1,368	(1.2) %
Gross revenue per hundredweight, excluding fuel surcharges	$ 23.94	$ 22.21	7.8 %

Percentages presented are calculated using the underlying unrounded amounts.

The year-over-year increase in revenue for 2024, excluding fuel surcharge revenue, reflects higher yield, primarily related to our improvements in service quality and the benefit of numerous pricing initiatives, partially offset by slightly lower volume. The decrease in volume per day reflects lower average weight per shipment partially offset by higher shipments per day.

In the month of January 2025, weight per day decreased 8.5%, as compared with January 2024, attributable to a year-over-year decrease of 6.0% in shipments per day and a decrease of 2.7% in weight per shipment.

Adjusted EBITDA was $1,115 million in 2024, compared with $864 million in 2023. Adjusted EBITDA included gains from real estate transactions of $34 million for the year ended December 31, 2024 with no comparable gains in 2023. Excluding these gains, the increase in adjusted EBITDA reflected higher revenue, excluding fuel surcharge revenue, driven by the pricing and volume dynamics explained above, and lower purchased transportation, damage claims, fuel costs, maintenance costs, and bad debt expense. These items were partially offset by lower fuel surcharge revenue and higher salaries, wages and employee benefits and vehicular insurance costs.

Depreciation and amortization expense increased to $346 million in 2024 compared with $291 million in 2023 due to the impact of capital investments, in particular tractors and trailers, as well as service centers acquired in the Yellow Asset Acquisition.

European Transportation Segment

	Years Ended December 31,		Percent of Revenue	
(Dollars in millions)	**2024**	**2023**	**2024**	**2023**
Revenue	$ 3,173	$ 3,073		
Adjusted EBITDA [(1)]	158	163	5.0 %	5.3 %
Depreciation and amortization expense	140	136	4.4 %	4.4 %

(1) Percent of Revenue is calculated using the underlying unrounded amounts.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue in our European Transportation segment increased 3.3% to $3.2 billion in 2024, compared with $3.1 billion in 2023. Foreign currency movement increased revenue by approximately 1.3 percentage points in 2024. The increase in revenue compared to 2023, after taking into effect the impact of foreign currency movement, primarily reflects higher yield.

Adjusted EBITDA was $158 million in 2024, compared with $163 million in 2023. The decrease in adjusted EBITDA was primarily driven by higher purchased transportation, salaries, wages and employee benefits and lease and facility costs. These items were partially offset by the increase in revenue after taking into effect the impact of foreign currency movement, described above, and lower fuel costs and insurance and claims.

Depreciation and amortization expense increased to $140 million in 2024 compared with $136 million in 2023 primarily due to the impact of capital investments.

Liquidity and Capital Resources

Our cash and cash equivalents balance was $246 million as of December 31, 2024, compared to $412 million as of December 31, 2023. Our principal existing sources of cash are (i) cash generated from operations; (ii) borrowings available under our Second Amended and Restated Revolving Loan Credit Agreement, as amended (the "ABL Facility"); and (iii) proceeds from the issuance of other debt. As of December 31, 2024, we have $511 million available to draw under our ABL Facility, based on a borrowing base of $512 million and outstanding letters of credit of less than $1 million. Commitments under our ABL Facility are $600 million and the maturity date is April 30, 2026. Additionally, under a credit agreement, we have a $200 million uncommitted secured evergreen letter of credit facility, under which we have issued $137 million in aggregate face amount of letters of credit as of December 31, 2024.

As of December 31, 2024, we had approximately $757 million of total liquidity. We continually evaluate our liquidity requirements 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.

Trade Receivables Securitization and Factoring Programs

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We also sell trade accounts receivable under a securitization program for our European transportation business. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers. For more information, see Note 2 —Basis of Presentation and Significant Accounting Policies to our Consolidated Financial Statements.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is €200 million (approximately $207 million as of December 31, 2024). As of December 31, 2024, the maximum amount available under the program was utilized. Under the securitization program, we service the receivables we sell on behalf of the purchasers. The program expires in July 2026.

Information related to the trade receivables sold was as follows:

	Years Ended December 31,	
(In millions)	2024	2023
Securitization programs		
Receivables sold in period	$ 1,762	$ 1,815
Cash consideration	1,762	1,815
Factoring programs		
Receivables sold in period	79	103
Cash consideration	78	103

Term Loan Facility

In 2015, we entered into a Term Loan Credit Agreement that provided for a single borrowing of $1.6 billion, which was subsequently amended to increase the principal balance to $2.0 billion and to extend the maturity date to February 2025 (the “Existing Term Loan Facility”).

In May 2023, we amended the Term Loan Credit Agreement to obtain $700 million of new term loans (the “New Term Loan Facility”) having substantially similar terms as the Existing Term Loan Facility, except with respect to maturity date, issue price, interest rate, prepayment premiums in connection with certain voluntary prepayments and certain other provisions. The New Term Loan Facility was issued at 99.5% of the face amount and will mature on May 24, 2028.

In the same period, we used net proceeds from the New Term Loan Facility, the Senior Secured Notes due 2028 and the Senior Notes due 2031, as described below, together with cash on hand, to repay $2.0 billion of outstanding principal under the Existing Term Loan Facility, which was scheduled to mature in 2025, and to pay related fees, expenses and accrued interest. We recorded a debt extinguishment loss of $23 million in 2023 due to this repayment.

In December 2023, we entered into an incremental amendment to the Term Loan Credit Agreement to obtain $400 million of incremental term loans (the “Incremental Term Loans”). The Incremental Term Loans were issued under the Term Loan Credit Agreement, having substantially similar terms as the New Term Loan Facility, except with respect to maturity date, issue price, prepayment premiums in connection with certain voluntary prepayments and certain other provisions. The Incremental Term Loans were issued at par and will mature on February 1, 2031.

Both the New Term Loan Facility and Incremental Term Loans bear interest at a rate per annum equal to, at our option, either (a) a Term SOFR rate (subject to a 0.00% floor) or (b) a base rate (subject to a 0.00% floor), in each case, plus an applicable margin of 2.00% for Term SOFR loans or 1.00% for base rate loans.

The weighted average interest rate of our term loans was approximately 6.53% as of December 31, 2024.

Senior Notes

In December 2023, we completed the private placement of $585 million aggregate principal amount of senior notes due 2032 (the “Senior Notes due 2032”), which mature on February 1, 2032 and bear interest at a rate of 7.125% per annum. Interest is payable semi-annually in cash in arrears, and commenced August 1, 2024. These notes were issued at par.

In the same period, we used net proceeds from the Incremental Term Loans and the Senior Notes due 2032, together with cash on hand, to finance the Yellow Asset Acquisition, to repay in full the $112 million aggregate principal amount outstanding of our Senior Notes due 2025, and to pay related fees, expenses and accrued interest. The redemption price for the Senior Notes due 2025 was 101.563% of the principal amount plus accrued and unpaid interest. We recorded a debt extinguishment loss of $2 million due to this redemption.

In May 2023, we completed private placements of $830 million aggregate principal amount of senior secured notes due 2028 (the “Senior Secured Notes due 2028”) and $450 million aggregate principal amount of senior notes due 2031 (the “Senior Notes due 2031”). The Senior Secured Notes due 2028 mature on June 1, 2028 and bear interest at a rate of 6.25% per annum. The Senior Notes due 2031 mature on June 1, 2031 and bear interest at a rate of 7.125% per annum. Interest is payable semi-annually in cash in arrears and commenced December 1, 2023. These notes were issued at par and were used to repay our Existing Term Loan Facility as described above.

In November 2022, we repurchased $408 million of the then $520 million outstanding Senior Notes due 2025 in a cash tender offer. Holders of the Senior Notes due 2025 received total consideration of $1,022.50 per $1,000.00 principal amount of notes tendered and accepted for purchase, plus accrued and unpaid interest. We paid for the tender using cash received from RXO in connection with its spin-off. We recorded a debt extinguishment loss of $13 million due to this repurchase in the fourth quarter of 2022.

In April 2022, we redeemed $630 million of the then $1.15 billion outstanding principal amount of the Senior Notes due 2025. The redemption price for the notes was 100% of the principal amount plus a premium, as defined in the indenture, of approximately $21 million and accrued and unpaid interest. We paid for the redemption using available liquidity. We recorded a debt extinguishment loss of $26 million due to this redemption in 2022.

Share Repurchases

In February 2019, our Board of Directors authorized repurchases of up to $1.5 billion of our common stock. Our share repurchase authorization permits us to purchase shares in both the open market and in private transactions, with the timing and number of shares dependent on a variety of factors, including price, general business conditions, market conditions, alternative investment opportunities and funding considerations. We are not obligated to repurchase any specific number of shares and may suspend or discontinue the program at any time.

There were no share repurchases in 2024, 2023 or 2022. Our remaining share repurchase authorization as of December 31, 2024 is $503 million.

Loan Covenants and Compliance

As of December 31, 2024, we were in compliance with the covenants and other provisions of our debt agreements. Any failure to comply with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

Sources and Uses of Cash

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

	Years Ended December 31,	
(In millions)	**2024**	**2023**
Net cash provided by operating activities from continuing operations	$ 808	$ 694
Net cash used in investing activities from continuing operations	(702)	(1,502)
Net cash provided by (used in) financing activities from continuing operations	(226)	761

During 2024, we: (i) generated cash from operating activities from continuing operations of $808 million and (ii) generated proceeds from sales of property and equipment of $75 million. We used cash during this period primarily to: (i) purchase property and equipment of $789 million; (ii) make payments of $129 million related to tax withholding obligations in connection with the vesting of restricted shares and (iii) make payments on debt and finance leases of $82 million.

During 2023, we: (i) generated cash from operating activities from continuing operations of $694 million and (ii) received net proceeds of $3.0 billion from the issuance of debt. We used cash during this period primarily to: (i) purchase property and equipment of $1.5 billion; (ii) repay our Existing Term Loan Facility for $2.0 billion and (iii) redeem our Senior Notes due 2025 for $114 million.

Cash flows from operating activities from continuing operations for 2024 increased by $114 million compared with 2023. The increase in 2024 compared with 2023 reflects: (i) higher income from continuing operations of $195 million and (ii) higher non-cash depreciation and amortization of $58 million, that is added back in the determination of operating cash flows. These items were partially offset by: (i) the impact of operating assets and liabilities utilizing $194 million of cash in 2024, compared with utilizing $99 million in 2023 and (ii) higher gains on sales of property and equipment of $35 million in 2024 compared with 2023, that is subtracted in the determination of operating cash flows.

As of December 31, 2024, we had $893 million of operating lease and related interest payment obligations, of which $160 million is due within the next twelve months. Additionally, we had operating leases that have not yet commenced with future undiscounted lease payments of $45 million. These operating leases will commence in 2025 with initial lease terms of 3 years to 12 years. For further information on our operating leases and their maturities, see Note 8—Leases to our Consolidated Financial Statements. As of December 31, 2024, we have approximately $79 million of purchase commitments, of which approximately $40 million is due within the next twelve months.

Investing activities from continuing operations used $702 million of cash in 2024 compared with $1,502 million used in 2023. During 2024, we used $789 million of cash to purchase property and equipment and received $75 million from sales of property and equipment, including $47 million related to the sale of a service center in our North American LTL segment in December 2024 from a planned service center relocation. In January 2025, the proceeds from this sale were used to purchase four new service centers that were previously leased. During 2023, we used $1,533 million of cash to purchase property and equipment, including $878 million related to the Yellow Asset Acquisition, and received $29 million of cash from sales of property and equipment. We anticipate gross capital expenditures to be between $600 million and $700 million in 2025, including the four new service centers referenced above, funded by cash on hand and available liquidity.

Financing activities from continuing operations used $226 million of cash in 2024 compared with $761 million of cash generated in 2023. The primary uses of cash from financing activities during 2024 was $129 million to make payments for tax withholdings on restricted shares, primarily driven by a payment of approximately $85 million for tax withholdings on XPO restricted stock units that vested during December, and $82 million used to repay borrowings, primarily related to finance lease obligations. The primary source of cash from financing activities during 2023 was $3.0 billion of net proceeds from the issuance of debt. The primary uses of cash from financing activities during 2023 were $2.1 billion used to repay our Existing Term Loan Facility and redeem the Senior Notes due 2025 and $71 million used to repay other borrowings.

As of December 31, 2024, we had $3.3 billion total outstanding principal amount of debt, excluding finance leases. We have no significant debt maturities until 2028. Interest on our ABL and Term Loan facilities is variable, while interest on our senior notes is at fixed rates. Future interest payments associated with our debt total $1.2 billion at December 31, 2024, with $219 million payable within 12 months, and are estimated based on the principal amount of debt and applicable interest rates as of December 31, 2024. Additionally, as of December 31, 2024, we have $256 million of finance lease and related interest payment obligations, of which $59 million is due within the next twelve months. For further information on our debt facilities and maturities, see Note 12—Debt to our Consolidated Financial Statements. For further information on our finance lease maturities, see Note 8—Leases to our Consolidated Financial Statements.

Defined Benefit Pension Plans

We sponsor both funded and unfunded defined benefit plans for some employees in the U.S. Historically, we have realized income, rather than expense, from these plans. We generated aggregate income from our plans of $25 million in 2024, $18 million in 2023 and $60 million in 2022. The plans have been generating income due to their funded status and because they do not allow for new plan participants or additional benefit accruals.

Defined benefit pension plan amounts are calculated using various actuarial assumptions and methodologies. Assumptions include discount rates, inflation rates, expected long-term rate of return on plan assets, mortality rates, and other factors. The assumptions used in recording the projected benefit obligations and fair value of plan assets represent our best estimates based on available information regarding historical experience and factors that may cause future expectations to differ. Differences in actual experience or changes in assumptions could materially impact our obligation and future expense or income.

Discount Rate

In determining the appropriate discount rate, we are assisted by actuaries who utilize a yield-curve model based on a universe of high-grade corporate bonds (rated AA or better by Moody's, S&P or Fitch rating services). The model determines a single equivalent discount rate by applying the yield curve to expected future benefit payments.

The discount rates used in determining the net periodic benefit costs and benefit obligations are as follows:

	Qualified Plans		Non-Qualified Plans	
	2024	2023	2024	2023
Discount rate - net periodic benefit costs	5.08 %	5.36 %	5.02% - 5.05%	5.26% - 5.33%
Discount rate - benefit obligations	5.63 %	5.15 %	5.21% - 5.55%	4.98% - 5.12%

An increase or decrease of 25 basis points in the discount rate would increase or decrease our 2024 pre-tax pension income by less than $1 million.

We use a full yield curve approach to estimate the interest cost component of net periodic benefit cost by applying specific spot rates along the yield curve used to determine the benefit obligation to each of the underlying projected cash flows based on time until payment.

Rate of Return on Plan Assets

We estimate the expected return on plan assets using current market data as well as historical returns. The expected return on plan assets is based on estimates of long-term returns and considers the plans' anticipated asset allocation over the course of the next year. The plan assets are managed using a long-term liability-driven investment strategy that seeks to mitigate the funded status volatility by increasing participation in fixed-income investments generally as funded status increases. This strategy was developed by analyzing a variety of diversified asset-class combinations in conjunction with the projected liabilities of the plans.

For the year ended December 31, 2024, our expected return on plan assets was $98 million, compared to the actual return on plan assets of $17 million. The actual annualized return on plan assets for 2024 was approximately 1%, which was below the expected return on asset assumption for the year due to negative performance in the long duration fixed income market environment, which represented 90% of the portfolio. An increase or decrease of 25 basis points in the expected return on plan assets would increase or decrease our 2024 pre-tax pension income by approximately $4 million.

Actuarial Gains and Losses

Changes in the discount rate and/or differences between the expected and actual rate of return on plan assets results in unrecognized actuarial gains or losses. For our defined benefit pension plans, accumulated unrecognized actuarial losses were $195 million as of December 31, 2024. The portion of the unrecognized actuarial gain/loss that exceeds 10% of the greater of the projected benefit obligation or the fair value of plan assets at the beginning of the year is amortized and recognized as income/expense over the estimated average remaining life expectancy of plan participants.

Effect on Results

The effects of the defined benefit pension plans on our results consist primarily of the net effect of the interest cost on plan obligations and the expected return on plan assets. We estimate that the defined benefit pension plans will contribute annual pre-tax income in 2025 of approximately $6 million.

Funding

In determining the amount and timing of pension contributions, we consider our cash position, the funded status as measured by the Pension Protection Act of 2006 and generally accepted accounting principles, and the tax deductibility of contributions, among other factors. We made benefit payments of $5 million in both 2024 and 2023 under the non-qualified plans and we estimate that we will make benefit payments of $5 million in 2025.

For additional information, see Note 13—Employee Benefit Plans to our Consolidated Financial Statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles. A summary of our significant accounting policies is contained in Note 2—Basis of Presentation and Significant Accounting Policies to our Consolidated Financial Statements. The methods, assumptions, and estimates that we use in applying our accounting policies may require us to apply judgments regarding matters that are inherently uncertain and may change based on changing circumstances or changes in our analysis. Material changes in these assumptions, estimates and/or judgments have the potential to materially alter our results of operations. We have identified below our accounting policies that we believe could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. Although actual results may differ from estimated results, we believe the estimates are reasonable and appropriate.

Evaluation of Goodwill

We measure goodwill as the excess of consideration transferred over the fair value of net assets acquired in business combinations. We allocate goodwill to our reporting units for the purpose of impairment testing. We evaluate goodwill for impairment annually as of August 31, or more frequently if an event or circumstance indicates an impairment loss may have been incurred. We measure goodwill impairment, if any, at the amount a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. Our reporting units are our operating segments or one level below our operating segments for which discrete financial information is prepared and regularly reviewed by segment management. Application of the goodwill impairment test requires judgment, including the identification of reporting units, the assignment of assets and liabilities to reporting units, the assignment of goodwill to reporting units, and a determination of the fair value of each reporting unit.

Accounting guidance allows entities to perform a qualitative assessment (a “step-zero” test) before performing a quantitative analysis. If an entity determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the entity does not need to perform a quantitative analysis for that reporting unit. The qualitative assessment includes a review of macroeconomic conditions, industry and market considerations, internal cost factors, and overall financial performance, among other factors.

For our 2024 annual goodwill assessment, we performed a step-zero qualitative analysis for two of our reporting units. Based on the qualitative assessments performed, we concluded that it was not more-likely-than-not that the fair value of these reporting units was less than their carrying amounts and, therefore, further quantitative analysis was not performed, and we did not recognize any goodwill impairment. For our other three reporting units, we performed a quantitative analysis using a combination of income and market approaches. All reporting units had fair values in excess of their carrying values, resulting in no impairment of goodwill.

For our 2023 annual goodwill assessment, we performed a step-zero qualitative analysis for our five reporting units. Based on the qualitative assessments performed, we concluded that it was not more-likely-than-not that the fair value of each of our reporting units was less than their carrying amounts and, therefore, further quantitative analysis was not performed, and we did not recognize any goodwill impairment.

Similarly, for our 2022 annual goodwill assessment performed as of August 31, we performed a step-zero qualitative analysis for each of the three reporting units that existed at that time and reached the same conclusion. However, in the fourth quarter of 2022 and in connection with the RXO spin-off, we performed additional impairment tests because the number of our reporting units increased from three to five to reflect our new internal organization. Specifically, while our European Transportation business was previously considered a single reporting unit, after the spin-off of RXO, it was determined that the European Transportation business was comprised of four reporting units. As a result, in the fourth quarter of 2022, we tested each of the four new reporting units for potential impairment. A quantitative test was performed for each of these four new reporting units using a combination of income and market approaches and we recorded an aggregate impairment charge of $64 million in the fourth quarter of 2022 related to two of these new reporting units.

The income approach of determining fair value is based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The discount rates reflect management's judgment and are based on a risk adjusted weighted-average cost of capital utilizing industry market data of businesses similar to the reporting units. Inherent in our preparation of cash flow projections are assumptions and estimates derived from a review of our operating results, business plans, expected growth rates, cost of capital and tax rates. Our forecasts also reflect expectations concerning future economic conditions, interest rates and other market data. The market approach of determining fair value is based on comparable market multiples for companies engaged in similar businesses, as well as recent transactions within our industry. We believe this approach, which utilizes multiple valuation techniques, yields the most appropriate evidence of fair value.

Many of the factors used in assessing fair value are outside the control of management, and these assumptions and estimates may change in future periods. Changes in assumptions or estimates could materially affect the estimate of the fair value of a reporting unit, and therefore could affect the likelihood and amount of potential impairment.

Self-Insurance Accruals

We use a combination of self-insurance programs and purchased insurance to provide for the costs of medical, casualty, liability, vehicular, cargo, workers' compensation, cyber risk and property claims. We periodically evaluate our level of insurance coverage and adjust our insurance levels based on risk tolerance and premium expense. Liabilities for the risks we retain, including estimates of claims incurred but not reported, are not discounted and are estimated, in part, by considering historical cost experience, demographic and severity factors, and judgments about current and expected levels of cost per claim and retention levels. Additionally, claims may emerge in future years for events that occurred in a prior year at a rate that differs from previous actuarial projections. We believe the actuarial methods are appropriate for measuring these self-insurance accruals. However, because of the number of claims and the length of time from incurrence of the claims to ultimate settlement, the use of any estimation method is sensitive to the assumptions and factors described above along with other external factors. Accordingly, changes in these assumptions and factors can affect the estimated liability and those amounts may be different than the actual costs paid to settle the claims.

Income Taxes

Our annual effective tax rate is based on our income and statutory tax rates in the various jurisdictions in which we operate. Judgment and estimates are required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. Evaluating our tax positions would include but not be limited to our tax positions on internal restructuring transactions as well as the spin-offs of RXO and GXO. We review our tax positions quarterly and as new information becomes available. Our effective tax rate in any financial statement period may be materially impacted by changes in the mix and/or level of earnings by taxing jurisdiction.

Deferred income tax assets represent amounts available to reduce income taxes payable in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating losses and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing all available evidence, including the reversal of deferred tax liabilities, carrybacks available, and historical and projected pre-tax profits generated by our operations. Valuation allowances are established when, in management's judgment, it is more likely than not that our deferred tax assets will not be realized. In assessing the need for a valuation allowance, management weighs the available positive and negative evidence, including limitations on the use of tax losses and other carryforwards due to changes in ownership, historic information, and projections of future sources of taxable income that include and exclude future reversals of taxable temporary differences.

New Accounting Standards

Information related to new accounting standards is included in Note 2—Basis of Presentation and Significant Accounting Policies.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Our market risk disclosures involve forward-looking statements. Actual results could differ materially from those projected in such forward-looking statements. We are exposed to market risk related to changes in interest rates, foreign currency exchange rates and commodity price risk.

Interest Rate Risk

We have exposure to changes in interest rates on our debt, as follows:

Term Loan Facility. As of December 31, 2024, we had an aggregate principal amount outstanding of $1.1 billion on our Term Loan Facility. The interest rate fluctuates based on SOFR or a Base Rate, as defined in the agreement, plus an applicable margin. Assuming an average annual aggregate principal amount outstanding of $1.1 billion, a hypothetical 1% increase in the interest rate would have increased our annual interest expense by $11 million. Additionally, we utilize short-term interest rate swaps to mitigate variability in forecasted interest payments on our Term Loan Facility. The interest rate swaps convert floating-rate interest payments into fixed rate interest payments.

ABL Facility. The interest rates on our ABL Facility fluctuate based on SOFR or a Base Rate, as defined in the agreement, plus an applicable margin. Assuming our ABL Facility was fully drawn throughout 2024, a hypothetical 1% increase in the interest rate would have increased our annual interest expense by $6 million.

Fixed Rate Debt. As of December 31, 2024, we had $2.2 billion of fair value of indebtedness (excluding finance leases and asset financings) that bears interest at fixed rates. A 1% decrease in market interest rates as of December 31, 2024 would increase the fair value of our fixed-rate indebtedness by approximately 3%. For additional information concerning our debt, see Note 12—Debt to our Consolidated Financial Statements.

We also have exposure to changes in interest rates as a result of our cash balances, which totaled $246 million as of December 31, 2024 and generally earn interest income that approximates the federal funds rate. Assuming an annual average cash balance of $246 million, a hypothetical 1% increase in the interest rate would reduce our net interest expense by $2 million.

Foreign Currency Exchange Risk

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

As of December 31, 2024, a uniform 10% strengthening in the value of the USD relative to the EUR would have resulted in an increase in net assets of $7 million, including the impacts from cross currency swaps. As of December 31, 2024, a uniform 10% strengthening in the value of the USD relative to the GBP would have resulted in a decrease in net assets of $33 million. These theoretical calculations assume that an instantaneous, parallel shift in exchange rates occurs, which is not consistent with our actual experience in foreign currency transactions. Fluctuations in exchange rates also affect the volume of sales or the foreign currency sales price as competitors’ services become more or less attractive. The sensitivity analysis of the impact of changes in foreign currency exchange rates does not factor in a potential change in sales levels or local currency prices.

Commodity Price Risk

We are exposed to price fluctuations for diesel fuel purchased for use in our vehicles. During the year ended December 31, 2024, diesel prices fluctuated by as much as 14% in France, 13% in the United Kingdom, and 11% in the United States. We include fuel surcharge programs or other cost-recovery mechanisms in many of our customer contracts to mitigate the effect of any fuel price increases over base amounts established in the contract. For our North American LTL business, pricing agreements with customers include a fuel surcharge that is typically indexed to fuel prices published weekly by the U.S. Department of Energy. The extent to which we are able to recover increases in fuel costs may also be impacted by the amount of empty or out-of-route truck miles or engine idling time. See the applicable discussion under Item 1A, "Risk Factors."

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
XPO, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of XPO, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which they relate.

Liabilities for self-insured claims

As discussed in Note 2 to the consolidated financial statements, the Company uses a combination of self-insurance programs and purchased insurance to provide for the costs of vehicular and workers' compensation claims (self-insured claims). The Company records estimates of the undiscounted liability associated with claims incurred as of the balance sheet date, including estimates of claims incurred but not reported, by considering historical cost experience, demographic and severity factors, and judgments about current and expected levels of cost per claim and retention levels. These liabilities are recorded within accrued liabilities and other long-term liabilities as of December 31, 2024.

We identified the assessment of the estimated liabilities for self-insured claims as a critical audit matter. The evaluation of the uncertainty in the amounts that will ultimately be paid to settle these claims required subjective auditor judgment. Assumptions that may affect the estimated liability of claims include the consideration of historical cost experience, severity factors, and judgments about current and expected levels of cost per claims that have uncertainty related to future occurrences or events and conditions. Additionally, the Company's liabilities for self-insured claims included estimates for expenses of claims that have been incurred but have not been reported, and specialized skills were needed to evaluate the actuarial methods and assumptions used to make these estimates.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's self-insurance process. This included controls over the assumptions used in estimating the liabilities for self-insured claims. In addition, for a sample of claims, we compared the Company's estimates of liabilities for individual self-insured claims to current available information, which included legal claims, incident and case reports, current and historical cost experience, or other evidence. We involved an actuarial professional with specialized skills and knowledge, who assisted in:

- comparing the Company's actuarial reserving methodologies with accepted actuarial methods and procedures
- evaluating assumptions used in determining the liability, including expected level of cost per claim in relation to recent historical loss payment trends and demographic and severity factors
- developing an independent expected range of liabilities, including liabilities for claims that have been incurred but have not been recorded, based on actuarial methodologies
- comparing the Company's recorded liability to the independently developed liability range.

/s/ KPMG LLP

We have served as the Company's auditor since 2011.

New York, New York

February 7, 2025

XPO, Inc.

Consolidated Balance Sheets

(In millions, except per share data)	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 246	$ 412
Accounts receivable, net of allowances of $ 50 and $ 45 , respectively	977	973
Other current assets	283	208
Total current assets	1,505	1,593
Long-term assets		
Property and equipment, net of $ 2,019 and $ 1,853 in accumulated depreciation, respectively	3,402	3,075
Operating lease assets	727	708
Goodwill	1,461	1,498
Identifiable intangible assets, net of $ 499 and $ 452 in accumulated amortization, respectively	361	422
Other long-term assets	254	196
Total long-term assets	6,206	5,899
Total assets	$ 7,712	$ 7,492
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 477	$ 532
Accrued expenses	708	775
Short-term borrowings and current maturities of long-term debt	62	69
Short-term operating lease liabilities	127	121
Other current liabilities	46	93
Total current liabilities	1,420	1,590
Long-term liabilities		
Long-term debt	3,325	3,335
Deferred tax liability	393	337
Employee benefit obligations	85	91
Long-term operating lease liabilities	603	588
Other long-term liabilities	283	285
Total long-term liabilities	4,690	4,636
Stockholders' equity		
Common stock, $ 0.001 par value; 300 shares authorized; 117 and 116 shares issued and outstanding as of December 31, 2024 and 2023, respectively	—	—
Additional paid-in capital	1,274	1,298
Retained earnings	572	185
Accumulated other comprehensive loss	(246)	(217)
Total equity	1,601	1,266
Total liabilities and equity	$ 7,712	$ 7,492

Amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

XPO, Inc.

Consolidated Statements of Income

(In millions, except per share data)	Years Ended December 31, 2024	2023	2022
Revenue	$ 8,072	$ 7,744	$ 7,718
Salaries, wages and employee benefits	3,377	3,159	2,945
Purchased transportation	1,701	1,760	1,964
Fuel, operating expenses and supplies	1,589	1,623	1,687
Operating taxes and licenses	80	60	58
Insurance and claims	134	167	183
Gains on sales of property and equipment	(40)	(5)	(60)
Depreciation and amortization expense	490	432	392
Goodwill impairment	—	—	64
Litigation matter	—	8	—
Transaction and integration costs	53	58	58
Restructuring costs	27	44	50
Operating income	660	438	377
Other income	(37)	(15)	(55)
Debt extinguishment loss	—	25	39
Interest expense	223	168	135
Income from continuing operations before income tax provision	473	260	258
Income tax provision	86	68	74
Income from continuing operations	387	192	184
Income (loss) from discontinued operations, net of taxes	—	(3)	482
Net income	$ 387	$ 189	$ 666
Net income (loss)			
Continuing operations	$ 387	$ 192	$ 184
Discontinued operations	—	(3)	482
Net income	$ 387	$ 189	$ 666
Earnings (loss) per share data			
Basic earnings per share from continuing operations	$ 3.33	$ 1.66	$ 1.60
Basic earnings (loss) per share from discontinued operations	—	(0.02)	4.19
Basic earnings per share	$ 3.33	$ 1.64	$ 5.79
Diluted earnings per share from continuing operations	$ 3.23	$ 1.62	$ 1.59
Diluted earnings (loss) per share from discontinued operations	—	(0.02)	4.17
Diluted earnings per share	$ 3.23	$ 1.60	$ 5.76
Weighted-average common shares outstanding			
Basic weighted-average common shares outstanding	116	116	115
Diluted weighted-average common shares outstanding	120	118	116

Amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

XPO, Inc.

Consolidated Statements of Comprehensive Income

	Years Ended December 31,		
(In millions)	**2024**	**2023**	**2022**
Net income	$ 387	$ 189	$ 666
Other comprehensive income (loss), net of tax			
Foreign currency translation gain (loss), net of tax effect of $(9), $ 12 and $(15)	$ (16)	$ 28	$ (69)
Unrealized gain (loss) on financial assets/liabilities designated as hedging instruments, net of tax effect of $ — , $ 1 and $(1)	2	—	(2)
Defined benefit plans adjustment, net of tax effect of $ 5 , $ 9 and $ 21	(15)	(23)	(69)
Other comprehensive income (loss)	(29)	5	(140)
Comprehensive income	$ 359	$ 194	$ 526

Amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

XPO, Inc.

Consolidated Statements of Cash Flows

(In millions)	Years Ended December 31, 2024	2023	2022
Cash flows from operating activities of continuing operations			
Net income	$ 387	$ 189	$ 666
Income (loss) from discontinued operations, net of taxes	—	(3)	482
Income from continuing operations	387	192	184
Adjustments to reconcile income from continuing operations to net cash from operating activities			
Depreciation and amortization	490	432	392
Goodwill impairment	—	—	64
Stock compensation expense	87	78	77
Accretion of debt	11	11	16
Deferred tax expense	57	31	80
Gains on sales of property and equipment	(40)	(5)	(60)
Other	11	54	70
Changes in assets and liabilities			
Accounts receivable	(47)	(46)	(100)
Other assets	(106)	(9)	(3)
Accounts payable	(8)	(48)	62
Accrued expenses and other liabilities	(33)	4	42
Net cash provided by operating activities from continuing operations	808	694	824
Cash flows from investing activities of continuing operations			
Payment for purchases of property and equipment	(789)	(1,533)	(521)
Proceeds from sale of property and equipment	75	29	88
Proceeds from settlement of cross currency swaps	—	2	29
Proceeds from sale of investment	12	—	—
Net cash used in investing activities from continuing operations	(702)	(1,502)	(404)
Cash flows from financing activities of continuing operations			
Proceeds from issuance of debt	—	2,962	—
Repurchase of debt	—	(2,117)	(1,068)
Proceeds from borrowings on ABL facility	—	—	275
Repayment of borrowings on ABL facility	—	—	(275)
Repayment of debt and finance leases	(82)	(71)	(61)
Payment of debt issuance costs	(4)	(27)	—
Change in bank overdrafts	(9)	34	(20)
Payment for tax withholdings for restricted shares	(129)	(19)	(27)
Distribution from RXO spin, net	—	—	312
Other	(1)	(1)	3
Net cash provided by (used in) financing activities from continuing operations	(226)	761	(861)

XPO, Inc.

Consolidated Statements of Cash Flows (continued)

	Years Ended December 31,		
(In millions)	**2024**	**2023**	**2022**
Cash flows from discontinued operations			
Operating activities of discontinued operations	—	(12)	8
Investing activities of discontinued operations	—	3	649
Financing activities of discontinued operations	—	—	(1)
Net cash provided by (used in) discontinued operations	—	(9)	656
Effect of exchange rates on cash, cash equivalents and restricted cash	—	5	(18)
Net increase (decrease) in cash, cash equivalents and restricted cash	(120)	(51)	197
Cash, cash equivalents and restricted cash, beginning of year	419	470	273
Cash, cash equivalents and restricted cash, end of year	$ 298	$ 419	$ 470
Supplemental disclosure of cash flow information from continuing operations:			
Cash paid for interest	223	185	145
Cash paid for income taxes	90	34	87

Amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

XPO, Inc.

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024, 2023 and 2022

	Common Stock					
(Shares in thousands, dollars in millions)	Shares	Amount	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2021	**114,737**	**$ —**	**$ 1,179**	**$ 43**	**$ (84)**	**$ 1,138**
Net income	—	—	—	666	—	666
Other comprehensive loss	—	—	—	—	(140)	(140)
Spin-off of RXO	—	—	—	(713)	2	(711)
Exercise and vesting of stock compensation awards	698	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(23)	—	—	(23)
Stock compensation expense	—	—	77	—	—	77
Other	—	—	5	—	—	5
Balance as of December 31, 2022	**115,435**	**$ —**	**$ 1,238**	**$ (4)**	**$ (222)**	**$ 1,012**
Net income	—	—	—	189	—	189
Other comprehensive income	—	—	—	—	5	5
Exercise and vesting of stock compensation awards	638	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(20)	—	—	(20)
Stock compensation expense	—	—	78	—	—	78
Other	—	—	2	—	—	2
Balance as of December 31, 2023	**116,073**	**$ —**	**$ 1,298**	**$ 185**	**$ (217)**	**$ 1,266**

XPO, Inc.

Consolidated Statements of Changes in Equity (continued)

For the Years Ended December 31, 2024, 2023 and 2022

	Common Stock					
(Shares in thousands, dollars in millions)	Shares	Amount	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2023	**116,073**	**$ —**	**$ 1,298**	**$ 185**	**$ (217)**	**$ 1,266**
Net income	—	—	—	387	—	387
Other comprehensive loss	—	—	—	—	(29)	(29)
Exercise and vesting of stock compensation awards	1,101	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(110)	—	—	(110)
Stock compensation expense	—	—	87	—	—	87
Balance as of December 31, 2024	**117,174**	**$ —**	**$ 1,274**	**$ 572**	**$ (246)**	**$ 1,601**

Amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

XPO, Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024, 2023 and 2022

1. Organization

Nature of Operations

XPO, Inc., together with its subsidiaries ("XPO," "we" or the "Company"), is a leading provider of freight transportation services. We use our proprietary technology to move goods efficiently through our customers' supply chains in North America and Europe. See Note 4—Segment Reporting and Geographic Information for additional information on our operations.

Strategic Developments

XPO has operated solely as an asset-based less-than-truckload ("LTL") service provider in North America since November 2022, when we completed the spin-off of RXO, Inc. ("RXO"). This followed our completion of two additional components of our strategic plan: the spin-off of GXO Logistics, Inc. ("GXO") in August 2021, and the sale of our North American intermodal operation in March 2022.

In December 2023, we completed the acquisition of 28 service centers previously operated by Yellow Corporation (the "Yellow Asset Acquisition"), purchasing 26 LTL service centers and assuming existing leases for two additional locations. This targeted expansion of our network aligns with our commitment to invest in growth capacity in key markets and operate the network more efficiently.

The previously announced authorization by our Board of Directors to divest our European business remains in effect. There can be no assurance that the divestiture will occur, or of the terms or timing of a transaction.

The historical results of operations and financial positions of RXO and our intermodal operation are presented as discontinued operations during the periods presented and, as such, have been excluded from both continuing operations and segment results. For information on our discontinued operations, see Note 3—Discontinued Operations.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"), which requires us to make estimates and assumptions that impact the amounts reported and disclosed in our consolidated financial statements and the accompanying notes. We prepared these estimates based on the most current and best available information, but actual results could differ materially from these estimates and assumptions.

Within our consolidated financial statements and the accompanying notes, certain amounts may not add due to the use of rounded numbers. Unless otherwise indicated, percentages presented are calculated from the underlying numbers in millions.

Consolidation

Our consolidated financial statements include the accounts of XPO, our wholly-owned subsidiaries, and our majority-owned subsidiaries and variable interest entity ("VIE") where we are the primary beneficiary. We have eliminated intercompany accounts and transactions.

To determine if we are a primary beneficiary of a VIE, we evaluate whether we are able to direct the activities that significantly impact the VIE's economic performance, including whether we control the operations of each VIE and whether we can operate the VIE under our brand or policies. Investors in the VIE only have recourse to the assets owned by the VIE and not to our general credit. We do not have implicit support arrangements with the VIE. We consolidate the VIE, which is comprised of the special purpose entity related to the European trade securitization program discussed below.

We have a controlling financial interest in entities generally when we own a majority of the voting interest.

Significant Accounting Policies

Revenue Recognition

We recognize revenue when we transfer control of promised products or services to customers in an amount equal to the consideration we expect to receive for those products or services.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when the performance obligation is satisfied.

We generate revenue by providing less-than-truckload and other transportation services for our customers. Additional services may be provided to our customers under their transportation contracts, including unloading and other incidental services. The transaction price is based on the consideration specified in the customer’s contract.

A performance obligation is created when a customer under a transportation contract submits a bill of lading for the transport of goods from origin to destination. These performance obligations are satisfied as the shipments move from origin to destination. We recognize transportation revenue proportionally as a shipment moves from origin to destination and the related costs are recognized as incurred. Some of our customer contracts contain our promise to stand ready to provide transportation services. For these contracts, we recognize revenue on a straight-line basis over the term of the contract because the pattern of benefit to the customer, and our efforts to fulfill the contract, are generally distributed evenly throughout the period. Performance obligations are generally short-term, with transit times usually less than one week. Generally, customers are billed on shipment of the freight or on a monthly basis and make payment according to approved payment terms. When we do not control the specific services, we recognize revenue as the difference between the amount the customer pays us for the service less the amount we are charged by third parties who provide the service.

Generally, we can adjust our pricing based on contractual provisions related to achieving agreed-upon performance metrics, changes in volumes, services and market conditions. Revenue relating to these pricing adjustments is estimated and included in the consideration if it is probable that a significant revenue reversal will not occur in the future. The estimate of variable consideration is determined by the expected value or most likely amount method and factors in current, past and forecasted experience with the customer. Customers are billed based on terms specified in the revenue contract and they pay us according to approved payment terms.

Contract Costs

We expense the incremental costs of obtaining contracts when incurred if the amortization period of the assets is one year or less. These costs are included in Salaries, wages and employee benefits on our Consolidated Statements of Income.

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments with an original maturity of three months or less on the date of purchase to be cash equivalents. As of December 31, 2024, 2023 and 2022, our restricted cash included in Other long-term assets on our Consolidated Balance Sheets was $ 53 million, $ 7 million and $ 10 million, respectively. Our restricted cash balance as of December 31, 2024 includes approximately $ 47 million of proceeds received from the sale of a service center in our North American LTL segment in December 2024. In January 2025, the proceeds from this sale were used to purchase four new service centers that were previously leased.

Accounts Receivable and Allowance for Credit Losses

We record accounts receivable at the contractual amount and we record an allowance for credit losses for the amount we estimate we may not collect. In determining the allowance for credit losses, we consider historical collection experience, the age of the accounts receivable balances, the credit quality and risk of our customers, any specific customer collection issues, current economic conditions, and other factors that may impact our customers' ability to pay. We also consider reasonable and supportable forecasts of future economic conditions and their expected impact on customer collections in determining our allowance for credit losses. We write off accounts receivable balances once the receivables are no longer deemed collectible.

The roll-forward of the allowance for credit losses was as follows:

	Years Ended December 31,		
(In millions)	**2024**	**2023**	**2022**
Beginning balance	$ 45	$ 43	$ 36
Provision charged to expense	21	33	27
Write-offs, less recoveries, and other adjustments	(16)	(31)	(20)
Ending balance	$ 50	$ 45	$ 43

Trade Receivables Securitization and Factoring Programs

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We account for these transactions as sales of receivables and present cash proceeds as cash provided by operating activities in the Consolidated Statements of Cash Flows. We also sell trade accounts receivable under a securitization program for our European transportation business. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers.

Under the trade receivables securitization program, a wholly-owned bankruptcy-remote special purpose entity of XPO sells trade receivables that originate with wholly-owned subsidiaries to unaffiliated entities. The program expires in July 2026 and contains financial covenants customary for this type of arrangement, including maintaining a defined average days sales outstanding ratio.

We account for transfers under our securitization and factoring arrangements as sales because we sell full title and ownership in the underlying receivables and control of the receivables is considered transferred. For these transfers, the receivables are removed from our Consolidated Balance Sheets at the date of transfer.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is € 200 million (approximately $ 207 million as of December 31, 2024). As of December 31, 2024, the maximum amount available under the program was utilized. The weighted average interest rate was 5.09 % as of December 31, 2024.

Information related to the trade receivables sold was as follows:

(In millions)	Years Ended December 31, 2024	2023	2022
Securitization programs			
Receivables sold in period	$ 1,762	$ 1,815	$ 1,744
Cash consideration	1,762	1,815	1,744
Factoring programs			
Receivables sold in period	79	103	111
Cash consideration	78	103	111

Property and Equipment

We generally record property and equipment at cost, or in the case of property and equipment acquired in a business combination, at fair value at the date of acquisition.

In connection with the Yellow Asset Acquisition in December 2023, we acquired 28 LTL service centers for a purchase price of $ 918 million, including a cash payment of $ 870 million, the assumption of certain liabilities and direct transaction costs. Under the transaction, we purchased 26 of the service centers, primarily consisting of land and buildings, and assumed existing leases for the other two locations. The transaction was accounted for as an asset acquisition, with the assets recorded at cost. The Consolidated Statements of Cash Flows for the year ended December 31, 2023 reflects an $ 878 million investing cash outflow for this transaction.

Maintenance and repair expenditures are charged to expense as incurred. For internally-developed computer software, all costs incurred during planning and evaluation are expensed as incurred. Costs incurred during the application development stage are capitalized and included in property and equipment. Capitalized software also includes the fair value of acquired internal-use technology.

We compute depreciation expense on a straight-line basis over the estimated useful lives of the assets as follows:

Classification	Estimated Useful Life
Buildings and leasehold improvements	Term of lease to 40 years
Vehicles, tractors and trailers	3 to 14 years
Machinery and equipment	3 to 10 years
Computer software and equipment	1 to 5 years

Leases

We determine if an arrangement is a lease at inception. We recognize operating lease right-of-use assets and liabilities at the lease commencement date based on the estimated present value of the lease payments over the lease term. As most of our leases do not provide an implicit rate, we use incremental borrowing rates based on the information available at commencement date to determine the present value of future lease payments. This rate is determined from a hypothetical yield curve that takes into consideration market yield levels of our relevant debt outstanding as well as the index that matches our credit rating, and then adjusts as if the borrowings were collateralized.

We include options to extend or terminate a lease in the lease term when we are reasonably certain to exercise such options. We exclude variable lease payments (such as payments not based on an index or reimbursements of lessor costs) from our initial measurement of the lease liability. We recognize leases with an initial term of 12 months or less as lease expense over the lease term and those leases are not recorded on our Consolidated Balance Sheets. We account for lease and non-lease components within a contract as a single lease component for our real estate leases. For additional information on our leases, see Note 8—Leases.

Asset Retirement Obligations

A liability for an asset retirement obligation is recorded in the period in which it is incurred. When an asset retirement obligation liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. For each subsequent period, the liability is increased for accretion expense and the capitalized cost is depreciated over the useful life of the related asset. In connection with the Yellow Asset Acquisition, in December 2023, we recognized $ 6 million of Asset Retirement Obligations.

Goodwill

We measure goodwill as the excess of consideration transferred over the fair value of net assets acquired in business combinations. We allocate goodwill to our reporting units for the purpose of impairment testing. We evaluate goodwill for impairment annually as of August 31, or more frequently if an event or circumstance indicates an impairment loss may have been incurred. We measure goodwill impairment, if any, at the amount a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. Our reporting units are our operating segments or one level below our operating segments for which discrete financial information is prepared and regularly reviewed by segment management.

Accounting guidance allows entities to perform a qualitative assessment (a "step-zero" test) before performing a quantitative analysis. If an entity determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the entity does not need to perform a quantitative analysis for that reporting unit. The qualitative assessment includes a review of macroeconomic conditions, industry and market considerations, internal cost factors, and overall financial performance, among other factors.

For our 2024 annual goodwill assessment, we performed a step-zero qualitative analysis for two of our reporting units. Based on the qualitative assessments performed, we concluded that it was not more-likely-than-not that the fair value of these reporting units was less than their carrying amounts and, therefore, further quantitative analysis was not performed, and we did no t recognize any goodwill impairment. For our other three reporting units, we performed a quantitative analysis using a combination of income and market approaches. All reporting units had fair values in excess of their carrying values, resulting in no impairment of goodwill.

For our 2023 annual goodwill assessment, we performed a step-zero qualitative analysis for our five reporting units. Based on the qualitative assessments performed, we concluded that it was not more-likely-than-not that the fair value of each of our reporting units was less than their carrying amounts and, therefore, further quantitative analysis was not performed, and we did no t recognize any goodwill impairment.

Similarly, for our 2022 annual goodwill assessment performed as of August 31, we performed a step-zero qualitative analysis for each of the three reporting units that existed at that time and reached the same conclusion. However, in the fourth quarter of 2022 and in connection with the RXO spin-off, we performed additional impairment tests because the number of our reporting units increased from three to five to reflect our new internal organization. Specifically, while our European Transportation business was previously considered a single reporting unit, after the spin-off of RXO, it was determined that the European Transportation business was comprised of four reporting units. As a result, in the fourth quarter of 2022, we tested each of the four new reporting units for potential impairment. A quantitative test was performed for each of these four new reporting units using a combination of income and market approaches and we recorded an aggregate impairment charge of $ 64 million in the fourth quarter of 2022 related to two of these new reporting units.

The income approach of determining fair value is based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for our business. The market approach of determining fair value is based on comparable market multiples for companies engaged in similar businesses, as well as recent transactions within our industry.

Intangible Assets

Our intangible assets subject to amortization consist primarily of customer relationships and favorable leases. In connection with the Yellow Asset Acquisition, the assumed leases contained favorable terms compared to market terms for similar leases and, as result, we recognized a $ 65 million favorable lease intangible asset in December 2023.

We review long-lived assets to be held-and-used, including tangible assets and intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired if the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset group is less than its carrying amount. An impairment loss is measured as the amount by which the carrying amount of the asset group exceeds the fair value of the asset. We estimate fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset. We amortize intangible assets on a straight-line basis or on a basis consistent with the pattern in which the economic benefits are realized. The estimated useful life for intangible assets at December 31, 2024 is 14 to 25 years.

Accrued Expenses

The components of accrued expenses as of December 31, 2024 and 2023 are as follows:

	As of December 31,	
(In millions)	**2024**	**2023**
Accrued salaries and wages	$ 273	$ 310
Accrued transportation and facility charges	184	215
Accrued insurance claims	88	99
Accrued taxes	93	84
Other accrued expenses	70	67
Total accrued expenses	$ 708	$ 775

Self-Insurance

We use a combination of self-insurance programs and purchased insurance to provide for the costs of medical, casualty, liability, vehicular, cargo, workers' compensation, cyber risk and property claims. We periodically evaluate our level of insurance coverage and adjust our insurance levels based on risk tolerance and premium expense.

Liabilities for the risks we retain, including estimates of claims incurred but not reported, are not discounted and are estimated, in part, by considering historical cost experience, demographic and severity factors, and judgments about current and expected levels of cost per claim and retention levels. Changes in these assumptions and factors can impact actual costs paid to settle the claims and those amounts may be different than our estimates.

Advertising Costs

Advertising costs are expensed as incurred.

Stockholders' Equity

Shares purchased under our share repurchase program are retired and returned to authorized and unissued status. We charge any excess of cost over par value to Additional paid-in capital if a balance is present. If Additional paid-in capital is fully depleted, any remaining excess of cost over par value will be charged to Retained earnings.

Accumulated Other Comprehensive Income (Loss)

The components of and changes in accumulated other comprehensive income (loss) ("AOCI"), net of tax, for the years ended December 31, 2024 and 2023, are as follows:

(In millions)	Foreign Currency Translation Adjustments	Derivative Hedges	Defined Benefit Plans Liability	AOCI Attributable to XPO
As of December 31, 2022	$ (119)	$ (2)	$ (101)	$ (222)
Other comprehensive income (loss)	37	3	(23)	17
Amounts reclassified from AOCI	(9)	(3)	—	(12)
Net current period other comprehensive income (loss)	28	—	(23)	5
As of December 31, 2023	(91)	(2)	(124)	(217)
Other comprehensive income (loss)	(7)	3	(16)	(20)
Amounts reclassified from AOCI	(9)	(1)	1	(9)
Net current period other comprehensive income (loss)	(16)	2	(15)	(29)
As of December 31, 2024	$ (107)	$ —	$ (139)	$ (246)

Income Taxes

We account for income taxes using the asset and liability method on a legal entity and jurisdictional basis, under which we recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns. Our calculation relies on several factors, including pre-tax earnings, differences between tax laws and accounting rules, statutory tax rates, tax credits, uncertain tax positions, and valuation allowances. We use judgment and estimates in evaluating our tax positions. Evaluating our tax positions would include but not be limited to our tax positions on internal restructuring transactions as well as the spin-offs of RXO and GXO. Valuation allowances are established when, in our judgment, it is more likely than not that our deferred tax assets will not be realized based on all available evidence. We record Global Intangible Low-Taxed Income ("GILTI") tax as a period cost.

As of December 31, 2024, our income tax receivable included in Other current assets on our Consolidated Balance Sheets was $ 77 million, which was primarily comprised of the anticipated cash refund related to the legal entity reorganization in our European Transportation business.

Our tax returns are subject to examination by U.S. Federal, state and foreign taxing jurisdictions. We regularly assess the potential outcomes of these examinations and any future examinations for the current or prior years. We recognize tax benefits from uncertain tax positions only if (based on the technical merits of the position) it is more likely than not that the tax positions will be sustained on examination by the tax authority. We adjust these tax liabilities, including related interest and penalties, based on the current facts and circumstances. We report tax-related interest and penalties as a component of income tax expense.

Foreign Currency Translation and Transactions

The assets and liabilities of our foreign subsidiaries that use their local currency as their functional currency are translated to U.S. dollars ("USD") using the exchange rate prevailing at each balance sheet date, with balance sheet currency translation adjustments recorded in AOCI on our Consolidated Balance Sheets. The assets and liabilities of our foreign subsidiaries whose local currency is not their functional currency are remeasured from their local currency to their functional currency and then translated to USD. The results of operations of our foreign subsidiaries are translated to USD using average exchange rates prevailing for each period presented.

We convert foreign currency transactions recognized on our Consolidated Statements of Income to USD by applying the exchange rate prevailing on the date of the transaction. Gains and losses arising from foreign currency transactions and the effects of remeasuring monetary assets and liabilities are recorded in Other income on our Consolidated Statements of Income.

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.

We base our fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and current maturities of long-term debt approximated their fair values as of December 31, 2024 and 2023 due to their short-term nature and/or being receivable or payable on demand. The Level 1 cash equivalents include money market funds valued using quoted prices in active markets and a cash deposit for the securitization program.

The fair value hierarchy of cash equivalents was as follows:

(In millions)	Carrying Value	Fair Value	Level 1
December 31, 2024	$ 205	$ 205	$ 205
December 31, 2023	369	369	369

We measure Level 1 equity investments at fair value on a recurring basis using quoted prices in active markets. As of December 31, 2024, the value of our equity investment, reflected within Other current assets on our Consolidated Balance Sheets, was no t material. During the year ended December 31, 2024, we recognized a gain on equity investments of $ 13 million in Other income on our Consolidated Statements of Income.

For information on the fair value hierarchy of our derivative instruments, financial liabilities and defined benefit pension plan assets, see Note 11—Derivative Instruments, Note 12—Debt and Note 13—Employee Benefit Plans, respectively.

Derivative Instruments

We record all derivative instruments on our Consolidated Balance Sheets as assets or liabilities at fair value. Our accounting treatment for changes in the fair value of derivative instruments depends on whether the instruments have been designated and qualify as part of a hedging relationship and on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, we must designate the derivative based on the exposure being hedged and assess, both at the hedge's inception and on an ongoing basis, whether the designated derivative instruments are highly effective in offsetting changes in earnings and cash flows of the hedged items. When a derivative instrument is determined not to be highly effective as a hedge or the underlying hedged transaction is no longer probable, hedge accounting is discontinued prospectively. We link cash flow hedges to specific forecasted transactions or variability of cash flow to be paid.

The gain or loss resulting from fair value adjustments on cash flow hedges are recorded in AOCI on our Consolidated Balance Sheets until the hedged item is recognized in earnings and is presented in the same income statement line item as the earnings effect of the hedged item. The gains and losses on the net investment hedges are recorded as cumulative translation adjustments in AOCI to the extent that the instruments are effective in hedging the designated risk. Gains and losses on cash flow hedges and net investment hedges representing hedge components excluded from the assessment of effectiveness will be amortized into Interest expense on our Consolidated Statements of Income in a systematic manner. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings and are recorded in Other income on our Consolidated Statements of Income.

Defined Benefit Pension Plans

We calculate defined benefit pension plan obligations using various actuarial assumptions and methodologies. Assumptions include discount rates, inflation rates, expected long-term rate of return on plan assets, mortality rates, and other factors. The assumptions used in recording the projected benefit obligation and fair value of plan assets represent our best estimates based on available information regarding historical experience and factors that may cause future expectations to differ. Our obligation and future expense amounts could be materially impacted by differences in actual experience or changes in assumptions.

The impact of plan amendments, actuarial gains and losses and prior-service costs are recorded in AOCI and are generally amortized as a component of net periodic benefit cost over the remaining service period of the active employees covered by the defined benefit pension plans. Unamortized gains and losses are amortized only to the extent they exceed 10% of the higher of the fair value of plan assets or the projected benefit obligation of the respective plan.

Stock-Based Compensation

We account for stock-based compensation based on the equity instrument’s grant date fair value. For grants of restricted stock units (“RSUs”) subject to service-based or performance-based vesting conditions only, we establish the fair value based on the market price on the date of the grant. For grants of RSUs subject to market-based vesting conditions, we establish the fair value using the Monte Carlo simulation lattice model. We determined the fair value of our stock-based awards based on our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We account for forfeitures as they occur.

We recognize the grant date fair value of equity awards as compensation cost over the requisite service period. We recognize expense for our performance-based restricted stock units (“PSUs”) over the awards’ requisite service period based on the number of awards expected to vest with consideration to the actual and expected financial results. We do not recognize expense until achievement of the performance targets for a PSU award is considered probable.

Adoption of New Accounting Standard

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” The amendments in the ASU increase reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit and loss, and provide new segment disclosure requirements for entities with a single reportable segment, among other disclosure requirements. We adopted this standard on a retrospective basis for the 2024 annual period, and for interim periods beginning January 1, 2025. The impact is limited to financial statement disclosures. See Note 4—Segment Reporting and Geographic Information.

Accounting Pronouncements Issued but Not Yet Effective

In November 2024, the FASB issued ASU 2024-03, “Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40).” The ASU requires new tabular disclosures disaggregating prescribed expense categories within relevant income statement captions. In addition, the ASU requires disclosure of the total amount of selling expenses and, in annual periods, an entity’s definition of selling expenses, among other disclosure requirements. This ASU is effective for annual periods beginning in 2027, and for interim periods beginning January 1, 2028. Early adoption is permitted. We are currently evaluating the impact of the new standard, which is limited to financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The ASU modifies income tax disclosures by requiring (i) consistent categories and greater disaggregation of information in the rate reconciliations and (ii) the disclosure of income taxes paid disaggregated by jurisdiction, among other requirements. This ASU is effective for annual periods beginning in 2025, and should be applied on a prospective basis, with the option to apply retrospectively. Early adoption is permitted. We are currently evaluating the impact of the new standard, which is limited to financial statement disclosures. The company expects to adopt the guidance as of the effective date.

3. Discontinued Operations

As discussed above, the results of RXO and our intermodal operation are presented as discontinued operations.

The following table summarizes the results of operations from discontinued operations:

	Years Ended December 31,
(In millions)	**2022**
Revenue	$ 4,403
Salaries, wages and employee benefits	503
Purchased transportation	3,216
Fuel, operating expenses and supplies	296
Operating taxes and licenses	3
Insurance and claims	19
Depreciation and amortization expense	67
Gain on sale of business	(430)
Transaction and other operating costs	125
Operating income	604
Other income	(2)
Income from discontinued operations before income tax provision	606
Income tax provision	124
Net income from discontinued operations, net of taxes	$ 482

In 2022, we completed the sale of our intermodal operation for cash proceeds of approximately $ 705 million, net of cash disposed. The pre-tax gain on the sale was $ 430 million, net of transaction costs and working capital adjustment.

Additionally, in 2022, RXO completed debt offerings and used the net proceeds of $ 446 million to fund a cash payment from RXO to XPO, which we used to repay a portion of our outstanding borrowings and fund any related fees and expenses. For further information, see Note 12—Debt.

In connection with the spin-off, we entered into separation and distribution agreements as well as various other agreements that provided a framework for the relationships between the parties going forward, including, among others, an employee matters agreement (“EMA”), a tax matters agreement, an intellectual property license agreement and a transition services agreement, through which XPO agreed to provide certain services for a period of time specified in the applicable agreement following the spin-off. The impact of these services on the consolidated financial statements was immaterial.

4. Segment Reporting and Geographic Information

We are organized into two reportable segments: North American LTL, the largest component of our business, and European Transportation.

In our North American LTL segment, we provide shippers with geographic density and day-definite domestic and cross-border services to the U.S., as well as Mexico, Canada and the Caribbean. Our North American LTL segment also includes the results of our trailer manufacturing operation.

In our European Transportation segment, we serve an extensive base of customers within the consumer, trade and industrial markets. We offer dedicated truckload, LTL, truck brokerage, managed transportation, last mile, freight forwarding, warehousing and multimodal solutions, such as road-rail and road-short sea combinations.

Corporate includes corporate headquarters costs for executive officers and certain legal and financial functions, and other costs and credits not attributed to our reportable segments.

Our chief operating decision maker ("CODM") is our chief executive officer. Our CODM regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. We include items directly attributable to a segment, and those that can be allocated on a reasonable basis, including corporate costs, in segment results reported to the CODM. We do not provide asset information by segment to the CODM.

Our CODM evaluates segment profit (loss) based on adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), which we define as income from continuing operations before debt extinguishment loss, interest expense, income tax provision, depreciation and amortization expense, goodwill impairment charges, litigation matters, transaction and integration costs, restructuring costs and other adjustments.

Our CODM uses adjusted EBITDA to allocate resources, including property and equipment and financial or capital resources, to the segments and to assess their performance by monitoring budget-to-actual and year-over-year variances.

The following tables present revenue and significant segment expenses that are included within adjusted EBITDA:

(in millions)	Year Ended December 31, 2024 North American LTL	European Transportation	Corporate (1)	Total
Revenue	$ 4,899	$ 3,173	$ —	$ 8,072
Salaries, wages and employee benefits	2,515	846	16	3,377
Purchased transportation	248	1,454	—	1,701
Fuel, operating expenses and supplies	928	661	—	1,589
Operating taxes and licenses	65	15	—	80
Insurance and claims	80	51	3	134
Gains on sales of property and equipment	(27)	(14)	—	(40)
Pension (income) expense	(25)	1	—	(25)
Other (income) expense	—	1	(12)	(12)
Adjusted EBITDA	$ 1,115	$ 158	$ (7)	$ 1,266

(in millions)	Year Ended December 31, 2023 North American LTL	European Transportation	Corporate (1)	Total
Revenue	$ 4,671	$ 3,073	$ —	$ 7,744
Salaries, wages and employee benefits	2,346	795	18	3,159
Purchased transportation	366	1,394	—	1,760
Fuel, operating expenses and supplies	956	661	6	1,623
Operating taxes and licenses	48	12	—	60
Insurance and claims	102	59	6	167
(Gains) losses on sales of property and equipment	8	(13)	—	(5)
Pension income	(17)	—	—	(17)
Other (income) expense	(2)	2	1	1
Adjusted EBITDA	$ 864	$ 163	$ (31)	$ 996

(in millions)	Year Ended December 31, 2022 North American LTL	European Transportation	Corporate (1)	Total
Revenue	$ 4,645	$ 3,073	$ —	$ 7,718
Salaries, wages and employee benefits	2,176	717	52	2,945
Purchased transportation	499	1,465	—	1,964
Fuel, operating expenses and supplies	983	660	44	1,687
Operating taxes and licenses	48	10	—	58
Insurance and claims	123	57	3	183
Gains on sales of property and equipment	(54)	(6)	—	(60)
Pension income	(59)	—	—	(59)
Other (income) expense	(3)	1	5	3
Adjusted EBITDA	$ 932	$ 169	$ (104)	$ 997

(1) Primarily represents unallocated corporate costs, as well as investment income of approximately $ 13 million within Other (income) expense in 2024.

The following table presents adjusted EBITDA by segment and provides a reconciliation to consolidated income from continuing operations:

	Years Ended December 31,		
(in millions)	2024	2023	2022
Adjusted EBITDA			
North American LTL	$ 1,115	$ 864	$ 932
European Transportation	158	163	169
Corporate	(7)	(31)	(104)
Total Adjusted EBITDA	1,266	996	997
Less:			
Debt extinguishment loss	—	25	39
Interest expense	223	168	135
Income tax provision	86	68	74
Depreciation and amortization expense	490	432	392
Goodwill impairment [(1)]	—	—	64
Litigation matter	—	8	—
Transaction and integration costs	53	58	58
Restructuring costs	27	44	50
Other	—	1	1
Income from continuing operations	$ 387	$ 192	$ 184

(1) See Note 9— Goodwill for further information on the impairment charge.

The following table presents depreciation and amortization expense by segment:

	Years Ended December 31,		
(in millions)	2024	2023	2022
Depreciation and amortization expense			
North American LTL	$ 346	$ 291	$ 239
European Transportation	140	136	128
Corporate	4	5	25
Total	$ 490	$ 432	$ 392

As of December 31, 2024 and 2023, we held long-lived tangible assets outside of the U.S., including right of use assets, of $ 715 million and $ 727 million, respectively.

5. Revenue Recognition

Disaggregation of Revenues

Our revenue disaggregated by geographic area based on sales office location was as follows:

	Year Ended December 31, 2024		
(In millions)	North American LTL	European Transportation	Total
Revenue			
United States	$ 4,792	$ —	$ 4,792
North America (excluding United States)	107	—	107
France	—	1,277	1,277
United Kingdom	—	1,023	1,023
Europe (excluding France and United Kingdom)	—	873	873
Total	$ 4,899	$ 3,173	$ 8,072

	Year Ended December 31, 2023		
(In millions)	North American LTL	European Transportation	Total
Revenue			
United States	$ 4,572	$ —	$ 4,572
North America (excluding United States)	99	—	99
France	—	1,291	1,291
United Kingdom	—	905	905
Europe (excluding France and United Kingdom)	—	877	877
Total	$ 4,671	$ 3,073	$ 7,744

	Year Ended December 31, 2022		
(In millions)	North American LTL	European Transportation	Total
Revenue			
United States	$ 4,549	$ —	$ 4,549
North America (excluding United States)	96	—	96
France	—	1,328	1,328
United Kingdom	—	878	878
Europe (excluding France and United Kingdom)	—	867	867
Total	$ 4,645	$ 3,073	$ 7,718

6. Restructuring Charges

We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and other divestment activities. These actions generally include severance and facility-related costs, including impairment of lease assets, as well as contract termination costs, and are intended to improve our efficiency and profitability.

Our restructuring-related activity was as follows:

(In millions)	Reserve Balance as of December 31, 2023	Year Ended December 31, 2024 Charges Incurred	Payments	Foreign Exchange and Other	Reserve Balance as of December 31, 2024
Severance					
North American LTL	$ 2	$ 3	$ (3)	$ 1	$ 3
European Transportation	1	16	(16)	—	1
Corporate	8	2	(8)	(1)	1
Total	$ 11	$ 21	$ (27)	$ —	$ 5

In addition to the severance charges noted in the table above, we recorded non-cash charges in our North American LTL segment, European Transportation segment and Corporate of $ 4 million, $ 1 million and $ 1 million, respectively, during 2024.

We expect the majority of the cash outlays related to the charges incurred in 2024 will be complete within twelve months.

(In millions)	Reserve Balance as of December 31, 2022	Year Ended December 31, 2023 Charges Incurred	Payments	Foreign Exchange and Other	Reserve Balance as of December 31, 2023
Severance					
North American LTL	$ 2	$ 6	$ (5)	$ (1)	$ 2
European Transportation	1	12	(12)	—	1
Corporate	19	20	(30)	(1)	8
Total	$ 22	$ 38	$ (47)	$ (2)	$ 11

In addition to the severance charges noted in the table above, we recorded non-cash charges in our North American LTL segment of $ 6 million during 2023.

7. Property and Equipment

(In millions)	December 31, 2024	December 31, 2023
Property and equipment		
Land	$ 879	$ 860
Buildings and leasehold improvements	874	733
Vehicles, tractors and trailers	2,746	2,476
Machinery and equipment	291	271
Computer software and equipment	633	588
	5,422	4,928
Less: accumulated depreciation and amortization	(2,019)	(1,853)
Total property and equipment, net	$ 3,402	$ 3,075
Net book value of capitalized internally-developed software included in property and equipment, net	$ 112	$ 120

Depreciation of property and equipment and amortization of computer software was $ 432 million, $ 376 million and $ 336 million for the years ended December 31, 2024, 2023 and 2022, respectively.

In connection with the Yellow Asset Acquisition, in December 2023, we recognized approximately $ 850 million of Land and Buildings and leasehold improvements, including amounts related to assumed finance leases.

8. Leases

Most of our leases are real estate leases. In addition, we lease trucks, trailers and material handling equipment.

The components of our lease expense and gain realized on sale-leaseback transactions were as follows:

(In millions)	Years Ended December 31, 2024	2023	2022
Operating lease cost	$ 213	$ 199	$ 170
Short-term lease cost	39	47	51
Variable lease cost	33	27	22
Total operating lease cost	$ 285	$ 273	$ 243
Finance lease cost:			
Amortization of leased assets	$ 61	$ 59	$ 49
Interest on lease liabilities	8	6	5
Total finance lease cost	$ 69	$ 65	$ 54
Total lease cost	$ 354	$ 338	$ 297
Gain recognized on sale-leaseback transactions (1)	$ —	$ —	$ 40

(1) For the years ended December 31, 2024 and 2023, we did no t complete any sale-leaseback transactions. For the year ended December 31, 2022, we completed multiple sale-leaseback transactions primarily for land and buildings. We received aggregate cash proceeds of $ 49 million in 2022. Gains on sale-leaseback transactions are included in Gains on sales of property and equipment in our Consolidated Statements of Income.

Supplemental balance sheet information related to leases was as follows:

	December 31,	
(In millions)	**2024**	**2023**
Operating leases:		
Operating lease assets	$ 727	$ 708
Short-term operating lease liabilities	$ 127	$ 121
Operating lease liabilities	603	588
Total operating lease liabilities	$ 730	$ 709
Finance leases:		
Property and equipment, gross	$ 408	$ 472
Accumulated depreciation	(205)	(213)
Property and equipment, net	$ 203	$ 259
Short-term borrowings and current maturities of long-term debt	$ 52	$ 64
Long-term debt	158	179
Total finance lease liabilities	$ 210	$ 243
Weighted-average remaining lease term:		
Operating leases	7 years	8 years
Finance leases	8 years	7 years
Weighted-average discount rate:		
Operating leases	5.47 %	5.24 %
Finance leases	3.69 %	3.24 %

In connection with the Yellow Asset Acquisition, in December 2023, we recognized $ 23 million of Property and equipment, net and Long-term debt for finance leases assumed and $ 3 million of Operating lease assets and Operating lease liabilities for operating leases assumed.

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,		
(In millions)	**2024**	**2023**	**2022**
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	$ 216	$ 201	$ 176
Operating cash flows for finance leases	8	6	5
Financing cash flows for finance leases	72	68	60
Leased assets obtained in exchange for new lease obligations:			
Operating leases	207	118	191
Finance leases	47	94	46

Net operating lease activity, including the reduction of the operating lease asset and the accretion of the operating lease liability, are reflected in operating activities on our Consolidated Statements of Cash Flows.

Maturities of lease liabilities as of December 31, 2024 were as follows:

(In millions)	Finance Leases	Operating Leases
2025	$ 59	$ 160
2026	44	158
2027	39	129
2028	29	104
2029	20	78
Thereafter	65	264
Total lease payments	256	893
Less: interest	(46)	(163)
Present value of lease liabilities	$ 210	$ 730

As of December 31, 2024, we had additional operating leases that have not yet commenced with future undiscounted lease payments of $ 45 million. These operating leases will commence in 2025 with initial lease terms of 3 years to 12 years.

9. Goodwill

(In millions)	North American LTL	European Transportation	Total
Goodwill as of December 31, 2022	$ 726	$ 746	$ 1,472
Impact of foreign exchange translation	—	26	26
Goodwill as of December 31, 2023	726	772	1,498
Impact of foreign exchange translation	—	(37)	(37)
Goodwill as of December 31, 2024	$ 726	$ 735	$ 1,461

As described in Note 2— Basis of Presentation and Significant Accounting Policies, we recorded no impairment losses in 2024 and 2023.

We recorded an aggregate impairment charge of $ 64 million in 2022 related to reporting units within our European Transportation reportable segment. Prior to the 2022 impairment, there were no impairment losses.

10. Intangible Assets

	December 31, 2024		December 31, 2023	
(In millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Definite-lived intangibles				
Customer relationships	$ 795	$ 497	$ 809	$ 452
Favorable leases	65	3	65	—
Total	$ 860	$ 499	$ 874	$ 452

In connection with the Yellow Asset Acquisition, in December 2023, we recognized $ 65 million of Favorable leases. For further information, see Note 2 —Basis of Presentation and Significant Accounting Policies.

We did no t recognize any impairment of our identified intangible assets in 2024, 2023 and 2022.

Estimated future amortization expense for amortizable intangible assets for the next five years is as follows:

(In millions)	2025	2026	2027	2028	2029	Thereafter
Estimated amortization expense	$ 56	$ 56	$ 56	$ 45	$ 36	$ 112

Actual amounts of amortization expense may differ from estimated amounts due to changes in foreign currency exchange rates, additional intangible asset acquisitions, future impairment of intangible assets, accelerated amortization of intangible assets and other events.

Intangible asset amortization expense was $ 57 million, $ 54 million and $ 54 million for the years ended December 31, 2024, 2023 and 2022, respectively.

11. Derivative Instruments

In the normal course of business, we are exposed to risks arising from business operations and economic factors, including fluctuations in interest rates and foreign currencies. We use derivative instruments to manage the volatility related to these exposures. The objective of these derivative instruments is to reduce fluctuations in our earnings and cash flows associated with changes in foreign currency exchange rates and interest rates. These financial instruments are not used for trading or other speculative purposes. Historically, we have not incurred, and do not expect to incur in the future, any losses as a result of counterparty default.

The fair value of our derivative instruments and the related notional amounts were as follows:

	December 31, 2024				
		Derivative Assets		Derivative Liabilities	
(In millions)	Notional Amount	Balance Sheet Caption	Fair Value	Balance Sheet Caption	Fair Value
Derivatives designated as hedges					
Cross-currency swap agreements	$ 652	Other long-term assets	$ 7	Other long-term liabilities	$ (5)
Interest rate swaps	200	Other current assets	—	Other current liabilities	—
Total			$ 7		$ (5)

	December 31, 2023				
		Derivative Assets		Derivative Liabilities	
(In millions)	Notional Amount	Balance Sheet Caption	Fair Value	Balance Sheet Caption	Fair Value
Derivatives designated as hedges					
Cross-currency swap agreements	$ 652	Other current assets	$ —	Other current liabilities	$ (34)
Interest rate swaps	350	Other current assets	—	Other current liabilities	(2)
Interest rate swaps	200	Other long-term assets	—	Other long-term liabilities	—
Total			$ —		$ (36)

The derivatives are classified as Level 2 within the fair value hierarchy. The derivatives are valued using inputs other than quoted prices such as foreign exchange rates and yield curves.

The effect of derivative and nonderivative instruments designated as hedges on our Consolidated Statements of Income was as follows:

	Amount of Gain (Loss) Recognized in Other Comprehensive Loss on Derivatives			Amount of Gain Reclassified from AOCI into Net Income			Amount of Gain Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)		
	Years Ended December 31,								
(In millions)	2024	2023	2022	2024	2023	2022	2024	2023	2022
Derivatives designated as cash flow hedges									
Interest rate swaps	$ 2	$ (1)	$ —	$ 1	$ 3	$ —	$ —	$ —	$ —
Derivatives designated as net investment hedges									
Cross-currency swap agreements	36	(21)	27	—	—	—	9	9	7
Total	$ 38	$ (22)	$ 27	$ 1	$ 3	$ —	$ 9	$ 9	$ 7

Cross-Currency Swap Agreements

We enter into cross-currency swap agreements to manage the foreign currency exchange risk related to our international operations by effectively converting our fixed-rate USD-denominated debt, including the associated interest payments, to fixed-rate, euro ("EUR")-denominated debt. The risk management objective of these transactions is to manage foreign currency risk relating to net investments in subsidiaries denominated in foreign currencies and reduce the variability in the functional currency equivalent cash flows of this debt.

During the term of the swap contracts, we receive interest on a quarterly basis from the counterparties based on USD fixed interest rates, and we pay interest, also on a quarterly basis, to the counterparties based on EUR fixed interest rates. At maturity, we will repay the original principal amount in EUR and receive the principal amount in USD. These agreements expire at various dates through 2027.

We designated these cross-currency swaps as qualifying hedging instruments and account for them as net investment hedges. We apply the simplified method of assessing the effectiveness of our net investment hedging relationships. Under this method, for each reporting period, the change in the fair value of the cross-currency swaps is initially recognized in AOCI. The change in the fair value due to foreign exchange remains in AOCI and the initial component excluded from effectiveness testing will initially remain in AOCI and then will be reclassified from AOCI to Interest expense each period in a systematic manner. Cash flows related to the periodic exchange of interest payments for these net investment hedges are included in Cash flows from operating activities of continuing operations on our Consolidated Statements of Cash Flows.

During 2023 and 2022, we received approximately $ 2 million and $ 29 million, respectively, related to cross-currency swaps that were settled during the period. The fair value adjustments related to these swaps remain in AOCI and partially offset foreign currency translation adjustment losses on our net investments in foreign subsidiaries. The proceeds were included in Cash flows from investing activities of continuing operations on our Consolidated Statements of Cash Flows.

Interest Rate Hedging

We execute short-term interest rate swaps to mitigate variability in forecasted interest payments on our Senior Secured Term Loan Credit Agreement (the "Term Loan Credit Agreement"). The interest rate swaps convert floating-rate interest payments into fixed rate interest payments. We designated the interest rate swaps as qualifying hedging instruments and account for these derivatives as cash flow hedges. The outstanding interest rate swap at December 31, 2024 matured in January 2025, at which time we executed two new interest rate swaps with a notional amount of $ 550 million maturing in 2026.

We record gains and losses resulting from fair value adjustments to the designated portion of interest rate swaps in AOCI and reclassify them to Interest expense on the dates that interest payments accrue. Cash flows related to the interest rate swaps are included in Cash flows from operating activities of continuing operations on our Consolidated Statements of Cash Flows.

12. Debt

	December 31, 2024		December 31, 2023	
(In millions)	Principal Balance	Carrying Value	Principal Balance	Carrying Value
Term loan facility	$ 1,100	$ 1,089	$ 1,100	$ 1,087
6.25 % senior secured notes due 2028	830	823	830	822
7.125 % senior notes due 2031	450	445	450	445
7.125 % senior notes due 2032	585	576	585	575
6.70 % senior debentures due 2034	300	225	300	221
Finance leases, asset financing and other	228	228	254	254
Total debt	3,493	3,387	3,519	3,404
Short-term borrowings and current maturities of long-term debt	62	62	69	69
Long-term debt	$ 3,431	$ 3,325	$ 3,450	$ 3,335

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

(In millions)	Fair Value	Level 1	Level 2
December 31, 2024	$ 3,541	$ 2,223	$ 1,318
December 31, 2023	3,583	2,235	1,348

We valued Level 1 debt using quoted prices in active markets. We valued Level 2 debt using bid evaluation pricing models or quoted prices of securities with similar characteristics. The fair value of the asset financing arrangements approximates carrying value as the debt is primarily issued at a floating rate, the debt may be prepaid at any time at par without penalty, and the remaining life of the debt is short-term in nature.

Our principal payment obligations on debt (excluding finance leases and asset financing) for the next five years and thereafter was as follows:

(In millions)	2025	2026	2027	2028	2029	Thereafter
Principal payments on debt	$ —	$ —	$ 1	$ 1,530	$ —	$ 1,736

ABL Facility

In 2015, we entered into the ABL Facility which provided commitments of up to $ 1.0 billion with a maturity date of October 30, 2020. This facility was subsequently amended to adjust the amount of the commitment and to extend the maturity date to April 30, 2024.

In connection with the spin-off of RXO, effective November 4, 2022, the commitments under the facility were reduced from $ 1.0 billion to $ 600 million. There were no other significant changes made to the terms of the facility at that time. In February 2023, we amended the facility to extend the maturity date to April 30, 2026, among other changes. The aggregate commitment of all lenders under the amended ABL Facility remains $ 600 million.

Our availability under the ABL Facility is equal to the borrowing base less advances and outstanding letters of credit. Our borrowing base includes a fixed percentage of: (i) our eligible U.S. and Canadian accounts receivable; plus (ii) any of our eligible U.S. and Canadian rolling stock and equipment. A maximum of 30 % of our borrowing base can be equipment and rolling stock in the aggregate. As of December 31, 2024, our borrowing base under the

ABL facility was $ 512 million and our availability was $ 511 million after considering outstanding letters of credit of less than $ 1 million. As of December 31, 2024, we were in compliance with the ABL Facility's financial covenants.

Our loans under the ABL Facility bear interest at a rate equal to: SOFR or base rate plus (i) an applicable margin of 1.25 % to 1.50 % for SOFR loans or (ii) 0.25 % to 0.50 %, for base rate loans.

The ABL Facility is secured on a first lien basis by the assets of the credit parties as priority collateral and on a second lien basis by certain other assets. The priority collateral consists primarily of our U.S. and Canadian accounts receivable and any of our U.S. and Canadian rolling stock and equipment included in our borrowing base. The ABL Facility contains representations and warranties, affirmative and negative covenants, and events of default customary for agreements of this nature.

The covenants in the ABL Facility can limit our ability to incur indebtedness; grant liens; engage in certain mergers, consolidations, acquisitions and dispositions; make certain investments and restricted payments; and enter into certain transactions with affiliates. We may also be required to maintain a Fixed Charge Coverage Ratio (as defined in the ABL Facility) of not less than 1.00 if availability under the ABL Facility is below certain thresholds. As of December 31, 2024, we were compliant with this financial covenant.

Letters of Credit Facility

In 2020, we entered into a $ 200 million uncommitted secured evergreen letter of credit facility. The letter of credit facility had an initial one-year term, which automatically renews with one-year terms until the letter of credit facility terminates. As of December 31, 2024, we have $ 137 million in aggregate face amount of letters of credit outstanding under the facility.

Term Loan Facility

In 2015, we entered into a Term Loan Credit Agreement that provided for a single borrowing of $ 1.6 billion, which was subsequently amended to increase the principal balance to $ 2.0 billion and to extend the maturity date to February 2025 (the "Existing Term Loan Facility").

In May 2023, we amended the Term Loan Credit Agreement to obtain $ 700 million of new term loans (the "New Term Loan Facility") having substantially similar terms as the Existing Term Loan Facility, except with respect to maturity date, issue price, interest rate, prepayment premiums in connection with certain voluntary prepayments and certain other provisions. The New Term Loan Facility was issued at 99.5 % of the face amount and will mature on May 24, 2028.

In the same period, we used net proceeds from the New Term Loan Facility, the Senior Secured Notes due 2028 and the Senior Notes due 2031, as described below, together with cash on hand, to repay $ 2.0 billion of outstanding principal under the Existing Term Loan Facility, which was scheduled to mature in 2025, and to pay related fees, expenses and accrued interest. We recorded a debt extinguishment loss of $ 23 million in 2023 due to this repayment.

In December 2023, we entered into an incremental amendment to the Term Loan Credit Agreement to obtain $ 400 million of incremental term loans (the "Incremental Term Loans"). The Incremental Term Loans were issued under the Term Loan Credit Agreement, having substantially similar terms as the New Term Loan Facility, except with respect to maturity date, issue price, prepayment premiums in connection with certain voluntary prepayments and certain other provisions. The Incremental Term Loans were issued at par and will mature on February 1, 2031.

Both the New Term Loan Facility and Incremental Term Loans bear interest at a rate per annum equal to, at our option, either (a) a Term SOFR rate (subject to a 0.00 % floor) or (b) a base rate (subject to a 0.00 % floor), in each case, plus an applicable margin of 2.00 % for Term SOFR loans or 1.00 % for base rate loans. The weighted average interest rate of our term loans was approximately 6.53 % as of December 31, 2024.

We must prepay an aggregate principal amount of the term loan facility equal to (a) 50 % of any Excess Cash Flow, as defined in the agreement, for the most recent fiscal year ended, minus (b) the sum of (i) all voluntary prepayments of loans during the fiscal year and (ii) all voluntary prepayments of loans under the ABL Facility or any other revolving credit facilities during the fiscal year if accompanied by a corresponding permanent reduction in the commitments under the credit agreement or any other revolving credit facilities in the case of each of the immediately preceding clauses (i) and (ii), if such prepayments are funded with internally generated cash flow, as defined in the agreement. If our Consolidated Secured Net Leverage Ratio, as defined in the agreement, for the fiscal year was less than or equal to 3.00 :1.00 and greater than 2.50 :1.00, the Excess Cash Flow percentage will be 25 %. If our Consolidated Secured Net Leverage Ratio for the fiscal year was less than or equal to 2.50 :1.00, the Excess Cash Flow percentage will be 0 %. The remaining principal is due at maturity. As of December 31, 2024, our Consolidated Secured Net Leverage Ratio was less than 2.50 :1.00, and no excess cash payment was required.

Senior Notes

In December 2023, we completed the private placement of $ 585 million aggregate principal amount of senior notes due 2032 (the "Senior Notes due 2032"), which mature on February 1, 2032 and bear interest at a rate of 7.125 % per annum. Interest is payable semi-annually in cash in arrears, and commenced August 1, 2024. These notes were issued at par.

In the same period, we used net proceeds from the Incremental Term Loans and the Senior Notes due 2032, together with cash on hand, to finance the Yellow Asset Acquisition, to repay in full the $ 112 million aggregate principal amount outstanding of our 6.25 % Senior Notes due 2025 (the "Senior Notes due 2025"), and to pay related fees, expenses and accrued interest. The redemption price for the Senior Notes due 2025 was 101.563 % of the principal amount plus accrued and unpaid interest. We recorded a debt extinguishment loss of $ 2 million due to this redemption.

In May 2023, we completed private placements of $ 830 million aggregate principal amount of senior secured notes due 2028 (the "Senior Secured Notes due 2028") and $ 450 million aggregate principal amount of senior notes due 2031 (the "Senior Notes due 2031"). The Senior Secured Notes due 2028 mature on June 1, 2028 and bear interest at a rate of 6.25 % per annum. The Senior Notes due 2031 mature on June 1, 2031 and bear interest at a rate of 7.125 % per annum. Interest is payable semi-annually in cash in arrears and commenced December 1, 2023. These notes were issued at par and were used to repay our Existing Term Loan Facility as described above.

In November 2022, we repurchased $ 408 million of the then $ 520 million outstanding Senior Notes due 2025 in a cash tender offer. Holders of the Senior Notes due 2025 received total consideration of $1,022.50 per $1,000.00 principal amount of notes tendered and accepted for purchase, plus accrued and unpaid interest. We paid for the tender using cash received from RXO in connection with its spin-off. We recorded a debt extinguishment loss of $ 13 million due to this repurchase in the fourth quarter of 2022.

In April 2022, we redeemed $ 630 million of the then $ 1.15 billion outstanding principal amount of the Senior Notes due 2025. The redemption price for the notes was 100 % of the principal amount plus a premium, as defined in the indenture, of approximately $ 21 million and accrued and unpaid interest. We paid for the redemption using available liquidity. We recorded a debt extinguishment loss of $ 26 million due to this redemption in 2022.

The senior notes are guaranteed by each of our direct and indirect wholly-owned restricted subsidiaries (other than certain excluded subsidiaries) that are obligors under, or guarantee obligations under, our existing secured ABL Facility or the Term Loan Credit Agreement (or certain replacements thereof) or guarantee certain of our other indebtedness.

The Senior Secured Notes due 2028 and the guarantees thereof are secured by substantially all of our assets and our guarantors equally and ratably with the indebtedness under the Term Loan Credit Agreement (subject to permitted liens and certain other exceptions). All other senior notes and the guarantees thereof are unsecured, unsubordinated indebtedness for us and our guarantors.

The senior notes contain covenants and events of default customary for notes of this nature. If the Senior Secured Notes due 2028 and the Company are each assigned investment grade ratings from at least two of the major rating agencies and no default has occurred, then certain covenant requirements will permanently cease to be in effect, and the collateral, security interests, and guarantees securing the Senior Secured Notes due 2028 will automatically be released.

Senior Debentures

In conjunction with a 2015 acquisition, we assumed 6.70 % Senior Debentures due 2034 (the “Senior Debentures”) with an aggregate principal amount of $ 300 million. The Senior Debentures bear interest payable semiannually, in cash in arrears, and mature on May 1, 2034. Including amortization of the fair value adjustment recorded on the acquisition date, interest expense on the Senior Debentures is recognized at an annual effective interest rate of 10.96 %.

13. Employee Benefit Plans

Defined Benefit Pension Plans

We sponsor both funded and unfunded defined benefit pension plans for some employees in the U.S. These pension plans include qualified plans that are eligible for beneficial treatment under the Internal Revenue Code and non-qualified plans that provide additional benefits for employees who are impacted by limitations on compensation eligible for benefits available under the qualified plans. We also maintain a defined benefit pension plan for one of our foreign subsidiaries that is excluded from the disclosures below due to immateriality.

We measure defined benefit pension plan obligations based on the present value of projected future benefit payments for all participants for services rendered to date. The projected benefit obligation is a measure of benefits attributed to service to date, assuming that the plan continues in effect and that estimated future events (including turnover and mortality) occur. We determine the net periodic benefit costs using assumptions regarding the projected benefit obligation and the fair value of plan assets as of the beginning of the year. Net periodic benefit costs are recorded in Other income on our Consolidated Statements of Income. We calculate the funded status of the defined benefit pension plans, which represents the difference between the projected benefit obligation and the fair value of plan assets, on a plan-by-plan basis.

Funded Status of Defined Benefit Pension Plans

The reconciliation of the changes in the plans’ projected benefit obligations as of December 31 was as follows:

(In millions)	2024	2023
Projected benefit obligation at beginning of year	$ 1,466	$ 1,424
Interest cost	72	74
Plan amendment	(3)	—
Actuarial (gain) loss	(59)	65
Benefits paid	(137)	(97)
Projected benefit obligation at end of year	$ 1,338	$ 1,466

The actuarial gain in 2024 was a result of assumption changes, including an increase in the discount rate and other assumptions for plan participants. The actuarial loss in 2023 was a result of assumption changes, including a decrease in the discount rate and other changes to assumptions for plan participants.

The reconciliation of the changes in the fair value of plan assets as of December 31 was as follows:

(In millions)	2024	2023
Fair value of plan assets at beginning of year	$ 1,507	$ 1,475
Actual return on plan assets	17	124
Employer contributions to non-qualified plans	5	5
Benefits paid	(137)	(97)
Fair value of plan assets at end of year	$ 1,392	$ 1,507

The funded status of the plans as of December 31 was as follows:

(In millions)	2024	2023
Funded status at end of year	$ 54	$ 41
Amount recognized in balance sheet:		
Long-term assets	$ 104	$ 95
Current liabilities	(5)	(5)
Long-term liabilities	(45)	(49)
Net pension asset recognized	$ 54	$ 41
Plans with projected and accumulated benefit obligation in excess of plan assets:		
Projected and accumulated benefit obligation [(1)]	$ 50	$ 54

(1) Relates to our non-qualified plans which are unfunded.

The funded status of our qualified plans and non-qualified plans was $ 104 million and $(50) million, respectively, as of December 31, 2024.

The actuarial loss included in AOCI that has not yet been recognized in net periodic benefit expense was $ 195 million and $ 174 million as of December 31, 2024 and 2023, respectively.

The net periodic benefit cost and amounts recognized in Other comprehensive income (loss) for the years ended December 31 was as follows:

(In millions)	2024	2023	2022
Net periodic benefit income:			
Interest cost	$ 72	$ 74	$ 45
Expected return on plan assets	(98)	(92)	(106)
Amortization of actuarial loss	1	—	1
Net periodic benefit income	$ (25)	$ (18)	$ (60)
Amounts recognized in Other comprehensive income (loss):			
Actuarial loss	$ 23	$ 32	$ 99
Prior-service cost	(3)	—	—
Amortization of actuarial loss	(1)	—	—
Loss recognized in Other comprehensive income (loss)	$ 19	$ 32	$ 99

The weighted-average assumptions used to determine the net periodic benefit costs and benefit obligations for the year ended December 31 were as follows:

	Qualified Plans			Non-Qualified Plans		
	2024	2023	2022	2024	2023	2022
Discount rate - net periodic benefit costs	5.08 %	5.36 %	2.43 %	5.02 % - 5.05 %	5.26 % - 5.33 %	1.70 % - 2.23 %
Discount rate - benefit obligations	5.63 %	5.15 %	5.42 %	5.21 % - 5.55 %	4.98 % - 5.12 %	5.29 % - 5.42 %
Expected long-term rate of return on plan assets	6.75 %	6.40 %	5.40 %			

No rate of compensation increase was assumed as the plans are frozen to additional participant benefit accruals.

We use a full yield curve approach to estimate the interest cost component of net periodic benefit cost by applying specific spot rates along the yield curve used to determine the benefit obligation to each of the underlying projected cash flows based on time until payment.

Expected benefit payments for the defined benefit pension plans for the years ended December 31 are summarized below. These estimates are based on assumptions about future events. Actual benefit payments may vary from these estimates.

(In millions)	2025	2026	2027	2028	2029	2030-2034
Expected benefit payments	$ 110	$ 109	$ 109	$ 109	$ 108	$ 521

Plan Assets

We manage the assets in the U.S. plans using a long-term liability-driven investment strategy that seeks to mitigate the funded status volatility by increasing participation in fixed income investments as the plan's funded status increases. We developed this strategy by analyzing a variety of diversified asset-class combinations with the projected liabilities.

Our current investment strategy is to achieve an investment mix of approximately 90 % in fixed income securities and 10 % of investments in equity securities. The fixed income allocation consists primarily of domestic fixed income securities and targets to hedge approximately 100 % of projected liabilities. The target allocations for equity securities includes approximately 50 % in U.S. equities and approximately 50 % in non-U.S. equities. Investments in equity and fixed income securities consist of individual securities held in managed separate accounts and commingled investment funds. Generally, our investment strategy does not include an allocation to cash and cash equivalents, but a cash allocation may arise periodically in response to timing considerations regarding contributions, investments, and the payment of benefits and eligible plan expenses. We periodically evaluate our defined benefit plans' asset portfolios for significant concentrations of risk. Types of investment concentration risks that are evaluated include concentrations in a single issuer, specific security, asset class, credit rating, duration, industry/sector, currency, foreign country or individual fund manager. As of December 31, 2024, our defined benefit plan assets had no significant concentrations of risk.

Our investment policy does not allow investment managers to use market-timing strategies or financial derivative instruments for speculative purposes but financial derivative instruments are used to manage risk and achieve stated investment objectives for duration, yield curve, credit, foreign exchange and equity exposures. Generally, our investment managers are prohibited from short selling, trading on margin, and trading commodities, warrants or other options, except when acquired as a result of the purchase of another security, or in the case of options, when sold as part of a covered position.

The assumption of 6.75 % for the overall expected long-term rate of return on plan assets in 2024 was developed using asset allocation and return expectations. The return expectations are created using long-term historical and expected returns for the various asset classes and current market expectations for inflation, interest rates and economic growth.

The fair values of investments held in the qualified pension plans by major asset category as of December 31, 2024 and 2023, and the percentage that each asset category comprises of total plan assets were as follows:

(Dollars in millions)	Level 1	Level 2	Not Subject to Leveling [1]	Total	Percentage of Plan Assets
December 31, 2024					
Cash and cash equivalents	$ 20	$ —	$ —	$ 20	1.4 %
Equity:					
U.S. large companies	—	56	—	56	4.0 %
U.S. small companies	—	14	—	14	1.0 %
International	20	27	7	54	3.9 %
Fixed income securities	279	956	6	1,241	89.1 %
Derivatives	—	8	—	8	0.6 %
Total plan assets	$ 319	$ 1,059	$ 14	$ 1,392	100.0 %
December 31, 2023					
Cash and cash equivalents	$ —	$ —	$ 36	$ 36	2.4 %
Equity:					
U.S. large companies	—	56	—	56	3.7 %
U.S. small companies	—	—	15	15	1.0 %
International	21	29	7	57	3.8 %
Fixed income securities	284	1,039	22	1,345	89.2 %
Derivatives	—	(2)	—	(2)	(0.1)%
Total plan assets	$ 305	$ 1,122	$ 80	$ 1,507	100.0 %

(1) Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total defined benefit pension plan assets.

For the periods ended December 31, 2024 and 2023, we had no investments held in the pension plans within Level 3 of the fair value hierarchy. Our common stock was not a plan asset as of December 31, 2024 or 2023. The non-qualified plans are unfunded.

Funding

Our funding practice is to evaluate our tax and cash position, and the funded status of our plans, in determining our planned contributions. We estimate that we will contribute $ 5 million to our non-qualified plans in 2025 but this could change based on variations in interest rates, asset returns and other factors.

Defined Contribution Retirement Plans

Our costs for defined contribution retirement plans were $ 58 million, $ 55 million and $ 52 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Postretirement Medical Plan

We provide health benefits through a postretirement medical plan for eligible employees hired before 1993 (the “Postretirement Plan”).

Funded Status of Postretirement Medical Plan

The reconciliation of the changes in the plan's benefit obligation and the determination of the amounts recognized on our Consolidated Balance Sheets were as follows:

	As of December 31,	
(In millions)	**2024**	**2023**
Projected benefit obligation at beginning of year	$ 28	$ 30
Interest cost on projected benefit obligation	1	2
Actuarial gain	(1)	(1)
Participant contributions	1	1
Benefits paid	(3)	(4)
Projected and accumulated benefit obligation at end of year	$ 26	$ 28
Funded status of the plan	$ (26)	$ (28)
Amounts recognized in the balance sheet consist of:		
Current liabilities	$ (3)	$ (3)
Long-term liabilities	(23)	(25)
Net amount recognized	$ (26)	$ (28)
Discount rate assumption as of December 31	5.54 %	5.11 %

The amount included in AOCI that has not yet been recognized in net periodic benefit income (expense) was $ 7 million and the net periodic benefit expense was less than $ 1 million for the Postretirement Plan for the year ended December 31, 2024. The amount included in AOCI that has not yet been recognized in net periodic benefit income (expense) was $ 6 million and the net periodic benefit expense was less than $ 1 million for the Postretirement Plan for the year ended December 31, 2023. The discount rates assumptions used to calculate the interest cost were 5.04 % - 5.10 %, 5.32 % - 5.41 % and 2.14 % - 2.79 % for the years ended December 31, 2024, 2023 and 2022, respectively.

Expected benefit payments, which reflect expected future service, as appropriate, for the years ended December 31 are summarized below. These estimates are based on assumptions about future events. Actual benefit payments may vary from these estimates.

(In millions)	**2025**	**2026**	**2027**	**2028**	**2029**	**2030-2034**
Expected benefit payments	$ 3	$ 3	$ 3	$ 3	$ 2	$ 10

14. Stockholders' Equity

Share Repurchases

In February 2019, our Board of Directors authorized repurchases of up to $ 1.5 billion of our common stock. Our share repurchase authorization permits us to purchase shares in both the open market and in private transactions, with the timing and number of shares dependent on a variety of factors, including price, general business conditions, market conditions, alternative investment opportunities and funding considerations. We are not obligated to repurchase any specific number of shares and may suspend or discontinue the program at any time.

There were no share repurchases in 2024, 2023 or 2022. Our remaining share repurchase authorization as of December 31, 2024 is $ 503 million.

15. Stock-Based Compensation

We grant various types of stock-based compensation awards to directors, officers and key employees under our 2016 incentive plan. These awards have included stock options, restricted stock, restricted stock units, performance-based units, cash incentive awards and other equity-related awards (collectively, "Awards").

The 2016 incentive plan authorizes the issuance of up to 11.4 million shares of our common stock as Awards. Shares awarded may consist of authorized and unissued shares or treasury shares. The 2016 incentive plan will terminate on May 18, 2032, unless terminated earlier by our Board of Directors. As of December 31, 2024, approximately 3.2 million shares of our common stock were available for the grant of Awards under the 2016 incentive plan.

Our stock-based compensation expense is recorded in Salaries, wages and employee benefits or Transaction and integration costs on our Consolidated Statements of Income:

	Years ended December 31,		
(In millions)	2024	2023	2022
Restricted stock and restricted stock units	$ 55	$ 52	$ 42
Performance-based restricted stock units	32	26	35
Total stock-based compensation expense	$ 87	$ 78	$ 77
Tax benefit on stock-based compensation	$ (13)	$ (1)	$ (1)

Restricted Stock Units and Performance-Based Restricted Stock Units

We grant RSUs and PSUs to our key employees, officers and directors with various vesting requirements. RSUs generally vest based on the passage of time (service conditions) and PSUs generally vest based on the achievement of our financial targets (performance conditions). PSUs may also be subject to stock price (market conditions), employment and other non-financial conditions. The holders of the RSUs and PSUs do not have the rights of a stockholder and do not have voting rights until the shares are issued and delivered in settlement of the awards.

The number of RSUs and PSUs vested includes shares of our common stock that we withheld on behalf of our employees to satisfy the minimum tax withholdings.

We estimate the fair value of PSUs subject to market-based vesting conditions using a Monte Carlo simulation lattice model, utilizing several key assumptions, including expected Company and peer company share price volatility, correlation coefficients between peers and the Company, the risk-free rate of return and other award design features. For 2024 PSU grants, we assumed share price volatility of 46.47 % and a risk-free rate of return of 4.27 %.

A summary of RSU and PSU award activity for the year ended December 31, 2024 is presented below:

	RSUs		PSUs	
	Number of RSUs	Weighted-Average Grant Date Fair Value	Number of PSUs	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2023 (1)	2,609,449	$ 35.15	1,218,528	$ 42.75
Granted	217,096	117.94	229,978	117.81
Vested	(1,914,623)	34.03	(26,069)	44.43
Forfeited and canceled	(65,244)	45.74	(18,001)	61.50
Outstanding as of December 31, 2024 (1)	846,678	$ 58.10	1,404,436	$ 54.77

(1) With respect to our PSUs, the outstanding balance reflects the number of shares to be issued based on the performance target. The actual number of shares ultimately issued will generally be reflected within the table upon vesting and depends on the final performance achieved, generally ranging from 0 % to 200 % of target.

The weighted-average grant date fair value of RSUs granted during the years 2024, 2023 and 2022 was $ 117.94 , $ 38.65 and $ 39.07 , respectively. The weighted-average grant date fair value of PSUs granted during the years 2024, 2023 and 2022 was $ 117.81 , $ 44.07 and $ 57.67 , respectively.

The total fair value of RSUs that vested during 2024, 2023 and 2022 was $ 244 million, $ 23 million and $ 46 million, respectively. All of the outstanding RSUs as of December 31, 2024 vest subject to service conditions.

The total fair value of PSUs that vested during 2024, 2023 and 2022 was $ 3 million, $ 27 million and $ 8 million, respectively. Of the outstanding PSUs as of December 31, 2024, 163,222 vest subject to service and performance conditions, 1,102,850 vest subject to service and a combination of market and performance conditions and 138,364 vest subject to service and market conditions.

As of December 31, 2024, unrecognized compensation cost related to non-vested RSUs and PSUs of $ 82 million is anticipated to be recognized over a weighted-average period of approximately 1.94 years.

Employee Stock Purchase Plan

During the first quarter of 2023, the Compensation and Human Capital Committee of the Board of Directors approved the suspension of our previous employee stock purchase plan, effective after the completion of the March 2023 offering period. There was no stock-based compensation expense recognized under this plan as it was non-compensatory.

During 2024, the Compensation and Human Capital Committee of the Board of Directors approved the reinstatement of our employee stock purchase plan, with the first offering period commencing on December 1, 2024. Our current employee stock purchase plan offers eligible employees, excluding our executive officers and directors, the right to purchase our common stock using up to 10 % of each employee’s compensation. Shares are purchased at 10 % below fair market value on the last trading day of each six-month offering period. The plan authorized the purchase of up to five million shares of our common stock, which is incremental to the shares authorized under the 2016 incentive plan as discussed above. The plan will terminate in October 2027, unless terminated earlier by our Board of Directors. We recognize stock-based compensation expense related to the plan over the offering period as the plan is compensatory. The amount recognized during 2024 was not material. At December 31, 2024, approximately four million shares of our common stock were available for purchase under the plan.

16. Income Taxes

Income (loss) from continuing operations before taxes related to our U.S. and foreign operations was as follows:

	Years Ended December 31,		
(In millions)	**2024**	**2023**	**2022**
U.S.	$ 486	$ 286	$ 303
Foreign	(13)	(26)	(45)
Income from continuing operations before income tax provision	$ 473	$ 260	$ 258

The income tax provision is comprised of the following:

(In millions)	Years Ended December 31, 2024	2023	2022
Current:			
U.S. Federal	$ 8	$ 25	$ (17)
State	6	6	2
Foreign	15	6	9
Total current income tax provision (benefit)	$ 29	$ 37	$ (6)
Deferred:			
U.S. Federal	$ 56	$ 38	$ 80
State	7	3	5
Foreign	(6)	(10)	(5)
Total deferred income tax provision	57	31	80
Total income tax provision	$ 86	$ 68	$ 74

During the second quarter of 2024, the Company executed a legal entity reorganization in our European Transportation business that resulted in a one-time tax benefit of $ 41 million in 2024.

The effective tax rate reconciliations were as follows:

	Years Ended December 31, 2024	2023	2022
U.S. federal statutory tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of U.S. federal benefit	2.7	1.6	1.8
Foreign operations [(1)]	(0.6)	(1.1)	(2.8)
Contribution- and margin-based taxes	0.4	0.8	1.6
Losses for which no tax benefit can be recognized	1.8	—	—
Changes in uncertain tax positions	0.1	(1.1)	(0.1)
Non-deductible compensation	3.4	5.6	3.8
Provision to return adjustments	(0.4)	(0.3)	(2.0)
Effect of law changes	—	—	0.1
Stock-based compensation	(1.1)	0.1	(0.3)
Benefit from legal entity reorganization	(8.6)	—	—
Non-deductible goodwill impairment charge	—	—	5.2
Other	(0.6)	(0.6)	0.3
Effective tax rate	18.1 %	26.0 %	28.6 %

(1) Foreign operations include the cost of inclusion of foreign income in the U.S. net of foreign taxes, the impact of foreign tax rate differences from the U.S. Federal rate and permanent items related to foreign operations.

Components of the Net Deferred Tax Asset or Liability

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset and deferred tax liability were as follows:

	Years Ended December 31,	
(In millions)	**2024**	**2023**
Deferred tax asset		
Net operating loss and other tax attribute carryforwards	$ 33	$ 29
Accrued expenses	75	65
Pension and other retirement obligations	—	6
Other	24	31
Total deferred tax asset	132	131
Valuation allowance	(26)	(18)
Total deferred tax asset, net	106	113
Deferred tax liability		
Intangible assets	(80)	(97)
Property and equipment	(384)	(309)
Other	(25)	(29)
Total deferred tax liability	(489)	(435)
Net deferred tax liability	$ (382)	$ (322)

The deferred tax asset and deferred tax liability above are reflected on our Consolidated Balance Sheets as follows:

	December 31,	
(In millions)	**2024**	**2023**
Other long-term assets	$ 11	$ 15
Deferred tax liability	(393)	(337)
Net deferred tax liability	$ (382)	$ (322)

Operating Loss and Tax Credit Carryforwards

Our operating loss and tax credit carryforwards were as follows:

		December 31,	
(In millions)	**Expiration Date**	**2024**	**2023**
Tax effect (before federal benefit) of state net operating losses	Various times starting in 2025 (1)	$ 5	$ 6
State tax credit carryforward	Various times starting in 2025 (1)	1	1
Foreign net operating losses available to offset future taxable income	Various times starting in 2025 (1)	109	90

(1) Some credits and losses have unlimited carryforward periods.

Valuation Allowance

We established a valuation allowance for some of our deferred tax assets as it is more likely than not that these assets will not be realized in the foreseeable future. We concluded that the remaining deferred tax assets will more likely than not be realized, though this is not assured, and as such no valuation allowance has been provided on these assets.

The balances and activity related to our valuation allowance were as follows:

(In millions)	Beginning Balance	Additions	Reductions	Ending Balance
Year Ended December 31, 2024	$ 18	$ 9	$ (1)	$ 26
Year Ended December 31, 2023	35	1	(18)	18
Year Ended December 31, 2022	35	1	(1)	35

Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Years Ended December 31,		
(In millions)	2024	2023	2022
Beginning balance	$ 4	$ 6	$ 7
Additions for tax positions of prior years	—	2	1
Reductions for tax positions of prior years	—	—	(1)
Settlements with tax authorities	(1)	—	—
Reductions due to the statute of limitations	—	(4)	(1)
Ending balance	$ 3	$ 4	$ 6
Interest and penalties	2	2	3
Gross unrecognized tax benefits	$ 5	$ 6	$ 9
Total unrecognized tax benefits that, if recognized, would impact the effective income tax rate as of the end of the year	$ 5	$ 6	$ 6

We could reflect a reduction to unrecognized tax benefits of up to $ 1 million over the next 12 months due to the statute of limitations lapsing on positions or because tax positions are sustained on audit.

We are subject to taxation in the United States and various state and foreign jurisdictions. As of December 31, 2024, we have one tax year under examination by the IRS. We have various U.S. state and local examinations and non-U.S. examinations in process. The U.S. federal tax returns after 2020, state and local returns after 2017, and non-U.S. returns after 2015 are open under relevant statutes of limitations and are subject to audit.

17. Earnings (Loss) Per Share

Basic earnings per share (“EPS”) is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted EPS is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include unvested stock-based compensation awards.

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

(In millions, except per share data)	Years Ended December 31, 2024	2023	2022
Net income from continuing operations	$ 387	$ 192	$ 184
Net income (loss) from discontinued operations	—	(3)	482
Net income	$ 387	$ 189	$ 666
Basic weighted-average common shares	116	116	115
Dilutive effect of stock-based awards	4	2	1
Diluted weighted-average common shares	120	118	116
Basic earnings from continuing operations per share	$ 3.33	$ 1.66	$ 1.60
Basic earnings (loss) from discontinued operations per share	—	(0.02)	4.19
Basic earnings per share	$ 3.33	$ 1.64	$ 5.79
Diluted earnings from continuing operations per share	$ 3.23	$ 1.62	$ 1.59
Diluted earnings (loss) from discontinued operations per share	—	(0.02)	4.17
Diluted earnings per share	$ 3.23	$ 1.60	$ 5.76

18. Commitments and Contingencies

We are involved, and expect to 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, cargo damage or loss, environmental liability, commercial disputes, insurance coverage disputes and employment-related claims, including claims involving asserted breaches of employee restrictive covenants.

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. We review and adjust accruals for loss contingencies quarterly and as additional information becomes available. If a loss is not both probable and reasonably estimable, or if an exposure to 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 be considered reasonably 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, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our financial condition, results of operations or cash flows. Legal costs incurred related to these matters are expensed as incurred.

We carry liability and excess umbrella insurance policies that we deem sufficient to cover potential legal claims arising in the normal course of conducting our operations as a transportation company. 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 could be negatively impacted.

Insurance Contribution Litigation

In April 2012, Allianz Global Risks US Insurance Company sued eighteen insurance companies in a case captioned Allianz Global Risks US Ins. Co. v. ACE Property & Casualty Ins. Co., et al., Multnomah County Circuit Court (Case No. 1204-04552). Allianz Global Risks US Ins. Co. ("Allianz") sought contribution on environmental and product liability claims that Allianz agreed to defend and indemnify on behalf of its insured, Daimler Trucks North America ("DTNA"). Defendants had insured Freightliner's assets, which DTNA acquired in 1981. Con-way, Freightliner's former parent company, intervened. We acquired Con-way in 2015. Con-way and Freightliner had self-insured under fronting agreements with defendant insurers ACE, Westport, and General. Under those agreements, Con-way agreed to indemnify the fronting carriers for damages assessed under the fronting policies. Con-way's captive insurer, Centron, was also a named defendant. After a seven-week jury trial in 2014, the jury found that Con-way and the fronting insurers never intended that the insurers defend or indemnify any claims against Freightliner. In June 2015, Allianz appealed to the Oregon Court of Appeals. In May 2019, the Oregon Court of Appeals upheld the jury verdict. In September 2019, Allianz appealed to the Oregon Supreme Court. In March 2021, the Oregon Supreme Court reversed the jury verdict, holding that it was an error to allow the jury to decide how the parties intended the fronting policies to operate, and also holding that the trial court improperly instructed the jury concerning one of the pollution exclusions at issue. In July 2021, the matter was remanded to the trial court for further proceedings consistent with the Oregon Supreme Court's decision. In June 2023, the trial court decided the parties' cross-motions for summary judgment, leaving open the pollution exclusion and allocation issues. The trial on the pollution exclusion issue took place in October 2024 where the jury issued a favorable verdict for the Company, finding that the pollution exclusion applied to the General policy over several years for which Allianz seeks contribution. The trial on allocation of defense and indemnity costs among the applicable insurance policies is to take place in early 2025. We have accrued an immaterial amount for the potential exposure associated with ultimate allocation to the relevant policies; however, any losses that may arise in connection with the fronting policies issued by defendant insurers ACE, Westport, and General are not reasonably estimable at this time.

California Environmental Matters

In August 2022, the Company received a letter from the San Bernardino County District Attorney's Office (the "County"), written in cooperation with certain other California District Attorneys and the Los Angeles City Attorney, notifying the Company of an investigation into alleged violations with respect to underground storage tanks, hazardous materials, and hazardous waste in California, and offering a meeting. Following meetings between the Company and County attorneys and the Los Angeles City Attorney and an assessment of the allegations and the underlying facts, the Company engaged in negotiations with the County and Los Angeles City Attorneys to address settlement of the alleged violations. The Company previously accrued for this matter, and it was resolved for $ 7.9 million in April 2024.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

ITEM 9A. *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 pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of December 31, 2024. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2024, such that the information required to be included in our SEC reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to XPO, 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.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024, based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, we concluded that our internal control over financial reporting was effective as of December 31, 2024.

KPMG LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report, has issued an audit report, which is included elsewhere within this Annual Report, on the effectiveness of our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *OTHER INFORMATION*

None .

ITEM 9C. *DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.*

Not applicable.

PART III

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

The information required by Item 10 of Part III of Form 10-K (other than certain information required by Item 401 of Regulation S-K with respect to our executive officers, which is provided under Item 1, “Business” of Part I of this Annual Report) will be set forth in our definitive Proxy Statement for the 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

We have adopted a Code of Business Ethics (the “Code”), which is applicable to our principal executive officer, principal financial officer, principal accounting officer and other senior officers. The Code is available on our Investor Relations website at investors.xpo.com, under the heading “Corporate Governance Highlights”. In the event that we amend or waive any of the provisions of the Code that relate to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, we intend to disclose the same on our website at the web address specified above.

ITEM 11. ***EXECUTIVE COMPENSATION***

The information required by Item 11 of Part III of Form 10-K will be set forth in our Proxy Statement for the 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

The information required by Item 12 of Part III of Form 10-K, including information regarding security ownership of certain beneficial owners and management and information regarding securities authorized for issuance under equity compensation plans, will be set forth in our Proxy Statement for the 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

The information required by Item 13 of Part III of Form 10-K will be set forth in our Proxy Statement for the 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Our independent registered public accounting firm is KPMG LLP , Dallas, TX, Auditor ID: 185 .

The information required by Item 14 of Part III of Form 10-K will be set forth in our Proxy Statement for the 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

Financial Statements and Financial Statement Schedules

The list of Consolidated Financial Statements provided in the Index to Consolidated Financial Statements is incorporated herein by reference. Such Consolidated Financial Statements are filed as part of this Annual Report. All financial statement schedules are omitted because the required information is not applicable, or because the information required is included in the Consolidated Financial Statements and notes thereto.

Exhibits

Exhibit Number	Description
2.1	Investment Agreement, dated June 13, 2011, by and among Jacobs Private Equity, LLC ("JPE"), each of the other investors party thereto and the registrant (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 14, 2011).
2.2	Separation and Distribution Agreement, dated August 1, 2021, by and between the registrant and GXO Logistics, Inc. (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the SEC on August 3, 2021).
2.3	Separation and Distribution Agreement, dated October 31, 2022, by and between the registrant and RXO, Inc. (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
2.4***	Asset Purchase Agreement by and among XPO, Inc., Yellow Corporation and certain subsidiaries of Yellow Corporation named therein, dated December 4, 2023 (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the SEC on December 21, 2023).
3.1	Amended and Restated Certificate of Incorporation of the registrant, dated May 17, 2005 (incorporated herein by reference to Exhibit 3.1 to the registrant's Annual Report on Form 10-K filed with the SEC on March 27, 2008).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated May 31, 2006 (incorporated herein by reference to Exhibit 3 to the registrant's Current Report on Form 8-K filed with the SEC on June 7, 2006).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated June 20, 2007 (incorporated herein by reference to Exhibit 3(i) to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2007).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated September 1, 2011 (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on September 6, 2011 (the "September 2011 Form 8-K")).
3.5	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated May 20, 2015 (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on May 21, 2015).
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated September 8, 2015 (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on September 8, 2015).
3.7	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the registrant, dated December 15, 2022 (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on December 19, 2022).

Exhibit Number	Description
3.8	4th Amended and Restated Bylaws of the registrant, dated February 5, 2024 (incorporated herein by reference to Exhibit 3.8 to the registrant's Annual Report on Form 10-K filed with the SEC on February 8, 2024).
4.1	Certificate of Designation of Series A Convertible Perpetual Preferred Stock of the registrant, dated September 2, 2011 (incorporated herein by reference to Exhibit 4.1 to the September 2011 Form 8-K).
4.2	Registration Rights Agreement, dated September 2, 2011, by and among JPE, each of the other holders and designated secured lenders party thereto and the registrant (incorporated herein by reference to Exhibit 4.3 to the September 2011 Form 8-K).
4.3	Certificate of Designation of Series B Convertible Perpetual Preferred Stock of the registrant, dated September 16, 2014 (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on September 18, 2014).
4.4	Certificate of Designation of Series C Convertible Perpetual Preferred Stock of the registrant, dated June 3, 2015 (incorporated herein by reference to Exhibit 4.2 to the registrant's Amendment No. 1 to Current Report on Form 8-K/A filed with the SEC on June 26, 2015).
4.5	Description of Common Stock (incorporated herein by reference to Exhibit 4.5 to registrant's Annual Report on Form 10-K filed with the SEC on February 8, 2024).
4.6	Indenture, dated May 24, 2023, by and among XPO, Inc., the guarantors party thereto from time to time and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on May 25, 2023).
4.7	Indenture, dated May 24, 2023, by and among XPO, Inc., the guarantors party thereto from time to time and U.S. Bank Trust Company, National Association, as trustee (incorporated herein by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed with the SEC on May 25, 2023).
4.8	Indenture, dated as of December 13, 2023, by and among XPO, Inc., the guarantors party thereto from time to time and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated herein by reference to Exhibit 4.1 to the registrant's current report on Form 8-K filed with the SEC on December 13, 2023).
10.1 +	2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Annex A to the registrant's definitive proxy statement on Schedule 14A filed with the SEC on November 21, 2016).
10.2 +	Amendment No. 1 to the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Annex B to the registrant's definitive proxy statement on Schedule 14A filed with the SEC on April 22, 2019).
10.3 +	Amendment No. 2 to the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Annex B to the registrant's definitive proxy statement on Schedule 14A filed with the SEC on April 21, 2020).
10.4 +	Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2022).
10.5 +	Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2022).
10.6 +	Amendment No. 3 to the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation (incorporated herein by reference to Annex B to the registrant's definitive proxy statement on Schedule 14A filed with the SEC on April 18, 2022).

Exhibit Number	Description
10.7 +	Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 2, 2022).
10.8 +	Restricted Stock Unit Award Agreement, dated November 1, 2022, between the registrant and Brad Jacobs (incorporated herein by reference to Exhibit 10.16 to the registrant's Annual Report on Form 10-K filed with the SEC on February 13, 2023).
10.9 +	Restricted Stock Unit Award Agreement, dated November 1, 2022, between the registrant and Mario Harik (incorporated herein by reference to Exhibit 10.17 to the registrant's Annual Report on Form 10-K filed with SEC on February 13, 2023).
10.10 +	Performance-Based Restricted Stock Unit Award Agreement, dated February 9, 2023, between the registrant and Brad Jacobs (incorporated herein by reference to Exhibit 10.18 to the registrant's Annual Report on Form 10-K filed with the SEC on February 13, 2023).
10.11 +	Performance-Based Restricted Stock Unit Award Agreement, dated February 9, 2023, between the registrant and Mario Harik (incorporated herein by reference to Exhibit 10.19 to the registrant's Annual Report on Form 10-K filed with the SEC on February 13, 2023).
10.12 +	Form of Time-Based Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.13 +	Form of Performance-Based Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.14 +	Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.15 +	Form of Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.16 +	Restricted Stock Unit Award Agreement, dated April 21, 2023, between the registrant and David Bates (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.17 +	Performance-Based Restricted Stock Unit Award Agreement, dated April 21, 2023, between the registrant and David Bates (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.18 +	Promotion Restricted Stock Unit Award Agreement, dated August 15, 2023, between the registrant and Kyle Wismans (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.19 +	Performance-Based Restricted Stock Unit Award Agreement, dated August 15, 2023, between the registrant and Kyle Wismans (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.20 +	XPO, Inc. Profit Sharing Incentive Plan, effective as of October 26, 2023 (incorporated herein by reference to Exhibit 10.9 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
10.21 +	Form of XPO, Inc. Profit Sharing Incentive Plan Award Agreement (incorporated herein by reference to Exhibit 10.10 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).

Exhibit Number	Description
10.22 +	Form of Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 3, 2024).
10.23 +	Form of Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 3, 2024).
10.24 +	Form of Performance-Based Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 3, 2024).
10.25 +	Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan) (incorporated herein by reference to Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 3, 2024).
10.26 +*	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (2016 Omnibus Incentive Compensation Plan).
10.27 +	Employment Agreement, dated August 5, 2022, between the registrant and Mario A. Harik (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 2, 2022).
10.28 +	Employment Agreement, dated September 13, 2022, between the registrant and Bradley S. Jacobs (incorporated by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 2, 2022).
10.29 +	Amendment to Employment Agreement, effective as of November 1, 2022, between the registrant and Bradley S. Jacobs (incorporated herein by reference to Exhibit 10.34 to the registrant's Annual Report on Form 10-K filed with the SEC on February 13, 2023).
10.30 +	Offer Letter, dated February 14, 2023, between the registrant and Wendy Cassity (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.31 +	Change in Control and Severance Agreement, dated February 14, 2023, between the registrant and Wendy Cassity (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.32 +	Offer Letter, dated April 17, 2023, between the registrant and David Bates (incorporated herein by reference to Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.33 +	Change in Control and Severance Agreement, dated April 17, 2023, between the registrant and David Bates (incorporated herein by reference to Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.34 +	Offer Letter, dated July 19, 2023, between the registrant and Kyle Wismans (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 4, 2023).
10.35 +	Change in Control and Severance Agreement, dated July 19, 2023, between the registrant and Kyle Wismans (incorporated herein by reference to Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 4, 2023).
10.36	XPO, Inc. Employee Stock Purchase Plan, as amended and restated on October 29, 2024 (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2024).

Exhibit Number	Description
10.37	Second Amended and Restated Revolving Loan Credit Agreement, dated October 30, 2015, by and among the registrant and certain subsidiaries signatory thereto, as borrowers, other credit parties signatory thereto, Morgan Stanley Senior Funding, Inc., as agent, and the Lenders from time to time party thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 2, 2015).
10.38	Amendment No. 1 to Second Amended and Restated Revolving Loan Credit Agreement, dated July 19, 2017, by and among the registrant and certain subsidiaries signatory thereto, Morgan Stanley Senior Funding, Inc., as agent, and the Lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on July 25, 2017).
10.39	Amendment No. 2 to Second Amended and Restated Revolving Loan Credit Agreement, dated March 22, 2018, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2018).
10.40	Amendment No. 3 to Second Amended and Restated Revolving Loan Credit Agreement, dated April 30, 2019, by and among the registrant, certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on May 1, 2019).
10.41	Amendment No. 4 to Second Amended and Restated Revolving Loan Credit Agreement, dated April 3, 2020, by and among the registrant, certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding Inc., as agent. (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 3, 2020).
10.42	Amendment No. 5 to Second Amended and Restated Revolving Loan Credit Agreement, dated June 29, 2020, by and among the registrant, certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding Inc., as agent. (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 3, 2020).
10.43	Amendment No. 6 to Second Amended and Restated Revolving Loan Credit Agreement, dated July 30, 2021, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as agent (incorporated herein by reference to Exhibit 10.5 to the registrant's Current Report on Form 8-K filed with the SEC on August 3, 2021).
10.44	Amendment No. 7 to Second Amended and Restated Revolving Loan Credit Agreement, dated February 6, 2023, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on February 6, 2023).
10.45	Amendment No. 8 to Second Amended and Restated Revolving Loan Credit Agreement, dated July 22, 2024, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on August 1, 2024).
10.46	Senior Secured Term Loan Credit Agreement, dated October 30, 2015, by and among the registrant, certain subsidiaries signatory thereto, Morgan Stanley Senior Funding, Inc., as agent, and the Lenders from time to time party thereto (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on November 2, 2015).
10.47	Incremental and Refinancing Amendment (Amendment No. 1 to Senior Secured Term Loan Credit Agreement), dated August 25, 2016, by and among the registrant, the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on August 26, 2016).

Exhibit Number	Description
10.48	Refinancing Amendment (Amendment No. 2 to Senior Secured Term Loan Credit Agreement), dated March 10, 2017, by and among the registrant, the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on March 13, 2017).
10.49	Refinancing Amendment (Amendment No. 3 to Senior Secured Term Loan Credit Agreement), dated February 23, 2018, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 26, 2018).
10.50	Amendment No. 4 to Senior Secured Term Loan Credit Agreement, dated March 7, 2019, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2019).
10.51	Incremental Amendment (Amendment No. 5 to Senior Secured Term Loan Credit Agreement), dated March 18, 2019, by and among the registrant, the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on March 18, 2019).
10.52	Refinancing Amendment (Amendment No. 6 to Senior Secured Term Loan Credit Agreement), dated March 3, 2021, by and among the registrant, the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on March 3, 2021).
10.53	Amendment No. 7 to Senior Secured Term Loan Credit Agreement, dated June 10, 2022, by and among the registrant and certain subsidiaries signatory thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 13, 2022).
10.54	Refinancing Amendment (Amendment No. 8 to Senior Secured Term Loan Credit Agreement), dated May 24, 2023, by and among XPO, Inc., the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on May 25, 2023).
10.55	Refinancing Amendment (Amendment No. 9 to Senior Secured Term Loan Credit Agreement), dated December 13, 2023, by and among XPO, Inc., the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on December 13, 2023).
10.56	Tax Matters Agreement, dated August 1, 2021, by and between the registrant and GXO Logistics, Inc. (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on August 3, 2021).
10.57	Employee Matters Agreement, dated August 1, 2021, by and between the registrant and GXO Logistics, Inc. (incorporated herein by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on August 3, 2021).
10.58	Intellectual Property License Agreement, dated October 24, 2022, by and between the registrant and XPO NAT Solutions, LLC (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 25, 2022).
10.59	Transition Services Agreement, dated October 31, 2022, by and between the registrant and RXO, Inc. (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).

Exhibit Number	Description
10.60	Tax Matters Agreement, dated October 31, 2022, by and between the registrant and RXO, Inc. (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
10.61	Employee Matters Agreement, dated October 31, 2022, by and between the registrant and RXO, Inc. (incorporated herein by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
19.1	XPO, Inc. Insider Trading Policy, dated December 19, 2022 (incorporated herein by reference to Exhibit 19.1 to the registrant's Annual Report on Form 10-K filed with the SEC on February 8, 2024).
21 *	Subsidiaries of the registrant.
23 *	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
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 Annual Report on Form 10-K for the fiscal year ended December 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 Annual Report on Form 10-K for the fiscal year ended December 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 Annual Report on Form 10-K for the fiscal year ended December 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2024.
97.1	XPO, Inc. Clawback Policy, effective as of October 2, 2023 (incorporated herein by reference to Exhibit 10.8 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2023).
101.INS *	Inline XBRL Instance Document.
101.SCH *	Inline XBRL Taxonomy Extension Schema.
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase.
104 *	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

*** Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally to the SEC a copy of any omitted schedules upon request.

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

Item 16. ***FORM 10-K SUMMARY***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

XPO, INC.

By: /s/ Mario Harik
Mario Harik
(Chief Executive Officer)

By: /s/ Kyle Wismans
Kyle Wismans
(Chief Financial Officer)

February 7, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities on the dates indicated.

Signature	Title	Date
/s/ Brad Jacobs **Brad Jacobs**	Executive Chairman of the Board of Directors	February 7, 2025
/s/ Mario Harik **Mario Harik**	Director and Chief Executive Officer (Principal Executive Officer)	February 7, 2025
/s/ Kyle Wismans **Kyle Wismans**	Chief Financial Officer (Principal Financial Officer)	February 7, 2025
/s/ Christopher Brown **Christopher Brown**	Chief Accounting Officer (Principal Accounting Officer)	February 7, 2025
/s/ Allison Landry **Allison Landry**	Vice Chair of the Board of Directors	February 7, 2025
/s/ Johnny C. Taylor, Jr. **Johnny C. Taylor, Jr.**	Lead Independent Director	February 7, 2025
/s/ Bella Allaire **Bella Allaire**	Director	February 7, 2025
/s/ J. Wes Frye **J. Wes Frye**	Director	February 7, 2025
/s/ Michael G. Jesselson **Michael G. Jesselson**	Director	February 7, 2025
/s/ Irene Moshouris **Irene Moshouris**	Director	February 7, 2025

Exhibit 10.26

RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE XPO LOGISTICS, INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN (AS AMENDED), dated as of **###GRANT_DATE###**, between XPO, Inc., a Delaware corporation (the "Company"), and **###PARTICIPANT_NAME###**

This Restricted Stock Unit Award Agreement (this "Award Agreement") sets forth the terms and conditions of an award of **###TOTAL_AWARDS###** restricted stock units (this "Award") that are subject to the terms and conditions specified herein (each such restricted stock unit, an "RSU") and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan, as amended (the "Plan"). This Award constitutes an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to you, subject to the terms of this Award Agreement, shares of the Company's Common Stock, $0.001 par value ("Shares"), or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, 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:

"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 York.

"Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

SECTION 3. Vesting and Settlement.

(a) Vesting. Except as otherwise provided herein, the RSUs shall vest on ###VESTING_DATE### (the "Vesting Date"), provided that you continue to serve as a member of the Board of Directors of the Company (the "Board") through and until the Vesting Date.

(b) Settlement of RSU Award. Within 30 days following the Vesting Date (the "Settlement Date"), the Company shall deliver to you or your legal representative either (x) one Share or (y) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU that is scheduled to be settled on such date in accordance with the terms of this Award Agreement; provided that, the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

(c) Change of Control. In the event of a Change of Control, all outstanding RSUs shall accelerate vesting as of immediately prior to such Change of Control, in which case all outstanding RSUs shall be settled no later than the tenth (10th) day following the date of such Change of Control.

SECTION 4. Forfeiture of RSUs. Unless the Committee determines otherwise, if the Vesting Date with respect to the RSUs has not occurred prior to the date on which you cease to be a member of the Board for any reason, your rights with respect to such RSUs shall immediately terminate and you shall be entitled to no further payments or benefits with respect thereto.

SECTION 5. No Rights as a Stockholder until Delivery. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award. On or after delivery of Shares, you shall have, with respect to Shares delivered, all of the rights of a stockholder of the Company, including the right to vote Shares.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs 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 RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding; Consents and Legends.

(a) Withholding. Subject to applicable law, you shall be permitted to elect to have the Company retain from the Shares that would otherwise be delivered to you pursuant to the RSUs a number of Shares having a Fair Market Value that is sufficient to satisfy any Federal, state, local or foreign taxes that you reasonably estimate that you will be required to pay as a result of delivery to you of the Shares subject to the RSUs; provided, however, that in order for you to make any such election, not less than 10 Business Days prior to the date that the Shares would otherwise be deliverable to you, you must notify the Company in writing of your desire to exercise such election and such notice must include the percentage of the otherwise deliverable Shares that you would like the Company to withhold. Upon receipt of such notice, the Company shall be permitted to request from you information about how the relevant percentage was determined. In the event that the number of Shares that would be withheld pursuant to your election is not a whole number, such number shall be rounded down to the nearest whole Share. Within 15 Business Days following the Settlement Date, the Company will pay to you an amount in cash equal to the Fair Market Value (determined as of the Settlement Date) of the Shares that the Company withheld.

(b) Consents. Your rights in respect of the RSUs 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 consenting 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).

(c) Legends. The Company may affix to certificates 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 8. 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 9. Committee Discretion. The Committee 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.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. You and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(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 10, 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 11. 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:	XPO, Inc. Five American Lane Greenwich, CT 06831 Attention: Chief Human Resources Officer
If to you:	To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. 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. This Award Agreement, any Award and any amounts received hereunder, shall be subject to recovery or other penalties pursuant to (i) any Company clawback policy, as may be adopted or amended from time to time, or (ii) any applicable law, rule or regulation or applicable stock exchange rule.

SECTION 14. 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 15(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 RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement 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.

(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.

(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 16. Counterparts. 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 all purposes.

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement as of the date first written above.

XPO, INC.

Carolyn Roach
Chief Human Resources Officer

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

XPO, Inc. maintains approximately 98 subsidiaries. Set forth below are the names of certain wholly owned or at least 90% owned subsidiaries of XPO, Inc., as of January 31, 2025, that provide freight transportation or support services. The names of certain consolidated wholly or at least 90% owned subsidiaries that carry on the same line of business have been omitted.

Name	Country or State of Incorporation
XPO, Inc.	Delaware
XPO CNW, Inc.	Delaware
XPO Logistics Freight, Inc.	Delaware
XPO Enterprise Services, LLC	Delaware
XPO LTL Properties, LLC	Delaware
XPO Holdings UK I Limited	United Kingdom
XPO Logistics	France
XPO Transport Solutions Luxembourg	Luxembourg
XPO Global Forwarding International	France
XPO Holdings UK and Ireland Limited	United Kingdom
XPO Logistics Europe	France

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
XPO, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-112899) on Form S-3 and (No. 333-240288, 333-232964, 333-222985, 333-216334, and 333-266655) on Form S-8 of our report dated February 7, 2025, with respect to the consolidated financial statements of XPO, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

New York, New York

February 7, 2025

Exhibit 31.1

CERTIFICATION

I, Mario Harik, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of XPO, 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/ Mario Harik

Mario Harik
Chief Executive Officer
(Principal Executive Officer)

Date: February 7, 2025

Exhibit 31.2

CERTIFICATION

I, Kyle Wismans, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of XPO, 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/ Kyle Wismans

Kyle Wismans
Chief Financial Officer
(Principal Financial Officer)

Date: February 7, 2025

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350

As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of XPO, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 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/ Mario Harik

Mario Harik

Chief Executive Officer

(Principal Executive Officer)

Date: February 7, 2025

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350

As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of XPO, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 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/ Kyle Wismans

Kyle Wismans
Chief Financial Officer
(Principal Financial Officer)

Date: February 7, 2025