



RXO Announces Third-Quarter Results

- *Brokerage volume growth of 1% year over year driven by less-than-truckload volume growth of 43%*
- *Last Mile achieved 12% year-over-year stop growth, the fifth consecutive quarter of double-digit growth*
- *Strong quarterly cash performance with cash balance increasing sequentially*
- *Full-truckload market has significantly tightened, driven by capacity exits. Market tightness is expected to persist throughout the fourth quarter, squeezing contractual brokerage gross margin*
- *New cost initiatives expected to yield more than \$30 million of incremental savings*

CHARLOTTE, N.C. – November 6, 2025 – [RXO](#) (NYSE: RXO) today reported its third-quarter financial results.

RXO Chairman and CEO Drew Wilkerson said, “Market conditions tightened late in the third quarter as truckload capacity exits accelerated, which impacted both our buy rates and Brokerage gross margin. We also saw a further weakening of demand across our business as the quarter progressed. Both of these dynamics have continued into the fourth quarter. As we navigate this market, everyone at RXO remains focused on delivering results for our customers, carriers, employees and shareholders.”

Wilkerson continued, “RXO is well positioned because of our scale as the third-largest brokered transportation provider in North America and the strategic decisions we’ve made this year. Our best-in-class technology is enabling us to realize the benefits of our larger scale, and our new cost initiatives are expected to yield more than \$30 million of savings. We have an exceptional track record of profitable growth across market cycles, and our asset-light business model is poised to generate strong cash flow over the long term.”

Companywide Results

RXO’s revenue was \$1.4 billion for the third quarter, compared to \$1.0 billion in the third quarter of 2024. Gross margin was 16.5%, compared to 17.3% in the third quarter of 2024.

The company reported a third-quarter 2025 GAAP net loss of \$14 million, compared to a net loss of \$243 million in the third quarter of 2024. The third-quarter 2025 GAAP net loss included \$12 million in transaction, integration, restructuring and other costs. Adjusted net income in the quarter was \$2 million, compared to adjusted net income of \$7 million in the third quarter of 2024.

Adjusted EBITDA was \$32 million, compared to \$33 million in the third quarter of 2024. Adjusted EBITDA margin was 2.3%, compared to 3.2% in the third quarter of 2024.

Transaction, integration, restructuring and other costs, and amortization of intangibles, impacted GAAP earnings per share by \$0.09, net of tax. For the third quarter, RXO reported a GAAP diluted loss per share of \$0.08. Adjusted diluted earnings per share was \$0.01.

Brokerage

Volume in RXO's Brokerage business, including the impact of the Coyote Logistics acquisition in both periods, increased by 1% year over year in the third quarter. Less-than-truckload volume increased by 43% but was partially offset by an 11% decline in full truckload volume.

Brokerage gross margin was 13.5% in the third quarter.

Complementary Services

Managed Transportation increased its sales pipeline and the synergy loads provided to Brokerage.

Last Mile stops grew by 12% year-over-year.

RXO's complementary services gross margin was 21.3% for the quarter.

Fourth-Quarter Outlook

RXO expects fourth-quarter 2025 adjusted EBITDA to be between \$20 million and \$30 million.

In Brokerage, the company expects overall volume to decline by a low-single-digit percentage and gross margin to be between 12% and 13% in the fourth quarter.

Conference Call

The company will hold a conference call and webcast on Thursday, November 6th at 8 a.m. Eastern Standard Time. Participants can call in toll-free (from U.S./Canada) at 1-800-549-8228; international callers dial +1-289-819-1520. The conference ID is 57899.

A live webcast of the conference call will be available on the investor relations area of the company's website, <http://investors.rxo.com>. A replay of the conference call will be available through November 13, 2025, by calling toll-free (from U.S./Canada) 1-888-660-6264; international callers dial +1-289-819-1325. Use the passcode 57899#. Additionally, the call will be archived on <http://investors.rxo.com>.

About RXO

RXO (NYSE: RXO) is a leading provider of asset-light transportation solutions. RXO offers tech-enabled truck brokerage services together with complementary solutions including managed transportation and last mile delivery. The company combines massive capacity and cutting-edge technology to move freight efficiently through supply chains across North America. The company is headquartered in Charlotte, N.C. Visit [RXO.com](https://www.rxo.com) for more information and connect with RXO on [Facebook](#), [X](#), [LinkedIn](#), [Instagram](#) and [YouTube](#).

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Non-GAAP Financial Measures

We provide reconciliations of the non-GAAP financial measures contained in this release to the most directly comparable measure under GAAP, which are set forth in the financial tables attached to this release.

The non-GAAP financial measures in this release include: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"); adjusted EBITDA margin; and adjusted net income and adjusted diluted income per share ("adjusted EPS").

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

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted EPS include adjustments for transaction and integration costs, as well as restructuring costs and other adjustments as set forth in the attached tables. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating RXO's ongoing performance.

We believe that adjusted EBITDA and adjusted EBITDA margin improve comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments that management has determined do not reflect our core operating activities and thereby assist investors with assessing trends in our underlying business. We believe that adjusted net income and adjusted EPS improve the comparability of our operating results from period to period by removing the impact of certain costs that management has determined do not reflect our core operating activities, including amortization of acquisition-related intangible assets, transaction and integration costs, restructuring costs and other adjustments as set out in the attached tables, and thereby may assist investors with comparisons to prior periods and assessing trends in our underlying business.

With respect to our financial outlook for the fourth quarter of 2025 adjusted EBITDA, a reconciliation of this non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from this non-GAAP measure. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income and statement of cash flows prepared in accordance with GAAP that would be required to produce such a reconciliation.

Forward-looking Statements

This release includes forward-looking statements, including statements relating to our outlook and incremental savings. 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," "predict," "should," "will," "expect," "project," "forecast," "goal," "outlook," "target," 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 us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC and the following: the effect of the completion of the transaction to acquire Coyote Logistics on the parties' business relationships and business generally; competition and pricing pressures; economic conditions generally; fluctuations in fuel prices; increased carrier prices; severe weather, natural disasters, terrorist attacks or similar incidents that cause material disruptions to our operations or the operations of the third-party carriers and independent contractors with which we contract; our dependence on third-party carriers and independent contractors; labor disputes or organizing efforts affecting our workforce and those of our third-party carriers; legal and regulatory challenges to the status of the third-party carriers with which we contract, and their delivery workers, as independent contractors, rather than employees; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; the impact of potential cyber-attacks and information technology or data security breaches; issues related to our intellectual property rights; our ability to access the capital markets and generate sufficient cash flow to satisfy our debt obligations; litigation that may adversely affect our business or reputation; increasingly stringent laws protecting the environment, including transitional risks relating to climate change, that impact our third-party carriers; governmental regulation and political conditions; our ability to attract and retain qualified personnel; our ability to successfully implement our cost and revenue initiatives and other strategies; our ability to successfully manage our growth; our reliance on certain large customers for a significant portion of our revenue; damage to our reputation through unfavorable publicity; our failure to meet performance levels required by our contracts with our customers; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; and the impact of the separation on our businesses, operations and results. All forward-looking statements set forth in this release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this release speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>				
Revenue	\$ 1,421	\$ 1,040	\$ 4,273	\$ 2,883
Cost of transportation and services (exclusive of depreciation and amortization)	1,137	809	3,408	2,208
Direct operating expense (exclusive of depreciation and amortization)	48	49	143	152
Sales, general and administrative expense	208	149	632	448
Depreciation and amortization expense	26	21	88	54
Transaction and integration costs	5	30	18	38
Restructuring costs	4	2	21	15
Operating loss	\$ (7)	\$ (20)	\$ (37)	\$ (32)
Other expense (income)	(1)	216	1	217
Interest expense, net	9	6	26	22
Loss before income taxes	\$ (15)	\$ (242)	\$ (64)	\$ (271)
Income tax provision (benefit)	(1)	1	(10)	(6)
Net loss	\$ (14)	\$ (243)	\$ (54)	\$ (265)
Loss per share				
Basic	\$ (0.08)	\$ (1.81)	\$ (0.32)	\$ (2.15)
Diluted	\$ (0.08)	\$ (1.81)	\$ (0.32)	\$ (2.15)
Weighted-average common shares outstanding				
Basic	168,578	134,095	168,377	123,004
Diluted	168,578	134,095	168,377	123,004

RXO, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2025	December 31, 2024
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 25	\$ 35
Accounts receivable, net of \$15 and \$13 in allowances, respectively	1,104	1,227
Other current assets	72	77
Total current assets	1,201	1,339
Long-term assets		
Property and equipment, net of \$365 and \$317 in accumulated depreciation, respectively	137	135
Operating lease assets	254	276
Goodwill	1,123	1,123
Identifiable intangible assets, net of \$153 and \$146 in accumulated amortization, respectively	463	499
Other long-term assets	23	42
Total long-term assets	2,000	2,075
Total assets	\$ 3,201	\$ 3,414
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 481	\$ 568
Accrued expenses	321	373
Short-term debt and current maturities of long-term debt	16	17
Short-term operating lease liabilities	77	81
Other current liabilities	12	26
Total current liabilities	907	1,065
Long-term liabilities		
Long-term debt and obligations under finance leases	387	351
Deferred tax liabilities	54	88
Long-term operating lease liabilities	202	215
Other long-term liabilities	71	83
Total long-term liabilities	714	737
Commitments and Contingencies		
Equity		
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Common stock, \$0.01 par value; 300,000 shares authorized; 164,103 and 162,517 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	2	2
Additional paid-in capital	1,922	1,904
Accumulated deficit	(338)	(284)
Accumulated other comprehensive loss	(6)	(10)
Total equity	1,580	1,612
Total liabilities and equity	\$ 3,201	\$ 3,414

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

<i>(In millions)</i>	Nine Months Ended September	
	2025	2024
Operating activities		
Net loss	\$ (54)	\$ (265)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation and amortization expense	88	54
Stock compensation expense	22	17
Deferred tax benefit	(15)	(12)
Deemed non-pro rata distribution	—	216
Impairment of operating lease assets	3	—
Other	7	3
Changes in assets and liabilities		
Accounts receivable	120	(8)
Other current assets and other long-term assets	20	22
Accounts payable	(74)	(47)
Accrued expenses, other current liabilities and other long-term liabilities	(73)	15
Net cash provided by (used in) operating activities	44	(5)
Investing activities		
Payment for purchases of property and equipment	(43)	(33)
Proceeds from sale of property and equipment	1	—
Business acquisition, net of cash acquired	(10)	(1,019)
Other	(4)	—
Net cash used in investing activities	(56)	(1,052)
Financing activities		
Proceeds from borrowings on revolving credit facilities	471	203
Repayment of borrowings on revolving credit facilities	(438)	(193)
Proceeds from issuance of common stock and pre-funded warrants	—	1,125
Payment for equity issuance costs	(1)	(30)
Payment for tax withholdings related to vesting of stock compensation awards	(20)	(4)
Repayment of debt and finance leases	(1)	(3)
Other	(10)	9
Net cash provided by financing activities	1	1,107
Effect of exchange rates on cash, cash equivalents and restricted cash	2	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(9)	50
Cash, cash equivalents, and restricted cash, beginning of period	35	5
Cash, cash equivalents, and restricted cash, end of period	\$ 26	\$ 55
Supplemental disclosure of cash flow information:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 38	\$ 97
Cash paid for income taxes, net	6	3
Cash paid for interest, net	17	13
Purchases of property and equipment in accounts payable, accrued expenses and other liabilities	12	3
Accrued tax withholdings related to vesting of stock compensation awards	—	1

RXO, Inc.
Revenue Disaggregated by Service Offering
(Unaudited)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Truck brokerage	\$ 1,039	\$ 655	\$ 3,131	\$ 1,762
Last mile	305	268	898	765
Managed transportation	137	151	416	459
Eliminations	(60)	(34)	(172)	(103)
Total	<u>\$ 1,421</u>	<u>\$ 1,040</u>	<u>\$ 4,273</u>	<u>\$ 2,883</u>

RXO, Inc.
Reconciliation of Net Loss to Adjusted EBITDA and Adjusted EBITDA Margin
(Unaudited)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Reconciliation of Net Loss to Adjusted EBITDA				
Net loss	\$ (14)	\$ (243)	\$ (54)	\$ (265)
Interest expense, net	9	6	26	22
Income tax provision (benefit)	(1)	1	(10)	(6)
Depreciation and amortization expense	26	21	88	54
Transaction and integration costs	5	30	18	38
Restructuring and other costs ⁽³⁾	7	218	24	233
Adjusted EBITDA ⁽¹⁾	\$ 32	\$ 33	\$ 92	\$ 76
Revenue	\$ 1,421	\$ 1,040	\$ 4,273	\$ 2,883
Adjusted EBITDA margin ^{(1) (2)}	2.3 %	3.2 %	2.2 %	2.6 %

(1) See the “Non-GAAP Financial Measures” section of the press release.

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

(3) Other for the three and nine months ended September 30, 2024 reflects a one-time charge of \$216 million representing a deemed non-pro rata distribution in connection with the private placement common stock issuance completed in August 2024.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>				
Reconciliation of Net Loss to Adjusted Net Income and Adjusted Diluted Income Per Share				
Net loss	\$ (14)	\$ (243)	\$ (54)	\$ (265)
Amortization of intangible assets	10	5	36	11
Transaction and integration costs	5	30	18	38
Restructuring and other costs ⁽³⁾	7	218	24	233
Income tax associated with adjustments above ⁽¹⁾	(6)	(3)	(20)	(10)
Adjusted net income ⁽²⁾	\$ 2	\$ 7	\$ 4	\$ 7
Adjusted diluted income per share ⁽²⁾				
	\$ 0.01	\$ 0.05	\$ 0.02	\$ 0.06
Weighted-average common shares outstanding				
Diluted	169,265	136,968	169,185	125,536

- (1) The tax impact of non-GAAP adjustments represents the tax benefit (expense) calculated using the applicable statutory tax rate that would have been incurred had these adjustments been excluded from net loss. Our estimated tax rate on non-GAAP adjustments may differ from our GAAP tax rate due to differences in the methodologies applied.
- (2) See the “Non-GAAP Financial Measures” section of the press release.
- (3) Other for the three and nine months ended September 30, 2024 reflects a one-time charge of \$216 million representing a deemed non-pro rata distribution in connection with the private placement common stock issuance completed in August 2024.

RXO, Inc.
Calculation of Gross Margin and Gross Margin as a Percentage of Revenue
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(Dollars in millions)</i>				
Revenue				
Truck brokerage	\$ 1,039	\$ 655	\$ 3,131	\$ 1,762
Complementary services ⁽¹⁾	442	419	1,314	1,224
Eliminations	(60)	(34)	(172)	(103)
Revenue	\$ 1,421	\$ 1,040	\$ 4,273	\$ 2,883
Cost of transportation and services (exclusive of depreciation and amortization)				
Truck brokerage	\$ 899	\$ 564	\$ 2,700	\$ 1,510
Complementary services ⁽¹⁾	298	279	880	801
Eliminations	(60)	(34)	(172)	(103)
Cost of transportation and services (exclusive of depreciation and amortization)	\$ 1,137	\$ 809	\$ 3,408	\$ 2,208
Direct operating expense (exclusive of depreciation and amortization)				
Truck brokerage	\$ —	\$ 1	\$ 1	\$ 1
Complementary services ⁽¹⁾	48	48	142	151
Direct operating expense (exclusive of depreciation and amortization)	\$ 48	\$ 49	\$ 143	\$ 152
Direct depreciation and amortization expense				
Truck brokerage	\$ —	\$ —	\$ —	\$ 1
Complementary services ⁽¹⁾	2	2	7	6
Direct depreciation and amortization expense	\$ 2	\$ 2	\$ 7	\$ 7
Gross margin				
Truck brokerage	\$ 140	\$ 90	\$ 430	\$ 250
Complementary services ⁽¹⁾	94	90	285	266
Gross margin	\$ 234	\$ 180	\$ 715	\$ 516
Gross margin as a percentage of revenue				
Truck brokerage	13.5 %	13.7 %	13.7 %	14.2 %
Complementary services ⁽¹⁾	21.3 %	21.5 %	21.7 %	21.7 %
Gross margin as a percentage of revenue	16.5 %	17.3 %	16.7 %	17.9 %

⁽¹⁾ Complementary services include last mile and managed transportation services.