

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023
or

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

For the transition period from _____ to _____

Commission File Number: 001-41514

RXO

RXO, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

11215 North Community House Road
Charlotte, NC

(Address of principal executive offices)

88-2183384

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

28277

(Zip Code)

(980) 308-6058

(Registrant's telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	RXO	New York Stock Exchange

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

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

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

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

Emerging growth company

☐

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

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

As of May 1, 2023, there were 116,922,893 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

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

ITEM 1. FINANCIAL STATEMENTS

RXO, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2023	December 31, 2022
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 121	\$ 98
Accounts receivable, net of allowances of \$12 and \$13, respectively	862	900
Other current assets	46	31
Total current assets	1,029	1,029
Long-term assets		
Property and equipment, net of \$255 and \$241 in accumulated depreciation, respectively	117	119
Operating lease assets	152	159
Goodwill	630	630
Identifiable intangible assets, net of \$110 and \$106 in accumulated amortization, respectively	76	79
Other long-term assets	14	15
Total long-term assets	989	1,002
Total assets	\$ 2,018	\$ 2,031
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 496	\$ 501
Accrued expenses	265	256
Current maturities of long-term debt	4	4
Short-term operating lease liabilities	46	48
Other current liabilities	9	14
Total current liabilities	820	823
Long-term liabilities		
Long-term debt and obligations under finance leases	451	451
Deferred tax liability	16	16
Long-term operating lease liabilities	109	114
Other long-term liabilities	37	40
Total long-term liabilities	613	621
Commitments and Contingencies (Note 8)		
Equity		
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of March 31, 2023 and December 31, 2022	—	—
Common stock, \$0.01 par value; 300,000 shares authorized; 116,853 and 116,400 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	1	1
Additional paid-in capital	586	588
Retained earnings	2	2
Accumulated other comprehensive loss	(4)	(4)
Total equity	585	587
Total liabilities and equity	\$ 2,018	\$ 2,031

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	2022
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>		
Revenue	\$ 1,010	\$ 1,312
Cost of transportation and services (exclusive of depreciation and amortization)	759	1,021
Direct operating expense (exclusive of depreciation and amortization)	61	55
Sales, general and administrative expense	153	161
Depreciation and amortization expense	18	21
Transaction and integration costs	6	3
Restructuring costs	8	—
Operating income	\$ 5	\$ 51
Interest expense, net	8	—
Income (loss) before income taxes	\$ (3)	\$ 51
Income tax provision (benefit)	(3)	12
Net income	\$ —	\$ 39
Earnings per share data		
Basic earnings per share	\$ —	\$ 0.34
Diluted earnings per share	\$ —	\$ 0.34
Weighted-average common shares outstanding		
Basic weighted-average common shares outstanding	116,600	115,163
Diluted weighted-average common shares outstanding	119,369	115,163

See accompanying notes to condensed consolidated financial statements.

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

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net income	\$ —	\$ 39
Other comprehensive income, net of tax		
Foreign currency translation gain, net of tax effect of \$— and \$—	\$ —	\$ 2
Other comprehensive income	—	2
Comprehensive income	\$ —	\$ 41

See accompanying notes to condensed consolidated financial statements.

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

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Operating activities		
Net income	\$ —	\$ 39
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization expense	18	21
Stock compensation expense	5	2
Other	1	3
Changes in assets and liabilities		
Accounts receivable	40	(210)
Other assets	(14)	1
Accounts payable	(9)	216
Accrued expenses and other liabilities	1	31
Net cash provided by operating activities	42	103
Investing activities		
Payment for purchases of property and equipment	(12)	(12)
Net cash used in investing activities	(12)	(12)
Financing activities		
Payment for tax withholdings related to vesting of stock compensation awards	(7)	—
Net transfers to XPO	—	(74)
Other	(1)	—
Net cash used in financing activities	(8)	(74)
Effect of exchange rates on cash, cash equivalents and restricted cash	1	—
Net increase in cash, cash equivalents and restricted cash	23	17
Cash, cash equivalents, and restricted cash, beginning of period	98	29
Cash, cash equivalents, and restricted cash, end of period	\$ 121	\$ 46
Supplemental disclosure of cash flow information:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 10	\$ 23
Cash paid for income taxes, net	6	1

See accompanying notes to condensed consolidated financial statements.

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
<i>(Dollars in millions, shares in thousands)</i>	Shares	Amount				
Balance as of December 31, 2022	116,400	\$ 1	\$ 588	\$ 2	\$ (4)	\$ 587
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—
Stock compensation expense	—	—	5	—	—	5
Vesting of stock compensation awards	453	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(7)	—	—	(7)
Balance as of March 31, 2023	116,853	\$ 1	\$ 586	\$ 2	\$ (4)	\$ 585

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	XPO Investment	Total Equity
<i>(Dollars in millions, shares in thousands)</i>	Shares	Amount					
Balance as of December 31, 2021	—	\$ —	\$ —	\$ —	\$ (2)	\$ 1,072	\$ 1,070
Net income	—	—	—	—	—	39	39
Other comprehensive income	—	—	—	—	2	—	2
Stock compensation expense	—	—	—	—	—	2	2
Net transfers to XPO	—	—	—	—	—	(70)	(70)
Balance as of March 31, 2022	—	\$ —	\$ —	\$ —	\$ —	\$ 1,043	\$ 1,043

See accompanying notes to condensed consolidated financial statements.

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

1. Organization

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

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

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

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

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

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

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

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

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

Significant Accounting Policies

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

Adoption of New Accounting Standards

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, "Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." The ASU increases the transparency surrounding supplier finance programs by requiring the buyer to disclose information on an annual basis about the key terms of the program, the outstanding obligation amounts as of the end of the period, a roll-forward of such amounts, and the balance sheet presentation of the related amounts. Additionally, the obligation amount outstanding at the end of the period must be disclosed in interim periods. The amendments are effective for fiscal years beginning after December 15, 2022 except for the requirement to disclose the roll-forward information, which is effective for fiscal years beginning after December 15, 2023. We adopted this standard on January 1, 2023, on a prospective basis. The adoption did not have an impact on our financial statement disclosures.

Accounting Pronouncements Issued but Not Yet Effective

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

3. Revenue Recognition

Disaggregation of Revenues

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

Our revenue disaggregated by service offering is as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Truck brokerage	\$ 600	\$ 824
Last mile	240	246
Managed transportation	117	139
Freight forwarding	80	139
Eliminations	(27)	(36)
Total	<u>\$ 1,010</u>	<u>\$ 1,312</u>

Our revenue disaggregated by industry sector is as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Retail/e-commerce	\$ 386	\$ 481
Food and beverage	105	150
Industrial/manufacturing	181	229
Logistics and transportation	52	87
Automotive	102	89
Other	184	276
Total	<u>\$ 1,010</u>	<u>\$ 1,312</u>

Performance Obligations

Remaining performance obligations represent firm contracts for which services have not been performed and future revenue recognition is expected. As permitted in determining the remaining performance obligation, we omit obligations that: (i) have original expected durations of one year or less or (ii) contain variable consideration. As of March 31, 2023, the fixed consideration component of our remaining performance obligation was approximately \$153 million, and we expect approximately 97% of that amount to be recognized over the next 3 years and the remainder thereafter. We estimate remaining performance obligations at a point in time and actual amounts may differ from these estimates due to changes in foreign currency exchange rates and contract revisions or terminations.

4. Restructuring Charges

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

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

(In millions)	Reserve Balance as of December 31, 2022	Three Months Ended March 31, 2023		Reserve Balance as of March 31, 2023
		Charges Incurred	Payments	
Severance	\$ 2	\$ 8	\$ (3)	\$ 7
Facilities	1	—	—	1
Total	\$ 3	\$ 8	\$ (3)	\$ 8

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

5. Debt

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

(In millions)	March 31, 2023		December 31, 2022	
	Principal Balance	Carrying Value	Principal Balance	Carrying Value
Term Loan	\$ 100	\$ 100	\$ 100	\$ 100
7.50% Notes due 2027 ⁽¹⁾	355	346	355	346
Finance leases, asset financing and other	9	9	9	9
Total debt and obligations under finance leases	464	455	464	455
Less: Current maturities of long-term debt	4	4	4	4
Total long-term debt and obligations under finance leases	\$ 460	\$ 451	\$ 460	\$ 451

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

Revolving Credit Agreement

On October 18, 2022, we entered into a five-year, unsecured multi-currency revolving credit facility (the "Revolver"). The Revolver borrowing capacity is up to \$500 million, of which \$50 million is available for the issuance of letters of credit. Loans under the Revolver bear interest at a fluctuating rate plus an applicable margin based on the Company's credit ratings. The Company is required to pay a commitment fee on any unused commitment, based on pricing levels set forth in the agreement. The covenants in the Revolver are customary for financings of this type. The Revolver requires the Company to maintain a maximum consolidated leverage ratio and minimum interest coverage ratio. At March 31, 2023, the Company was in compliance with the covenants of the Revolver. There were no amounts outstanding under the Revolver as of March 31, 2023 or December 31, 2022.

Term Loan Credit Agreement

On October 18, 2022, we entered into a five-year \$100 million unsecured term loan facility (the “Term Loan”). The Term Loan bears interest at a fluctuating rate plus an applicable margin calculated based on the Company’s credit ratings, payable at least quarterly. Beginning with the fiscal quarter ending March 31, 2025, the Term Loan will amortize on a quarterly basis in an amount equal to (i) 5% per annum for the first eight fiscal quarters ending on or after such date and (ii) 10% per annum for each fiscal quarter ending thereafter. The Term Loan matures on November 1, 2027. The effective interest rate on the Term Loan was 5.93% as of March 31, 2023.

The covenants in the Term Loan are customary for financings of this type. In addition, the Term Loan requires the Company to maintain a maximum consolidated leverage ratio and minimum interest coverage ratio. At March 31, 2023, the Company was in compliance with the covenants of the credit agreement governing the Term Loan.

Notes

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

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

6. Fair Value Measurements

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

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

Assets and Liabilities

The Company bases its fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and current maturities of long-term debt approximated their fair values as of March 31, 2023 and December 31, 2022, due to their short-term nature and/or being receivable or payable on demand.

Debt

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

<i>(In millions)</i>	Level	March 31, 2023	December 31, 2022
Term Loan	2	\$ 95	\$ 95
7.50% Notes due 2027	1	367	358

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.

7. Earnings per Share

On November 1, 2022, the date of the Separation, 115,162,555 shares of common stock of the Company were distributed to XPO stockholders of record as of the record date and began regular-way trading. This share amount is utilized for the calculation of basic and diluted earnings per share for the three months ended March 31, 2022.

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

<i>(Dollars in millions, shares in thousands, except per share data)</i>	Three Months Ended March 31,	
	2023	2022
Net income	\$ —	\$ 39
Basic weighted-average common shares	116,600	115,163
Dilutive effect of stock-based awards	2,769	—
Diluted weighted-average common shares	119,369	115,163
Basic earnings per share	\$ —	\$ 0.34
Diluted earnings per share	\$ —	\$ 0.34

For the three months ended March 31, 2023, approximately 0.9 million shares are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

8. Commitments and Contingencies

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

We establish accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, we assess whether there is at least a reasonable possibility that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, we disclose the estimate of the possible loss or range of loss if it is material and an estimate can be made, or disclose that such an estimate cannot be made. The determination as to whether a loss can reasonably be considered to be possible or probable is based on our assessment, together with legal counsel, regarding the ultimate outcome of the matter.

We believe that we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. We do not believe that the ultimate resolution of any matters to which we are presently a party will have a material adverse effect on our results of operations, 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 are deemed sufficient to cover potential legal claims arising in the normal course of conducting our operations as a transportation company. The liability and excess umbrella insurance policies generally do not cover the misclassification claims described in this note. In the event we are required to satisfy a legal claim outside the scope of the coverage provided by insurance, our financial condition, results of operations or cash flows could be negatively impacted.

Our last mile subsidiary is involved in several class action and collective action cases involving misclassification claims. The misclassification claims related solely to our last mile business, which operated as a wholly owned subsidiary of XPO until the spin-off of RXO was completed. As of November 1, 2022, pursuant to the Separation and Distribution Agreement between XPO and RXO, the liabilities of XPO's last mile subsidiary, including legal liabilities, if any, related to the misclassification claims, were spun-off as part of RXO. Pursuant to the Separation and Distribution Agreement, RXO has agreed to indemnify XPO for certain matters relating to RXO, including indemnifying XPO from and against any liabilities, damages, costs, or expenses incurred by XPO arising out of or resulting from the misclassification claims. We believe these suits are without merit and we intend to defend the Company vigorously. We are unable at this time to determine the amount of the possible loss or range of loss, if any, that we may incur as a result of these matters.

9. Related Party

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

Allocation of General Corporate Expenses

Post-Separation, general shared costs from XPO were no longer allocated to the company, therefore no related amounts were reflected on the Company's financial statements for the three months ended March 31, 2023.

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

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

(In millions)	Three Months Ended March 31,	
	2022	
Sales, general and administrative expense	\$	18
Depreciation and amortization expense		2
Transaction and integration costs		3
Total	\$	23

Transactions with XPO and its non-RXO Subsidiaries

Revenue and costs generated from related parties are as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2022	
Revenue	\$	49
Costs		17

10. Subsequent Events

On May 2, 2023, the RXO Board of Directors authorized us to repurchase an indeterminate number of shares of our common stock at an aggregate purchase price of up to \$125 million (the “2023 Share Repurchase Program”). The 2023 Share Repurchase Program does not have an expiration date and may be suspended or discontinued at any time. We are not obligated to repurchase any specific number of shares.

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

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other written reports and oral statements we make from time to time contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include those discussed below and the risks discussed in the Company’s other filings with the Securities and Exchange Commission (the “SEC”). All forward-looking statements set forth in this Quarterly Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The following discussion should be read in conjunction with the Company’s unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report, and with the audited consolidated financial statements and related notes thereto included in the 2022 Annual Report on Form 10-K. Forward-looking statements set forth in this Quarterly Report speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

Business Overview

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

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

Notable factors driving growth in our business include our ability to access massive truckload capacity for shippers through our carrier relationships; our proprietary, cutting-edge technology; our strong management expertise; and favorable industry tailwinds. As of March 31, 2023, we had approximately 119,000 carriers in our North American truck brokerage network, and access to more than 1.5 million trucks.

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

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

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

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

Notable External Conditions

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

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

Basis of Presentation

On November 1, 2022, the Company completed the separation from XPO, Inc. (formerly known as “XPO Logistics, Inc.”) (“XPO”) (the “Separation”). Prior to the Separation, the Company’s financial statements were prepared on a standalone combined basis and were derived from the consolidated financial statements and accounting records of XPO. On November 1, 2022, the Company became a standalone publicly traded company, and its financial statements post-Separation are prepared on a consolidated basis. The combined financial statements for all periods presented prior to the Separation are now also referred to as “condensed consolidated financial statements” and have been prepared in accordance with GAAP. Refer to [Note 2—Basis of Presentation and Significant Accounting Policies](#) for additional details regarding the basis of presentation used for the Company’s condensed consolidated financial statements as related to the Separation.

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

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

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

RXO has a single reportable segment.

Results of Operations

(In millions)	Three Months Ended March 31,		Percent of Revenue	
	2023	2022	2023	2022
Revenue	\$ 1,010	\$ 1,312	100.0 %	100.0 %
Cost of transportation and services (exclusive of depreciation and amortization)	759	1,021	75.1 %	77.8 %
Direct operating expense (exclusive of depreciation and amortization)	61	55	6.0 %	4.2 %
Sales, general and administrative expense	153	161	15.1 %	12.3 %
Depreciation and amortization expense	18	21	1.8 %	1.6 %
Transaction and integration costs	6	3	0.6 %	0.2 %
Restructuring costs	8	—	0.8 %	— %
Operating income	\$ 5	\$ 51	0.5 %	3.9 %
Interest expense, net	8	—	0.8 %	— %
Income (loss) before income taxes	\$ (3)	\$ 51	(0.3)%	3.9 %
Income tax provision (benefit)	(3)	12	(0.3)%	0.9 %
Net income	\$ —	\$ 39	— %	3.0 %

Three Months Ended March 31, 2023 Compared with Three Months Ended March 31, 2022

Revenue decreased 23.0% to \$1.0 billion in the first quarter of 2023, compared with \$1.3 billion for the same quarter in 2022. The year-over-year decrease in revenue in the first quarter of 2023 was driven primarily by (i) a \$224 million decrease in revenue generated from our truck brokerage business, driven primarily by a 32% reduction in revenue per load, partially offset by a 6% increase in volume and (ii) a \$59 million decrease in revenue generated from our freight forwarding business, driven primarily by a decrease in ocean rates and volume.

Cost of transportation and services (exclusive of depreciation and amortization) for the first quarter of 2023 was \$759 million, or 75.1% of revenue, compared with \$1.0 billion or 77.8% of revenue, for the same quarter in 2022. Third party transportation costs as a percentage of revenue decreased year-over-year by 3.0 percentage points for the first quarter of 2023, driven primarily by (i) lower transportation costs in last mile and (ii) an improvement in mix in our freight forwarding business.

Direct operating expense (exclusive of depreciation and amortization) for the first quarter of 2023 was \$61 million, or 6.0% of revenue, compared with \$55 million, or 4.2% of revenue, for the same quarter in 2022. The year-over-year increase as a percentage of revenue in the first quarter of 2023 was primarily a result of higher labor-related costs, which increased as a percentage of revenue by 0.8 percentage points due to lower revenue.

SG&A for the first quarter of 2023 was \$153 million or 15.1% of revenue, compared with \$161 million, or 12.3% of revenue, for the same quarter in 2022. The year-over-year increase in SG&A as a percentage of revenue primarily resulted from higher compensation-related costs of 2.7 percentage points for the first quarter of 2023 as compared to the first quarter of 2022, reflecting deleverage on lower revenue and incremental corporate costs of operating RXO as a standalone public company.

Depreciation and amortization expense for the first quarter of 2023 was \$18 million, compared with \$21 million for the same quarter in 2022. The year-over-year change was driven by a decrease in intangible asset amortization expense as a result of a customer relationship intangible asset being fully amortized in December 2022.

Transaction and integration costs for the first quarter of 2023 and 2022 were \$6 million and \$3 million, respectively, and primarily comprised spin-off related costs.

Restructuring costs for the first quarter 2023 were \$8 million and are primarily comprised of severance costs.

Our effective income tax rates were 106.0% and 24.3% for the first quarter of 2023 and 2022, respectively. The effective tax rates for the first quarter of 2023 and 2022 were based on forecasted full-year effective tax rates, adjusted for discrete items that occurred within the periods presented. Our effective tax rate for the first quarter of 2023 differs from the U.S. corporate income tax rate of 21% primarily due to a tax benefit of \$2 million that was the result of changes in reserves for uncertain tax positions. The impact of this driver was magnified due to our low pre-tax loss in the first quarter of 2023. Our effective tax rate for the first quarter of 2022 differs from the U.S. corporate income tax rate of 21% due to state income taxes within the U.S.

Liquidity and Capital Resources

Overview

Our ability to fund our operations and anticipated capital needs are reliant upon the generation of cash from operations, supplemented as necessary by periodic utilization of our revolving credit facility. Our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures, repayment of borrowings and strategic business development transactions. The timing and magnitude of our growth and working capital needs can vary and may positively or negatively impact our cash flows.

We continually evaluate our liquidity requirements and capital structure in light of our operating needs, growth initiatives and capital resources. We believe that our existing liquidity and sources of capital are sufficient to support our operations over the next 12 months.

Capital Expenditures

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

Debt and Financing Arrangements

There have been no material changes to our outstanding debt and financing arrangements in the first three months of 2023 and we were in compliance with all covenants and other provisions of these arrangements as of March 31, 2023. Any failure to comply with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations. Refer to [Note 5—Debt](#) to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for disclosures regarding the Company's debt and financing arrangements as of March 31, 2023.

Financial Condition

The following table summarizes our asset and liability balances as of March 31, 2023 and December 31, 2022:

<i>(In millions)</i>	As of March 31, 2023	As of December 31, 2022	\$ Change	% Change
Total current assets	\$ 1,029	\$ 1,029	\$ —	— %
Total long-term assets	989	1,002	(13)	(1.3)%
Total current liabilities	820	823	(3)	(0.4)%
Total long-term liabilities	613	621	(8)	(1.3)%

Total assets decreased by \$13 million from December 31, 2022 to March 31, 2023, driven primarily by (i) a \$7 million decrease in operating lease assets, resulting from amortization of existing lease assets and (ii) a \$3 million decrease in identifiable intangible assets, net, resulting from amortization of existing identifiable intangible assets. Total liabilities decreased by \$11 million from December 31, 2022 to March 31, 2023, driven primarily by a \$7 million decrease in total operating lease liabilities as a result of amortization of existing lease obligations.

Cash Flow Activity

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

<i>(In millions)</i>	Three Months Ended March 31,		\$ Change	% Change
	2023	2022		
Net cash provided by operating activities	\$ 42	\$ 103	\$ (61)	(59.2)%
Net cash used in investing activities	(12)	(12)	—	— %
Net cash used in financing activities	(8)	(74)	66	(89.2)%
Effect of exchange rates on cash, cash equivalents and restricted cash	1	—	1	100.0 %
Net increase in cash, cash equivalents and restricted cash	\$ 23	\$ 17	\$ 6	35.3 %

During the first three months of 2023, we generated cash from operating activities of \$42 million, which was used to fund (i) the purchase of \$12 million of property and equipment and (ii) \$7 million in tax withholdings related to vesting of stock compensation awards.

During the first three months of 2022, we generated cash from operating activities of \$103 million, which was used to fund (i) \$74 million of net transfers to XPO and (ii) the purchase of \$12 million of property and equipment.

Net cash provided by operating activities for the first three months of 2023 decreased by \$61 million, compared with the first three months of 2022. The decrease in cash provided by operating activities reflects the impact of a \$39 million decrease in net income between periods and changes in working capital. The change in working capital was primarily driven by a \$30 million decrease in cash generated by accrued expenses and other liabilities resulting from a reduction in accrued transportation charges between periods.

Investing activities used \$12 million of cash in each of the first three months of 2023 and 2022, to purchase property and equipment.

Financing activities used \$8 million of cash for the first three months of 2023 compared with using \$74 million of cash for the same period in 2022. The primary use of cash from financing activities in the first three months of 2023 was for payments of tax withholdings related to vesting of stock compensation awards. The primary use of cash from financing activities in the first three months of 2022 was for net transfers to XPO.

Critical Accounting Policies

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in foreign currency exchange rates, commodity prices, and interest rates. There have been no material changes to our quantitative and qualitative disclosures about market risk related to our continuing operations during the quarter ended March 31, 2023, as compared with the quantitative and qualitative disclosures about market risk described in our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2023. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of March 31, 2023, such that the information required to be included in our Securities and Exchange Commission ("SEC") reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including our consolidated subsidiaries; and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See [Note 8—Commitments and Contingencies](#) to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of our legal proceedings.

ITEM 1A. RISK FACTORS

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

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.17 *+	Form of Restricted Stock Unit Award Agreement under the RXO, Inc. 2022 Omnibus Incentive Compensation Plan.
31.1 *	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.
31.2 *	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.
32.1 **	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.
32.2 **	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.
101.INS *	<i>XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.</i>
101.SCH *	<i>XBRL Taxonomy Extension Schema.</i>
101.CAL *	<i>XBRL Taxonomy Extension Calculation Linkbase.</i>
101.DEF *	<i>XBRL Taxonomy Extension Definition Linkbase.</i>
101.LAB *	<i>XBRL Taxonomy Extension Label Linkbase.</i>
101.PRE *	<i>XBRL Taxonomy Extension Presentation Linkbase.</i>
104 *	<i>Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).</i>

* Filed herewith.

** Furnished herewith.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 3, 2023

RXO, INC.

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

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

RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE
RXO, INC. 2022 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as of (●), (the “Grant Date”), between
RXO, INC., a Delaware corporation (the “Company” or “RXO”), and (●).

This Restricted Stock Unit Award Agreement (this “Award Agreement”) sets forth the terms and conditions of an award of (●) 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 RXO, Inc. 2022 Omnibus Incentive Compensation Plan (the “Plan”). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, shares of the Company’s Common Stock, \$0.01 par value (each, a “Share”), or cash, as set forth in Section 3 of this Award Agreement.

You must affirmatively acknowledge and accept this Award Agreement within 120 days following the Grant Date. A failure to acknowledge and accept this Award Agreement within such 120-day period will result in forfeiture of this Award, effective as of the 121st day following the Grant Date. You must acknowledge and accept the terms and conditions of this Award Agreement electronically through the Morgan Stanley website.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN INCLUDING THE PLAN RULES, THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 12 OF THIS AWARD AGREEMENT. BY ACCEPTING THIS AWARD, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

“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.

“Cause” means: (i) your dereliction of duties or gross negligence or failure to perform your duties or refusal to follow any lawful directive of the officer to whom you report; (ii) your abuse of or dependency on alcohol or drugs (illicit or otherwise) that adversely affects your performance of duties for the Company; (iii) your commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of the Company; (iv) your breach of any fiduciary duties to the Company or any agreement with the Company; (v) any act, or failure to act, by you in bad faith to the detriment of the Company; (vi) your failure to provide the Company with at least 30 days’ advanced written notice of your intention to resign; (vii) your failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests your cooperation; (viii) your failure to follow Company policies, including the Company’s code of conduct and/or ethics policy, as may be in effect from time to time, and (ix) your

conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that in cases where cure is possible, you shall first be provided a 15-day cure period. If, subsequent to your termination of employment for any reason other than by the Company for Cause, it is determined in good faith by the Chief Executive Officer of the Company that your employment could have been terminated by the Company for Cause, your employment shall, at the election of the Chief Executive Officer of the Company at any time up to two years after your termination of employment but in no event more than six months after the Chief Executive Officer of the Company learns of the facts or events that could give rise to the termination for Cause, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred.

“Code” means the Internal Revenue Code of 1986, as amended.

“Employment Agreement” means any individual employment agreement between you and the Company or any of its Subsidiaries.

“Good Reason” means the definition thereof as set forth in the Plan; *provided* that if you are a party to an employment or similar agreement with the Company, or are an eligible participant in a severance or change in control severance plan of the Company, that has a definition of Good Reason, the definition in such agreement or plan shall replace the definition of Good Reason hereunder.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

SECTION 3. Vesting and Settlement. (a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, you will vest in the number of RSUs that corresponds to such Vesting Date, as specified in the table below, subject to your continued employment through each such Vesting Date.

(●)

(a) Termination of Employment. Notwithstanding anything to the contrary in this Award Agreement or the Plan:

(i) if your employment terminates by reason of your death, all outstanding RSUs shall vest in full immediately;

(ii) if your employment is terminated by the Company for Cause or if you resign for any reason, all unvested RSUs shall be immediately forfeited;

(iii) if your employment terminates for any reason not described in clauses (i) or (ii), (A) you shall vest in a number of RSUs, solely with respect to the RSUs scheduled and eligible to vest on the Vesting Date immediately following the date of termination, equal to the product of (x) the number of such RSUs scheduled and eligible to vest on the Vesting Date immediately following the date of termination and (y) a fraction, the numerator of which is the number of days from the Vesting Date immediately preceding the date of termination (or, if such termination is after the Grant Date but prior to the first Vesting Date, the Grant Date) through the date of termination of your employment and the denominator of which is the number of days from the Vesting Date immediately preceding the date of termination (or, if such termination is after the Grant Date but prior to the first Vesting Date, the Grant Date) through the Vesting Date

immediately following the date of termination, and (B) the remainder of the RSUs shall be forfeited.

(b) Change of Control. In the event that your employment is terminated by the Company without Cause or by you for Good Reason at any time following a Change of Control, all outstanding RSUs (including any Replacement Award with respect to this Award) shall vest in full immediately.

(c) Settlement of RSU Award. Subject to Section 17(a), on or as soon as administratively practicable following the Vesting Date (the “Settlement Date”), including vesting by reason of certain termination of employment events set forth in Section 3(b) hereof, the Company shall deliver to you or your legal representative either (i) one Share or (ii) 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 has vested 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.

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including any Employment Agreement and the confidentiality covenant contained in Section 12(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a 15-day cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder until Issuance of Shares Following Vesting Date. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until Shares are actually issued in book-entry form to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of 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. (a) Responsibility for Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on your satisfaction of any applicable withholding taxes in accordance with this Section 7 and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and

foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount.

(a) Methods of Satisfaction. In the event that there is withholding tax liability in connection with the settlement of the RSUs, the Company may determine to cause your obligations to be satisfied automatically by any of the following methods without your further consent:

(i) by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability;

(ii) withholding from proceeds of the sale of Shares acquired at vesting either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or “sell-to-cover” transaction, without your further consent; provided that to the extent required by the Company, you agree to execute and deliver to the Company or its agent any other documents as they reasonably deem necessary or appropriate to carry out the foregoing, including without limitation, any agreement intended to ensure the foregoing comply with the requirements of Rule 10b5-1(c) under the Exchange Act;

(iii) withholding from wages or other cash compensation paid to you by the Company or any Subsidiary;

(iv) any other method approved by the Committee and permitted by applicable laws;

provided that if you are an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then unless and until otherwise determined by the Committee or the Board, the Company’s withholding obligations with respect to such taxable event will be satisfied pursuant to clause (i) above.

SECTION 8. Consents and Legends.

(a) 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 consent to the Company’s supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(b) Legends. The Company may affix to certificates (or book-entry equivalents) for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares.

SECTION 9. Clawback Policies. You hereby acknowledges and agrees that, to the extent the Company adopts a policy with respect to clawback or recoupment of compensation, including any policy that may be required by applicable law or the rules

and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Shares are listed or quoted and any policy adopted after the Grant Date, this Award shall be subject to clawback, forfeiture, reduction, recoupment of gains or similar requirements (and such requirements shall be deemed incorporated by reference into this Award Agreement).

SECTION 10. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 11. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 12. Dispute Resolution. (a) Jurisdiction and Venue. Notwithstanding any provision in any Employment Agreement, any claim initiated by you arising out of or relating to this Award Agreement, or the breach thereof, shall be resolved by binding arbitration before a single arbitrator in the State of Delaware administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Except to the extent that the Company seeks injunctive relief pursuant to any individual agreement between you and the Company, any claim initiated by the Company arising out of or relating to this Award Agreement, or the breach thereof, shall, at the election of the Company be resolved in accordance with this Section 12. You hereby irrevocably submit to the jurisdiction of any state or federal court located in the State of Delaware; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing any judgment or award obtained by the Company. You waive, to the fullest extent permitted by applicable law, any objection which you now or hereafter have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an applicable court described in this Section 12, and agree that you shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. You agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 12 shall be conclusive and binding upon you and may be enforced in any other jurisdiction.

(a) 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.

(b) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 12, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 13. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been

mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company:

RXO, Inc.
11215 North Community House Road
Charlotte, NC 28277 USA
Attention: Chief Human Resources Officer

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 14. 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 15. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words "include", "includes" or "including" are used in this Award Agreement, they shall be deemed to be followed by the words "but not limited to". The term "or" is not exclusive.

SECTION 16. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 17(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancellation 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 17. Section 409A. (a) It is intended that the provisions of this Award Agreement be exempt from, or comply with, Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Settlement Date shall occur within the same taxable year of the Company in which the Vesting Date occurs or, if later, by the 15th day of the third calendar month following the Vesting Date, as determined by the Company.

(a) 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.

(b) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(c) 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 18. 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.

SECTION 19. Section 280G. Notwithstanding anything in this Award Agreement to the contrary and regardless of whether this Award Agreement has otherwise expired or terminated, unless otherwise provided in your Employment Agreement, in the event that any payments, distributions, benefits or entitlements of any type payable to you ("CIC Benefits") (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your CIC Benefits shall be reduced to such lesser amount (the "Reduced Amount") that would result in no portion of such benefits being subject to the Excise Tax; provided that such amounts shall not be so reduced if the Company determines, based on the advice of Golden Parachute Tax Solutions LLC, or such other nationally recognized certified public accounting firm as may be designated by the Company (the "Accounting Firm"), that without such reduction you would be entitled to receive and retain, on a net after tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code), an amount that is greater than the amount, on a net after tax basis, that you would be entitled to retain upon receipt of the Reduced Amount. Unless the Company and you otherwise agree in writing, any determination required under this Section 19 shall be made in writing in good faith by the Accounting Firm. In the event of a reduction of benefits hereunder, benefits shall be reduced by first reducing or eliminating the portion of the CIC Benefits that are payable under this Award Agreement and then by reducing or eliminating the portion of the CIC Benefits that are payable in cash and then by reducing or eliminating the non-cash portion of the CIC Benefits, in each case, in reverse order beginning with payments or benefits which are to be paid the furthest in the future. For purposes of making the calculations required by this Section 19, the Accounting Firm

may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably require in order to make a determination under this Section 18, and the Company shall bear the cost of all fees the Accounting Firm charges in connection with any calculations contemplated by this Section 19. In connection with making determinations under this Section 19, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by you before or after the Change of Control, including any non-competition provisions that may apply to you and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

SECTION 20. Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company's preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the "Trade Monitoring Policy"). The Company's preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company's preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

SECTION 21. Appendix. Notwithstanding any provisions in this Restricted Stock Unit Award Agreement, the grant of this Award shall be subject to any additional terms and conditions set forth in the Appendix to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Award Agreement.

SECTION 22. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on this Award and on any Shares acquired upon settlement of this Award, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

The parties have duly executed this Award Agreement as of the date first written above.

RXO, Inc.

By: /s/ Heidi Ratti

Name: Heidi Ratti
Title: Chief Human Resources Officer

CERTIFICATION

I, Drew M. Wilkerson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of RXO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Drew M. Wilkerson

Drew M. Wilkerson

Chief Executive Officer

(Principal Executive Officer)

Date: May 3, 2023

CERTIFICATION

I, James E. Harris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of RXO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James E. Harris

James E. Harris
Chief Financial Officer
(Principal Financial Officer)

Date: May 3, 2023

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350

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

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of RXO, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Drew M. Wilkerson

Drew M. Wilkerson

Chief Executive Officer

(Principal Executive Officer)

Date: May 3, 2023

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350

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

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of RXO, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James E. Harris

James E. Harris

Chief Financial Officer

(Principal Financial Officer)

Date: May 3, 2023