

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

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

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

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

None

(Title of class)

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

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

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

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

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

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

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

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

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

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

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$2.6 billion as of June 30, 2025, based upon the closing price of the common stock on that date.

As of February 5, 2026, there were 164,193,961 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant's proxy statement, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant's 2026 Annual Meeting of Stockholders (the "Proxy Statement"), are incorporated by reference into Part III of this Annual Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Annual Report, the Proxy Statement is not deemed to be filed as part hereof.

RXO, Inc.
Form 10-K
For the Fiscal Year Ended December 31, 2025
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PART I

In this Annual Report on Form 10-K (this “Annual Report”), “we,” “our,” “us,” “RXO,” “RXO, Inc.,” and the “Company” refer to RXO, Inc. and its consolidated subsidiaries, unless the context requires otherwise.

Cautionary Statement Regarding Forward-Looking Statements

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

Item 1. Business.

Company Overview

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 asset-light managed transportation and last mile services, which complement our truck brokerage business.

Our truck brokerage business has a history of generating robust free cash flow conversion and 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 that enable volume growth in our business include our ability to access massive truckload capacity for shippers through our carrier relationships; our proprietary, cutting-edge technology; our strong management expertise; and favorable long-term industry tailwinds.

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. Our complementary services for managed transportation and last mile 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 and last mile. 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. We also offer freight forwarding services, including facilitation of ocean and air transportation, customs brokerage and additional domestic services including middle mile.

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.

RXO’s common stock, par value of \$0.01 per share, began trading on the New York Stock Exchange under the ticker symbol “RXO” on November 1, 2022. RXO was incorporated as a Delaware corporation in May 2022.

The Coyote Acquisition

On September 16, 2024, the Company acquired the technology-driven, asset-light truckload freight brokerage services business, as well as certain assets used to conduct haulage, dedicated transport and warehousing services in the United Kingdom (collectively, “Coyote”), from United Parcel Service of America, Inc. (“UPS”) and certain subsidiaries of UPS. We acquired Coyote for \$1.038 billion in cash, subject to certain additional customary adjustments. The purchase price was subsequently increased by \$10 million for working capital and other post-closing adjustments, which was paid in the first quarter of 2025. Refer to [Note 3 — Acquisition](#) to the consolidated financial statements in this Annual Report on Form 10-K for disclosures regarding the Company’s acquisition of Coyote.

Relationship-Based Operating Structure

Our truck brokerage business operates as an intermediary between shippers and carriers (truck and fleet owners), connecting truckload supply and demand. Our value proposition is based on our ability to access truck capacity on a massive scale; give shippers and carriers the benefits of our proprietary digital freight marketplace; and solve transportation challenges for our customers by utilizing the bench strength of our business — namely, the expertise of our brokerage leaders, technologists and employees.

Our asset-light business model relies on our business relationships with independent motor carriers for the transportation of our customers' freight. We typically sign a non-exclusive, one-year, renewable agreement with carriers; this agreement establishes the carrier's role as an independent contractor and provides that the carrier is solely responsible for aspects of their service.

We conduct our truck brokerage operations by striving to best utilize our resources of people, technology and data. Our sales representatives communicate with customers about freight that needs to be shipped, and we locate trucks with available capacity using our RXO Connect® technology platform. In addition, our technology interfaces give customers the ability to post their freight loads and tap into truck capacity on our platform. On the supply side, truck drivers and fleet owners use our carrier interfaces to find loads and better utilize their assets. Carriers can bid and book loads online and through our platform's mobile app. Our brokerage platform synergizes these operating strengths within a single digital freight marketplace.

Drivers of Value Creation

We have identified five key drivers of value creation in our truck brokerage business:

- *Critical Scale in an Expanding Industry with Low Penetration:* We are one of the largest brokers of full truckload freight transportation in North America, with a carrier pool that gives us access to vast truck capacity to serve high shipper demand for transportation. We are also well established as a freight broker of choice across diversified industry sectors, with a notable presence in the e-commerce and retail sectors and believe that shippers look to do business with brokers of greater scale. We expect to benefit from both overall industry growth in demand for truckload transportation, and a long runway for increased broker penetration of for-hire trucking.
- *Proprietary Technology:* We believe our technology strongly differentiates us as a leading innovator of complex brokerage solutions that enhance visibility, reliability, speed, accuracy and cost effectiveness, and by the fully automated transactional capabilities of our digital platform. We have continued to invest in our cutting-edge technology, including artificial intelligence and machine learning, based on decades of high-quality internal data sets that include attributes that we believe are not available elsewhere. As more and more shippers outsource their shipping needs to brokers, we believe they increasingly prefer brokers that have a combination of excellent customer service, people and digital capabilities that we offer.
- *Long-Tenured, Blue-Chip Customer Relationships in Attractive Verticals:* Our customer base includes numerous long-term relationships with market leaders and other world-class companies across a diverse array of customer verticals. Our tiered sales organization tailors its approach to each prospective customer based on size and profitability potential.
- *Asset-Light Model Generates High Returns and Substantial Free Cash Flow:* Our asset-light model generates high returns with strong free cash flow characteristics. Because we have invested significantly in our proprietary platform for more than a decade, we believe that we can leverage our historical invested capital to generate strong returns.
- *Experienced and Cohesive Leadership and Strong Company Values:* Our business operations are led by highly experienced executives who are recognized as leading truck brokerage experts and technologists. These executives have worked together for many years, creating value through operational excellence, data science and a people-centric culture.

Our Strategy

Our strategy is designed to deliver value through our extensive carrier relationships, excellent customer service, automated shipper-carrier interactions, end-to-end digital tracking and data analyses generated by our proprietary algorithms. We believe our services are both highly responsive to customer needs and allow us to be proactive in identifying potential improvements. Furthermore, our culture defines success as mutually beneficial results for our stockholders and other stakeholders.

Management's growth and optimization strategy is to:

- Market our brokerage capabilities and value-added services to new and existing customers of all sizes, using a partnership approach that creates enduring relationships;
- Leverage our positioning to increasingly capitalize on secular trends in demand, such as the increasing broker penetration of the for-hire truckload industry and the growing shipper preference for digital brokerage services;
- Continue to recruit and retain talented customer and carrier sales representatives, and continuously improve their productivity with our state-of-the-art technology;
- Continue to attract and retain high-caliber independent carriers to provide third-party transportation services for our customers; and
- Capitalize on our first-mover technology advantage to continue to gain share of the truck brokerage industry by optimizing brokerage processes and pricing for customers and carriers, and by enhancing the productivity of our operations.

Technology and Intellectual Property

We benefit from two interrelated industry trends — more shippers are relying on brokers for freight transportation, and at the same time, more shippers want brokers with digital capabilities that leverage data for the best outcomes. RXO benefits from first-mover advantage in brokerage technology, and we continue to innovate to stay at the forefront of the technological evolution of our industry.

Overview of Our Digital Brokerage Platform

Our self-learning RXO Connect® digital brokerage platform gives us a scalable framework to continually enhance our service, capture share and reduce costs. This fully automated, cloud-based platform encompasses Freight Optimizer, as well as our mobile app, application programming interface integrations, self-service dashboards and real-time functionality for transacting and tracking freight shipments.

The technology gives shippers access to our growing transportation network and our valuable market data, and it gives independent truck drivers the ability to secure loads through our mobile app.

Importantly, our digital brokerage platform creates ongoing value for RXO in four key areas:

- Increases market share and revenue generation by providing real-time visibility into available supply and demand for current and future time periods, leading to optimal transportation management;
- Ensures competitive rates by engaging customers and carriers through user-friendly interfaces underpinned by cutting-edge pricing technology;
- Optimizes for value and margin with dynamic pricing algorithms that use machine learning, and generates superior, real-time market intelligence harvested from load-matching data; and
- Improves productivity by facilitating transactions through cost-efficient automated processes and messaging, increasing the productivity of RXO's customer and carrier representatives, and enabling our business to manage more volume without a commensurate increase in expense.

Customers and Markets

RXO provides services to customers ranging in size from small businesses to Fortune 100 companies and sector leaders. The diversification of our customer base minimizes concentration risk: in 2025, our top 20 customers in total and our top five customers in total accounted for approximately 37% and 23% of our revenue, respectively. Revenue from our largest customer represented approximately \$653 million, or 11.4%, of total revenue.

Our customer end-markets are also highly diversified; we derive our revenue from a robust mix of verticals for retail and e-commerce, food and beverage, industrial and manufacturing, logistics and transportation and automotive.

Competition

RXO operates in a highly fragmented industry with thousands of companies competing to provide brokered transportation services for customer freight. We compete on quality of service, depth of capacity, technological capabilities, reliability, expertise and price.

Our competitors include local, regional, national and international companies operating in North America that offer the same services we provide; some have larger customer bases, significantly more resources and more experience than we have. Our primary competitors include C.H. Robinson, Echo Global Logistics, Expeditors, Forward Air, Flexport, J.B. Hunt, Landstar System, Total Quality Logistics, and Uber Freight. Due to the competitive nature of our industry, we strive to strengthen existing business relationships and forge new relationships.

The health of the freight transportation industry overall will continue to be a function of economic growth, as well as secular trends that stem from shipper and consumer behaviors independent of economic conditions. We believe that RXO is strongly positioned to benefit from these trends, including consumer demand for e-commerce, shipper demand for strong outsourcing partners and the growing adoption of digital capabilities by industry customers and carriers.

Regulation

Our operations are regulated and licensed by various governmental agencies in the United States and in other countries where we conduct business. These regulations impact us directly in the various subsidiary operating companies' respective capacity as transportation service providers and, to some extent, also indirectly when they regulate third-party providers we arrange and/or contract with to transport freight for our customers.

Regulations Affecting Motor Carriers

In the United States, our subsidiaries that operate as motor carriers are licensed by the Federal Motor Carrier Safety Administration ("FMCSA") of the U.S. Department of Transportation ("DOT"). Our motor carrier subsidiaries must comply with the safety and fitness regulations of the DOT, including those related to, without limitation, controlled substances and alcohol, hours-of service compliance, vehicle maintenance, hazardous materials compliance, driver fitness and language proficiency, unsafe driving, and minimum insurance requirements. These carriers are subject to the FMCSA's Compliance Safety Accountability program, which uses a Safety Measurement System to rank motor carriers on seven categories of safety-related data, known as Behavioral Analysis and Safety Improvement Categories. Other federal agencies, such as the Pipeline and Hazardous Materials Safety Administration, the U.S. Food and Drug Administration, and the U.S. Department of Homeland Security, also regulate aspects of our operations.

In addition, our motor carriers that engage independent contractor owner-operators to provide transportation and delivery services are subject to the Federal Leasing Regulations, which are applicable to written agreements between the carriers and those owner-operators. Also, separate from regulatory requirements, the use of independent contractors within the transportation industry continues to face legal changes from regulatory agencies and private litigants. This risk is addressed in greater detail below.

Our motor carriers are also subject to various state regulations, including state operating authority requirements where intrastate motor carriage is regulated, emission-compliance standards such as those promulgated by the California Air Resources Board, and vehicle registration and licensing requirements in certain states and local jurisdictions where we operate. In addition, motor carriers that move freight to and from ports are subject to various registration requirements. In foreign jurisdictions where we operate, our operations are regulated by the appropriate governmental authorities. We may become subject to new or more restrictive regulations relating to emissions, drivers' hours-of-service, independent contractor eligibility requirements, onboard reporting of operations, air cargo security and other matters affecting safety or operating methods.

Regulations and Private Causes of Action Affecting Ground Property Brokers and Freight Forwarders

In the United States, our subsidiaries that operate as ground property brokers and freight forwarders (collectively, "brokers") are licensed by the FMCSA. Our brokers must comply with certain federal bonding requirements. In a limited number of states that regulate intrastate property brokerage and/or freight forwarding, our brokers are subject to licensing requirements.

Separate from regulatory requirements, private litigants are more regularly adding brokers as defendants in lawsuits arising from highway accidents, including on the grounds that brokers were negligent in selecting unsafe carriers to which they tender freight. "Negligent selection," as the cause of action has come to be known, is an allegation, under state law, that the broker failed to act reasonably in deciding whether to hire a carrier. Because the cause of action is based on state law, and because what constitutes "negligence" is a question of fact that is decided by the jury, caselaw has not developed hard and fast rules regarding what constitutes lack of reasonable care in a carrier selection decision. The United States Supreme Court recently accepted review of a negligent selection case against a broker and it will likely decide whether these state law negligence-based claims against brokers are preempted by federal law.

Regulations Affecting Warehouse Operators

Our subsidiaries in the United States that operate warehouses are subject to various state permitting and licensing requirements relating to either general warehousing operations or the freight maintained at the warehouse.

Regulations Affecting Our Subsidiaries Providing Ocean and Air Transportation

One of our subsidiaries is licensed as a U.S. Customs broker by the U.S. Customs and Border Protection (the "CBP"). All U.S. Customs brokers are required to maintain prescribed records and are subject to periodic audits by the CBP. In non-U.S. jurisdictions where we perform customs brokerage services, our operations are licensed, where necessary, by the appropriate governmental authorities.

Our subsidiaries that offer air freight and expedited air charter transportation services are subject to regulation by the Transportation Security Administration ("TSA") governing air cargo security for all loads, regardless of origin or destination. One of our subsidiaries is regulated as an "indirect air carrier" by the TSA. The CBP, TSA and relevant non-U.S. governmental agencies provide requirements and guidance and, in some cases, administer licensing requirements and processes applicable to the air freight forwarding industry.

To facilitate our international operations, RXO is a member of the Cargo Network Services Corp., which is a representative of International Air Transportation Association ("IATA"), a voluntary association of airlines and air freight forwarders that outlines operating procedures for forwarders acting as agents or third-party intermediaries for IATA members. A substantial portion of our international air freight business is transacted with other IATA members.

Additionally, some of our subsidiaries are licensed as an Ocean Transportation Intermediary ("OTI"), since they operate as a non-vessel-operating common carrier, and/or as an Ocean Freight Forwarder licensed by the U.S. Federal Maritime Commission, which establishes the qualifications, regulations, licensing and bonding requirements for arranging international transportation to or from the United States as an OTI.

Other Regulations

We are subject to a variety of other U.S. and foreign laws and regulations, including, but not limited to, the Foreign Corrupt Practices Act and other anti-bribery and anti-corruption statutes, and export and sanction laws. We are also subject to state and U.S. federal laws and regulations addressing some types of cargo transported or stored by our subsidiaries, or transported pursuant to a government contract or subcontract.

Classification of Independent Contractors

U.S. tax and other federal and state regulatory authorities, as well as private litigants, continue to assert that independent contractors in the trucking industry are employees rather than independent contractors, while applying a variety of standards in their determinations of independent contractor status. Federal legislators have introduced legislation in the past to make it easier for tax and other authorities to reclassify independent contractors as employees, including legislation to increase the recordkeeping requirements and heighten the penalties for companies that misclassify workers and are found to have violated overtime or wage requirements. Additionally, federal legislators have sought to abolish the current safe harbor, which allows taxpayers that meet certain criteria to treat individuals as independent contractors if they are following a longstanding, recognized practice. Federal legislators also sought to expand the Fair Labor Standards Act to cover “non-employees” who perform labor or services for businesses, even if non-employees are properly classified as independent contractors; require taxpayers to provide written notice to workers based upon their classification as either an employee or a non-employee; and impose penalties and fines for violations of the notice requirement or for misclassifications.

In addition to these possible legislative changes, the National Labor Relations Board (“NLRB”) and NLRB’s general counsel have signaled the desire to reverse several pro-employer precedents, to make it more difficult for a worker to be classified as an independent contractor by changing the factors used in determining worker classification. The NLRB has also entered into a Memorandum of Understanding with the U.S. Department of Labor regarding the exchange of information and cooperation in enforcement activities regarding the misclassification of employees as independent contractors. If the independent contractor drivers that provide services to RXO are determined to be our employees, we could incur additional exposure under some or all of the following: federal and state employer taxes, workers’ compensation, unemployment benefits, and labor, employment and tort laws, including for prior periods, as well as potential liability for employee benefits and tax withholdings.

Environmental Regulations

Our operations and the independent contractors with which we contract are subject to various environmental laws and regulations in the jurisdictions where we operate. In the United States, these laws and regulations deal with the hauling, handling and disposal of hazardous materials, emissions from vehicles, engine-idling, fuel tanks and related fuel spillage and seepage, discharge and retention of storm water, and other environmental matters that involve inherent environmental risks. We may be responsible for the cleanup of any spill or other incident involving hazardous materials caused by our business. In the past, we have been responsible for the cost to clean up diesel fuel spills caused by traffic accidents or other events, and none of these incidents materially affected our business or operations. We generally transport only hazardous materials rated as low-to-medium-risk, and only a small percentage of our total loads contain hazardous materials.

We believe that our operations are in compliance with current laws and regulations, and we do not know of any existing environmental condition that reasonably would be expected to have a material adverse effect on our business or operating results.

Risk Management and Insurance

We participate in a combination of self-insurance programs, partially through our wholly-owned captive insurance company, and purchased insurance that are managed to provide for commercial automobile liability, commercial general liability, cargo legal liability, workers’ compensation and employers’ liability, umbrella and excess liability, cyber risk, and property coverage with coverage limits, deductibles and self-insured retention levels that we believe are reasonable given the varying historical frequency, severity and timing of claims.

Seasonality

Our volumes are typically higher in the fourth quarter due to peak season demand for our services from our customers in the consumer and transportation sectors.

Human Capital Management

Overview

At RXO, our values are the key to our unique culture and ability to deliver for everyone we serve. Led by our passion for technology and solutions, we have a pioneering spirit and entrepreneurial mindset that draws on an agile approach to move quickly and adapt easily. Our success is grounded from a strong governance structure, code of ethics, good corporate citizenship, and commitment to employee engagement. We equally pride ourselves in our ability to perform with excellence, celebrate our unique strengths, operate safely, and build strong relationships. The demand for best-in-class performance shapes our approach to human capital management and ensures we provide an exceptional work environment for our employees.

At RXO, we encourage our employees to bring their authentic selves to work and to welcome everyone, regardless of gender identity, sexual orientation, race, ethnicity, national origin, religion, life experience, veteran status, and disability.

With a focus on making transportation simpler and more effective for everyone, we continually strive to be an employer of choice. We center our program efforts on professional development, competitive compensation, and dedicated loyalty to empowering a safe and purposeful experience for our team members and their families.

Our People

As of December 31, 2025, we operated with 9,218 team members, including 6,906 full-time and part-time employees (“regular employees”) and 2,312 temporary workers. Of our regular employees, 36% were in hourly roles and 64% were in salaried positions, and 36% are female. As of December 31, 2025, fewer than 20 employees were covered by a collective bargaining agreement.

RXO Workforce ⁽¹⁾	Total #	Total %
Regular	6,906	75%
Hourly	2,502	36%
Salaried	4,404	64%
Male	4,343	63%
Female	2,482	36%
Others/Undisclosed	81	1%
Temporary	2,312	25%
Total Workforce	9,218	100%

⁽¹⁾ Gender representation includes regular employees who have self-identified.

Our Talent Engagement

We believe acquiring top talent and investing in the development of our people gives us a sustainable competitive advantage. We attract candidates from a variety of talent sources and build our pipeline by offering rewarding and challenging career opportunities. We create exceptional employee training experiences that are innovative and collaborative, and we believe they start by listening to our people. We garner feedback from our employees through many channels, including surveys, roundtables, town halls, and leadership forums. In turn, we offer numerous career development opportunities including career workshops, forums, online learning, leadership training, high-potential cohorts, and more. Our employees are encouraged to participate in strategic, cross-functional initiatives, allowing them to develop professionally and play a key role in contributing to the Company’s results.

Our Rewards

RXO's total rewards offering is designed to attract, retain, and drive our people. We provide competitive compensation and benefits from day one. Our comprehensive suite of health and well-being benefit programs supports the various needs of our employees and their families. In addition, RXO continues to cover the majority of health care costs to minimize the inflationary impact on employees.

Our Health and Safety

RXO is committed to providing a safe and healthy workplace, both physically and emotionally, for employees of all backgrounds and abilities, and to safeguarding the public's welfare. We have numerous occupational safety and health standards in place. It is RXO's policy and practice to promote safety and health awareness and training throughout the Company, monitor compliance with all applicable laws and regulations, document and maintain a comprehensive, preventative safety and management program, and routinely conduct risk assessments and safety audits.

RXO has high standards of health and safety for our employees and a desire to continuously assess, refine and implement improvements to policies and procedures. And we encourage those with whom we do business to do the same.

Information about our Executive Officers

Our executive officers are as follows:

Name	Age	Position
Drew Wilkerson	42	Chairman of the Board and Chief Executive Officer
James Harris	63	Chief Financial Officer
Jeff Firestone	55	Chief Legal Officer

Drew Wilkerson is a transportation industry veteran with 19 years of experience in brokerage operations. He joined XPO in May 2012 to spearhead the growth of the company's flagship truck brokerage hub in Charlotte, North Carolina. In May 2014, he was promoted to regional vice president, with responsibility for major brokerage operations, and served as the key liaison for strategic accounts. In March 2017, he was named president of XPO's North American brokerage business; and in February 2020, he was named president of XPO's North American transportation division, with P&L responsibility for truck brokerage, expedite, intermodal, drayage, managed transportation, last mile and freight forwarding. He served in this role until the spin-off of RXO from XPO in November 2022. Prior to XPO, Mr. Wilkerson held leadership positions in sales, operations, and customer and carrier relationship management with C.H. Robinson Worldwide.

James Harris is a career CFO with over 37 years of experience in B2B sectors, including two decades with public companies. He served as chief financial officer of XPO's North American transportation division from September 2022, until the spin-off of RXO from XPO in November 2022. Prior to XPO, he was CFO and treasurer of SPX Technologies from August 2020 to September 2022, and earlier held positions as CFO and then interim CEO of Elevate Textiles, Inc. from April 2019 to August 2020. From 2008 to 2018, he held various executive roles with Coca-Cola Consolidated, the largest independent Coca-Cola franchisee in the United States, including eight years as CFO and two years as executive vice president, business transformation. From 2003 to 2008, he served on the board of directors of Coca-Cola Consolidated. Mr. Harris began his career with Ernst & Young LLP. He serves on the board of trustees of Appalachian State University.

Jeff Firestone served as chief legal officer of XPO's North American transportation division from August 2022 until the spin-off of RXO from XPO in November 2022. Prior to XPO, he held senior legal positions with United Parcel Service during a 22-year tenure, including executive legal responsibility for corporate matters, litigation, governance, compliance and risk mitigation. This included UPS positions as deputy general counsel, regulatory compliance and risk from February 2022 to August 2022, senior vice president, business unit finance from August 2020 to January 2022, and senior vice president, domestic finance, business analytics and transformation from August 2018 to July 2020. Earlier, Mr. Firestone practiced law with Gibson, Dunn & Crutcher LLP.

Available Information

The U.S. Securities and Exchange Commission (the "SEC") maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at <https://www.sec.gov>.

Our corporate website is www.rxo.com. On this website, you can access, free of charge, our reports on Forms 10-K, 10-Q and 8-K, as well as Proxy Statements on Schedule 14A and amendments to these materials. Materials are available online as soon as reasonably practicable after we electronically submit them to the SEC. You can also access materials on our website regarding our corporate governance policies and practices, including our Corporate Governance Guidelines, Code of Business Ethics and the charters relating to the committees of our Board of Directors. You may request a printed copy of these materials without charge by writing to: Investor Relations, RXO, Inc., 11215 North Community House Road, Charlotte, North Carolina 28277.

Item 1A. Risk Factors.

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

Risks Related to Our Business

Risks Related to Industry Dynamics

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

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

Economic recessions and other factors that reduce economic activity could have a material adverse impact on our business.

The transportation industry in North America historically has experienced cyclical fluctuations in financial results due to economic recessions, downturns in the business cycles of our customers, increases in the prices charged by third-party carriers, interest rate fluctuations, prolonged periods of inflation, political instability, pandemics, geopolitical conflict and war, changes in international trade policies and other U.S. and global economic factors beyond our control. During economic downturns, a reduction in overall demand for transportation services will likely reduce demand for our services and exert downward pressures on our rates and margins. The pricing environment also 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, especially during periods of increased economic inflation. In addition, in periods of strong economic growth, overall demand may exceed the available supply of transportation resources, resulting in increased network congestion and operating inefficiencies. Changes in international trade policies could significantly reduce the volume of goods transported globally and adversely affect our business and results of operations. These factors subject our business to various risks that may have a material impact on our operating results and future prospects. These risks may include the following:

- A reduction in overall freight volume reduces our opportunities for growth. In addition, if a downturn in our customers' business causes a reduction in the volume of freight shipped by those customers, our operating results could be adversely affected;
- Some of our customers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business and may be unable to pay us. In addition, some customers may not pay us as quickly as they have in the past, causing our working capital needs to increase;
- A significant number of our carriers may go out of business or may be unable to secure sufficient equipment capacity or services to enable us to meet our commitments to our customers;
- We may not be able to adjust appropriately our expenses to rapid changes in market demand. In order to maintain high variability in our business model, it is necessary to adjust staffing levels when market demand changes. In periods of rapid change, it is more difficult to match our staffing levels to our business needs. In addition, we have other expenses that are primarily variable but are fixed for a period of time, as well as certain significant fixed expenses;
- Prolonged, escalated or expanded current and future international conflicts, and potential sanctions imposed in response to these conflicts, may adversely impact global supply chain activities and the economy at large; and
- The U.S. government has made significant changes in U.S. trade policy and has taken certain actions that have negatively impacted U.S. trade, including imposing tariffs on certain goods imported into the United States. To date, several governments, including the European Union and China have imposed tariffs on certain goods imported from the United States. These actions may contribute to weakness in the global economy that could adversely affect our results of operations. Any further changes in U.S. or international trade policy could trigger additional retaliatory actions by affected countries, resulting in "trade wars" and further increased costs for goods transported globally, which may reduce customer demand for these products if the parties having to pay those tariffs increase their prices, or in trading partners limiting their trade with countries that impose anti-trade measures.

Any of these factors could have an adverse effect on our business, results of operations or financial condition, as well as on the price of our common stock.

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

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

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

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

Higher carrier prices may result in decreased income from operations and increases in working capital usage.

Motor carriers can be expected to charge higher prices if market conditions warrant or to cover higher operating expenses. Our income from operations may decrease if we are unable to increase our pricing to our customers. Increased demand for over-the-road transportation services, changes in regulations and increased enforcement of existing regulations may reduce available capacity and increase motor carrier pricing. In some instances where we have entered into contract freight rates with customers, in the event market conditions change and those contracted rates are below market rates, we may be required to provide transportation services at a loss or lower margin. This may be more acute when we have a high percentage of contracted freight with customers and when there are significant changes in prices charged by motor carriers in a short period, as most of our transportation services are procured transactionally. To date, such losses have not been material, but there can be no assurances that such losses will not be material in the future.

As our volumes increase or we increase freight rates charged to our customers, the resulting increase in revenues may increase our working capital needs due to our business model, which generally has a higher length of days sales outstanding than days payables outstanding.

Extreme or unusual weather conditions can disrupt our operations, impact freight volumes, and increase our costs, all of which could have a material adverse effect on our business results.

Our business depends, in part, on predictable temperate weather patterns. Certain seasonal weather conditions and isolated weather events can disrupt our operations. At least some of our operations are constantly at risk of extreme adverse weather conditions. Any unusual or prolonged adverse weather patterns in our areas of operations or markets, whether due to climate change or otherwise, can temporarily impact freight volumes and increase our costs.

Our operations may be subject to seasonal fluctuations, and our inability to manage these fluctuations could negatively affect our business and our results of operations.

Many of our customers typically realize a significant portion of their sales in the fourth quarter of each year during the holiday season. Although not all of our customers experience the same seasonal variation, and some customers may have seasonal peaks that occur in periods other than the fourth quarter, the seasonality of our customers' businesses places higher demands on our services, requiring us to take measures, including temporarily expanding our workforce, to meet our customers' demands. Our failure to meet our customers' expectations during these seasonal peaks may negatively affect our customer relationships, could expose us to penalties under our contractual arrangements with customers and ultimately could negatively affect our business and our results of operations.

Risks Related to Third-Party Relationships

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

We generally do not own or control the transportation assets that deliver our customers' freight, and we do not employ the people directly involved in delivering this freight. In addition, we engage third-party contractors who own and operate their own equipment and vendors to provide value-added services. Accordingly, we are dependent on third parties to provide truck, rail, ocean, air and other transportation and related services and to report certain events to us, including delivery information and cargo claims. This reliance on third parties could cause delays in reporting certain events, impacting our ability to recognize revenue and claims in a timely manner.

Our inability to maintain positive relationships with independent carriers could significantly limit our ability to serve our customers on competitive terms. In addition, changes in the terms of the relationships with our vendors may make our value-added services less compelling to customers and adversely impact our results. Our ability to secure sufficient equipment or other transportation services to meet our commitments to customers or provide our services on competitive terms is subject to inherent risks, many of which are beyond our control, including equipment and labor shortages in the transportation industry, interruptions or stoppages in transportation services, "Acts of God" or acts of terrorism, changes in regulations impacting transportation, increases in operating expenses for carriers that result in a reduction in available carriers, and changes in transportation rates; and if we are unable to meet our commitments to our customers or provide our services on competitive terms, our operating results could be materially and adversely affected, and our customers could shift their business to our competitors temporarily or permanently.

Our business relies on third-party carriers to conduct its operations, and the status of these parties as independent contractors, rather than employees, is being challenged.

Federal and state legislation as well as tax and other regulatory authorities have sought to assert that independent contractors in the transportation service industry are employees rather than independent contractors. There can be no assurance that interpretations supporting independent contractor status will not change, that other federal or state legislation will not be enacted or that various authorities will not successfully assert a position that re-classifies independent contractors to be employees. If the third-party carriers with which we contract for the performance of delivery services, or their delivery workers, are determined to be our employees, that determination could materially increase our exposure under a variety of federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, as well as our potential liability for employee benefits and tax withholdings. Any of the above increased costs would adversely affect our business and operating results.

In addition, we are involved in several class action and collective action lawsuits claiming that the third-party carriers with which we contract, or their delivery workers, should be treated as our employees, rather than independent contractors. These lawsuits may seek substantial monetary damages (including claims for unpaid wages, overtime, unreimbursed business expenses, deductions from wages and other items), injunctive relief, or both.

While we believe that our third-party carriers are properly classified as independent contractors rather than as employees, and that their delivery workers are not employees of the Company, adverse final outcomes in these matters could result in changes to their independent contractor status and could, among other things, entitle certain claimants to reimbursement of certain expenses and to the benefit of wage-and-hour laws, and result in employment and withholding taxes, back wages and benefit liability for us. These claims involve potentially significant classes that could involve thousands of claimants and, accordingly, significant potential damages and litigation costs, and could lead others to bring similar claims. Adverse final outcomes in these matters or changes to state or federal laws could cause us to change our business model, which could have a material adverse effect on our business strategies, financial condition, results of operations or cash flows.

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.

Our business may be materially adversely affected by labor disputes or organizing efforts.

Our business could be adversely affected by strikes and labor negotiations at seaports, labor disputes between railroads and their union employees, or by a work stoppage at one or more railroads or local trucking companies servicing rail or port terminals, including work disruptions involving owner-operators under contract with our local trucking operations. Port shutdowns and similar disruptions to major points in national or international transportation networks could result in terminal embargoes, disrupt equipment and freight flows, depress volumes and revenues, increase costs and have other negative effects on our operations and financial results.

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

We are subject to one collective bargaining agreement that covers fewer than 20 of our employees. We have not experienced any work stoppages due to strikes by unionized workers, but we cannot make assurances that there will not be any work stoppages due to strikes or other job actions in the future. Labor unions may continue to attempt to organize our employees. Further successful unionization by our employees or organizing efforts could lead to business interruptions, work stoppages and the reduction of service levels due to work rules that could have an adverse effect on our customer relationships and our revenues, earnings, financial position and outlook.

Risks Related to Our Use of Technology

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

We rely heavily on our information technology systems in managing our business; they are a key component of our customer-facing services and internal growth strategy. In general, we expect our customers to continue to demand more sophisticated, fully integrated technology from their carriers. To keep pace with changing technologies and customer demands, we must correctly address market trends and enhance the features and functionality of our proprietary technology platform in response to these trends. This process of continuous enhancement may lead to significant ongoing software development costs, which will continue to increase if we pursue new acquisitions of companies and their current systems. In addition, we may fail to accurately determine the needs of our customers or trends in the transportation industry, or we may fail to respond appropriately by implementing functionality for our technology platform in a timely or cost-effective manner. Any such failures could result in decreased demand for our services and a corresponding decrease in our revenues.

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

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

We could be affected by cyberattacks or breaches of our information systems, any of which could have a material adverse effect on our business.

We may be subject to cybersecurity attacks and other intentional hacking. Any failure to identify and address such defects or errors or prevent a cyber-attack could result in service interruptions, operational difficulties, loss of revenues or market share, liability to our customers or others, the diversion of corporate resources, injury to our reputation or increased service and maintenance costs. Addressing such issues could prove to be impossible or very costly and responding to the resulting claims or liability could similarly involve substantial cost. Also, due to recent advances in technology and well-known efforts on the part of computer hackers and cyber-criminals to breach data security of companies, we face risks associated with potential failure to adequately protect critical corporate, customer and employee data, which, if released, could adversely impact our customer relationships, our reputation, and even violate privacy laws. Recently, regulatory and enforcement focus on data protection has heightened in the United States. Failure to comply with applicable data protection regulations or other data protection standards may expose us to litigation, fines, sanctions or other penalties, which could harm our business, our reputation, results of operations and financial condition.

A failure of our information technology infrastructure, information systems, networks or processes may materially adversely affect our business.

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

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

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

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

Third-party security incidents could result in the loss of our or our customers' data, expose us to liability, harm our reputation, damage our competitiveness and adversely impact our financial results.

We rely on third parties to provide us with a number of operational and technical services. These third parties may have access to our systems, provide hosting services or otherwise possess data about us or our customers, employees or partners. Our ability to monitor such third parties' security measures is limited. Any security incident involving such third parties could compromise the integrity or availability of, or result in the theft of, our and our customers' data. Unauthorized access to data and other confidential or proprietary information may be obtained through break-ins, network breaches by unauthorized parties, employee theft or misuse, or other misconduct. If any of the foregoing were to occur or to be perceived to occur, our reputation may suffer, our competitive position may be diminished, we could face lawsuits, regulatory investigation, fines, and potential liability and our financial results could be negatively impacted.

We use, and may continue to expand our use of, machine learning and artificial intelligence ("AI") technologies to deliver our services and operate our business.

If we fail to successfully integrate AI into our platform and business processes, or if we fail to keep pace with rapidly evolving AI technological developments, including attracting and retaining talented AI developers and programmers and cybersecurity personnel, we may face a competitive disadvantage. At the same time, the use or offering of AI technologies may result in new or expanded risks and liabilities, including enhanced government or regulatory scrutiny, litigation, privacy and compliance issues, ethical concerns, confidentiality, reputational harm, and security risks. It is not possible to predict all of the risks related to the use of AI and changes in laws, rules, directives, and regulations governing the use of AI that may adversely affect our ability to develop and use AI or subject us to legal liability. The cost of complying with laws and regulations governing AI could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations. Further, market demand and acceptance of AI technologies are uncertain, and we may be unsuccessful in efforts to further incorporate AI into our processes.

Risks Related to Our Credit and Liquidity

Challenges in the commercial and credit environment may adversely affect our future access to capital on favorable terms.

Volatility in global financial markets could increase borrowing costs or affect our ability to access the capital markets. Our ability to issue debt or enter into other financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for our services or in the financial health of our customers or suppliers or if there are other significantly unfavorable changes in economic conditions.

We incurred debt obligations that could adversely affect our business and profitability and our ability to meet other obligations.

As of December 31, 2025, we had \$408 million of outstanding debt and finance leases, consisting primarily of \$355 million of our unsecured notes, in addition to \$565 million of undrawn commitments under the unsecured, multi-currency revolving credit facility that matures in 2029 (the "Revolver"). On February 5, 2026, we entered into the ABL Facility (as defined below) and, in connection therewith, the Revolver was fully repaid and terminated. Refer to [Note 10 — Debt](#) to the consolidated financial statements for additional information. We may also incur additional indebtedness in the future.

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

Risks Related to Litigation and Regulation

We are subject to claims arising from our transportation operations.

We use the services of thousands of transportation companies in connection with our transportation operations. From time to time, the drivers employed and engaged by the motor carriers we contract with are involved in accidents, which may result in serious personal injuries. The resulting types and/or amounts of damages may be excluded by or exceed the amount of insurance coverage maintained by the third-party carrier. Although these drivers are not our employees and all of these drivers are employees, owner-operators, or independent contractors working for the third-party carriers, from time to time, claims may be asserted against us for their actions or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage or may not be covered by insurance at all. A material increase in the frequency or severity of accidents, liability claims or workers' compensation claims, or unfavorable resolutions of claims, could materially and adversely affect our operating results. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims could reduce our profitability. Our involvement in the transportation of certain goods, including but not limited to, hazardous materials, could also increase our exposure in the event one of our third-party carriers is involved in an accident resulting in injuries or contamination.

In North America, as a property freight broker, we are not legally liable for loss or damage to our customers' cargo. In our customer contracts, we may agree to assume cargo liability up to a stated maximum. We typically do not assume cargo liability to our customers above minimum industry standards in our international freight forwarding, ocean transportation, or air freight businesses on international or domestic air shipments. Although we are not legally liable for loss or damage to our customers' cargo while operating as a property freight broker, from time to time, claims may be asserted against us for cargo losses.

From time to time, we are involved in lawsuits and are subject to various claims that could result in significant expenditures and impact our operations.

The nature of our business exposes us to the potential for various types of claims and litigation. We are subject to claims and litigation related to independent contractor classification, labor and employment, personal injury, vehicular accidents, cargo and other property damage, commercial disputes, environmental liability and other matters, including with respect to claims asserted under various other theories of agency or employer liability. Claims against us may exceed the amount of insurance coverage that we have or may not be covered by insurance at all. Businesses that we acquire also increase our exposure to litigation. Material increases in liability claims or workers' compensation claims, or the unfavorable resolution of claims, or our failure to recover, in full or in part, under indemnity provisions could materially and adversely affect our operating results. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims could reduce our profitability.

Our third-party carriers are subject to increasingly stringent laws protecting the environment, including transitional risks relating to climate change, which could directly or indirectly have a material adverse effect on our business.

Future and existing environmental regulatory requirements, including evolving transportation technology, in the United States and abroad could adversely affect operations and increase operating expenses, which in turn could increase our purchased transportation costs or further exacerbate shortages of trucking equipment. If we are unable to retain compliant third-party carriers or pass such operating expenses along to our customers, our business could be materially and adversely affected. Even without any new legislation or regulation, increased public concern regarding greenhouse gases emitted by transportation carriers could harm the reputations of companies operating in the transportation industry and shift consumer demand toward more locally sourced products and away from our services.

We are subject to governmental regulations and political conditions, which could negatively impact our business.

Our operations are regulated and licensed by various governmental agencies at the local, state and federal levels in the United States and in the foreign countries where we operate. These regulatory agencies have authority and oversight of domestic and international activities. Our subsidiaries must also comply with applicable regulations and requirements of various agencies.

The regulatory landscape in which we operate is constantly evolving and subject to significant change, including as a result of evolving political and social attitudes. Future laws, regulations and regulatory reforms, including without limitation future laws and regulations related to increased minimum wages, the expansion of union organization rights or changes in the classification of employees and independent contractors, may be more stringent and may require changes to our operating practices that influence the demand for our services or require us to incur significant additional costs, which could adversely affect our results of operations to the extent we are unable to obtain a corresponding increase in price from our customers.

Furthermore, political conditions may increase the level of intensity of regulations that impact our business, may require changes to our operating practices, may influence demand for our services, or may require us to incur significant additional costs, any of which could negatively impact our business.

Risks Related to Our Strategy and Operations

We depend on our ability to attract and retain qualified employees and temporary workers.

We depend on our ability to attract and retain qualified talent, including temporary, part-time and full-time team members; sales representatives; brokerage agents; managers; and executive officers. If we are unable to attract and retain such individuals, we may be unable to maintain our current competitive position within the industry, meet our customers' expectations or successfully expand and grow our business.

In addition to our permanent employees, our ability to meet customer demands and expectations, especially during periods of peak volume, is substantially dependent on our ability to recruit and retain qualified temporary workers. Increased demand for temporary workers, low unemployment or changes in federal or state minimum wage laws may increase the costs of temporary labor, and any such increases in labor costs could adversely affect our business, results of operations, cash flows and financial condition. Moreover, our inability to recruit a qualified temporary workforce may result in our inability to meet our customers' performance targets.

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

We are implementing various cost and revenue initiatives to further increase our profitability, including advanced pricing analytics and revenue management tools, our digital brokerage platform, our shared distribution network, cross-selling to strategic accounts, workforce productivity and further back-office optimization. If we are not able to successfully implement these cost and revenue initiatives, our future financial results may suffer.

We may not successfully manage our growth.

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

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

Our inability to successfully manage the costs and operational difficulties of adding new customers or more volume from existing customers may negatively affect our financial condition and operations.

Establishing new customer relationships or adding operational sites for existing customers requires a significant amount of time, operational focus and capital. Although we typically partner with our new customers to ensure that onboarding is smooth and allocate costs appropriately, our inability to integrate new customers or operational sites into our technology systems or recruit additional employees to manage new customer relationships, or higher than anticipated costs to onboard new customers, may negatively affect our financial condition or operations.

We derive a significant portion of our total revenue from our largest customers.

Our top five customers comprised approximately 23% of our consolidated total revenue for the year ended December 31, 2025. Our largest customer comprised approximately 11.4% of our consolidated total revenue for the year ended December 31, 2025. The sudden loss of one or more major customers could materially and adversely affect our operating results.

Damage to our reputation through unfavorable publicity or the actions of our employees or independent contractors could adversely affect our financial condition.

Our success depends on our ability to consistently deliver operational excellence and strong customer service. Our inability to deliver our services and solutions as promised on a consistent basis, or our customers having a negative experience or otherwise becoming dissatisfied, can negatively impact our relationships with new or existing customers and adversely affect our brand and reputation, which could, in turn, adversely affect revenue and earnings growth. Adverse publicity (whether or not justified) relating to activities by our employees, contractors, agents or others with whom we do business, such as customer service mishaps or noncompliance with laws, could tarnish our reputation and reduce the value of our brand. With the increase in the use of social media outlets, adverse publicity can be disseminated quickly and broadly, making it increasingly difficult for us to effectively respond. This unfavorable publicity could also require us to allocate significant resources to rebuild our reputation.

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

As of December 31, 2025, we had \$1.1 billion of goodwill on our Consolidated Balance Sheets. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. We assess potential impairment of our goodwill annually, or more frequently if an event or circumstance indicates an impairment loss may have been incurred. Impairment may result from significant changes in the manner or use of the acquired assets, in connection with the sale, spin off or other divestiture of a business unit, negative industry or economic trends and/or significant underperformance relative to historic or projected operating results. For a discussion of our goodwill impairment testing, see “Critical Accounting Policies and Estimates—Evaluation of Goodwill” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Any acquisitions that we may complete in the future may be unsuccessful or result in other risks or developments that adversely affect our financial condition and results.

While we intend for acquisitions to improve our competitiveness and profitability, we cannot be certain that any future acquisitions will be accretive to earnings or otherwise meet our operational or strategic expectations. Special risks, including accounting, regulatory, compliance, information technology or human resources issues, may arise in connection with, or as a result of, the acquisition of an existing company, including the assumption of unanticipated liabilities and contingencies, difficulties in integrating acquired businesses, possible management distractions, or the inability of the acquired business to achieve the levels of revenue, profit, productivity or synergies we anticipate or otherwise perform as we expect on the timeline contemplated. Any of these events could adversely affect our financial condition and results of operations.

We may not realize all of the anticipated benefits of any divestitures we may make in the future, or the benefits of any such divestitures may take longer to realize than expected.

We may in the future sell certain businesses or exit particular markets. Any such divestitures may not yield the targeted improvements in our business. Divestitures involve risks, including difficulties in the separation of operations, services, and personnel, disruption in our operations or businesses, finding a suitable purchaser, and the diversion of management's attention from our other businesses. Any impairments and losses on divestiture resulting from this process may cause us to record significant charges, including those related to goodwill and other intangible assets. Any charges that we are required to record or the failure to achieve the intended financial results associated with divestitures of businesses or assets could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Our Common Stock

Sales of shares of our common stock in connection with registration rights granted to certain stockholders, or the prospect of any such sales, could affect the market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

We have entered into agreements with certain stockholders that granted such stockholders certain registration rights. Pursuant to these agreements, we registered for resale 28.5 million shares of our common stock, which represents approximately 17.4% of our outstanding shares of common stock as of December 31, 2025. Any sales of these registered shares, or the prospect of any such sales, could adversely impact the market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

Any stockholder's percentage of ownership in RXO may be diluted in the future at any given time.

In the future, existing holders of our common stock may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. Our employees have stock-based awards that correspond to shares of our common stock. We anticipate that the compensation committee of our board of directors will grant additional stock-based awards to our employees under the employee benefits plan. Such awards will have a dilutive effect on the number of RXO shares outstanding, and therefore on our earnings per share, which could adversely affect the market price of our common stock.

Certain provisions in RXO's amended and restated certificate of incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of RXO, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include:

- the ability of our remaining directors to fill vacancies on our board of directors;
- limitations on stockholders' ability to call a special stockholder meeting or act by written consent;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of our board of directors to issue preferred stock without stockholder approval; and
- a classified board of directors, with each class serving a staggered three-year term, which could have the effect of making the replacement of incumbent directors more time consuming and difficult.

In addition, we are subject to Section 203 of the Delaware General Corporation Law (the “DGCL”), which could have the effect of delaying or preventing a change of control. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation’s outstanding voting stock.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make RXO immune from takeovers; however, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of RXO and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

RXO’s amended and restated certificate of incorporation contains an exclusive forum provision that may discourage lawsuits against RXO and our directors and officers.

Our amended and restated certificate of incorporation provides that unless the board of directors otherwise determines, the state courts within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of RXO, any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee or stockholder of RXO in such capacity to RXO or to RXO stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, any action asserting a claim against RXO or any current or former director or officer or other employee or stockholder of RXO in such capacity arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, any action asserting a claim relating to or involving RXO governed by the internal affairs doctrine, or any action asserting an “internal corporate claim” as that term is defined in Section 115 of the DGCL.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty of liability created by the Exchange Act or the rules and regulations thereunder, and as a result, the exclusive forum provision does not apply to actions arising under the Exchange Act or the rules and regulations thereunder. While the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision described above. Our stockholders will not be deemed to have waived compliance with the federal securities laws and the rules and regulations thereunder.

This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with RXO or our directors or officers, which may discourage such lawsuits against RXO and our directors and officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Our information security program is managed by our Head of Information Security (“HIS”), who is responsible for assessing, monitoring and managing our cybersecurity risks. Our Chief Financial Officer (“CFO”) provides oversight of our information security program. Our HIS has more than 30 years of experience in the technology and cybersecurity fields, including 20 years of cybersecurity experience in the U.S. defense industrial base. Our CFO has over 35 years of experience, inclusive of roles with direct oversight of information technology.

Our cybersecurity risk management and identification has been integrated into our broader enterprise risk management framework which is regularly reported on to the Audit Committee of our Board of Directors. Additionally, our HIS provides periodic reports to our Board of Directors, as well as to our Chief Executive Officer and other members of our senior management as appropriate. These reports include updates on our cybersecurity risks and threats, the status of activities to strengthen our information security systems, assessments of the information security program, and the emerging threat landscape.

We have implemented robust incident monitoring and response processes, which are overseen by our HIS. Security events are evaluated, ranked by severity and prioritized for response and remediation by the information technology team. Incidents are evaluated to determine materiality as well as operational, business and privacy impacts and are reported to management as appropriate.

We also engage with various external experts, including cybersecurity assessors and consultants, to conduct cybersecurity program and threat assessments and to advise management on ways to enhance our cybersecurity program as part of our continuing efforts to evaluate the effectiveness of our information security program. We utilize certain third-party service providers to perform a variety of functions to operate our business and we seek to engage reliable, reputable service providers that maintain cybersecurity programs. Depending on the nature of the services provided, the sensitivity of the information, and the identity of the service provider, our vendor management process may include reviewing the cybersecurity practices of such provider, contractually imposing obligations on the provider, and conducting security assessments.

While we have not experienced a cybersecurity incident that has materially affected our business, results of operations or financial condition, see the risk factor entitled “We could be affected by cyberattacks or breaches of our information systems, any of which could have a material adverse effect on our business” in [Item 1A— Risk Factors](#) for information about the cybersecurity risks we face.

Item 2. Properties.

As of December 31, 2025, we operated 171 principal locations, primarily located in North America, including 20 locations owned or leased by our customers.

Location	Leased Facilities	Customer Facilities ⁽¹⁾	Total
North America	132	20	152
Asia	8	—	8
Europe	6	—	6
Corporate	5	—	5
Total	151	20	171

⁽¹⁾ Locations owned or leased by customers.

We lease our current executive office located in Charlotte, North Carolina. We believe that our facilities are sufficient for our current needs.

Item 3. Legal Proceedings.

Information with respect to certain legal proceedings is included in [Note 17 — Commitments and Contingencies](#) to our consolidated financial statements (included in Part II, Item 8 of this Annual Report) and is incorporated herein by reference. For an additional discussion of certain risks associated with legal proceedings, see “Risk Factors” above.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is traded on the New York Stock Exchange under the ticker symbol “RXO.” As of February 5, 2026, there were approximately 94 registered holders of our common stock.

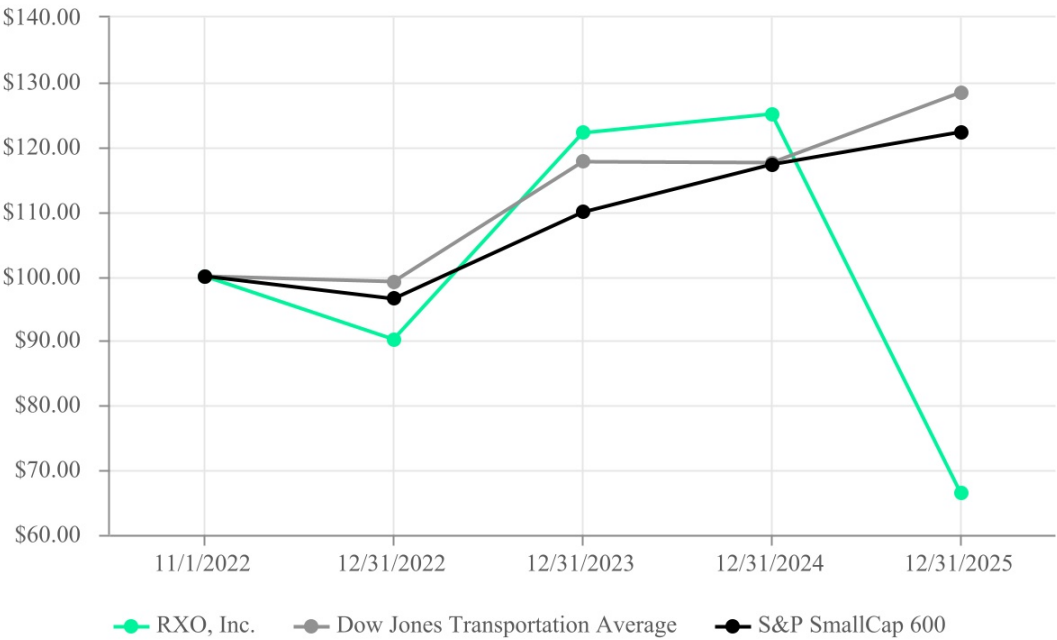
Dividends

We have never declared or paid cash dividends on our common stock. Any determination to pay dividends on our common stock will be at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors considers relevant.

Stock Performance Graph

RXO became a standalone publicly traded company on November 1, 2022. The following graph sets forth the cumulative total stockholder return to RXO’s stockholders for the period beginning November 1, 2022, through December 31, 2025, as well as the corresponding returns on the Dow Jones Transportation Average and S&P SmallCap 600 index.

The stock performance assumes \$100 was invested on November 1, 2022, in our common stock and each index, including reinvestment of dividends through December 31, 2025.



	11/1/2022	12/31/2022	12/31/2023	12/31/2024	12/31/2025
RXO, Inc.	\$ 100.00	\$ 90.24	\$ 122.04	\$ 125.08	\$ 66.32
Dow Jones Transportation Average	\$ 100.00	\$ 99.05	\$ 117.59	\$ 117.56	\$ 128.37
S&P SmallCap 600	\$ 100.00	\$ 96.39	\$ 109.77	\$ 117.26	\$ 122.22

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report. This Annual Report contains certain forward-looking statements that are intended to be covered by the safe harbors created by the Private Securities Litigation Reform Act of 1995. Please see “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors” for a discussion of the uncertainties, risks and assumptions associated with these statements.

This section of this Annual Report generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 are not included in this Annual Report and can be found in Part II, Item 7, “[Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Overview

RXO, Inc. 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 asset-light managed transportation and last mile services, which complement our truck brokerage business.

Our truck brokerage business has a history of generating robust free cash flow conversion and 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 that enable volume growth in our business include our ability to access massive truckload capacity for shippers through our carrier relationships; our proprietary, cutting-edge technology; our strong management expertise; and favorable long-term industry tailwinds.

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. Our complementary services for managed transportation and last mile 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 and last mile. 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. We also offer freight forwarding services, including facilitation of ocean and air transportation, customs brokerage and additional domestic services including middle mile.

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 U.S., positioned within 125 miles of the vast majority of the U.S. population and serving a customer base of omnichannel and e-commerce retailers and direct-to-consumer manufacturers.

The Coyote Acquisition

On September 16, 2024, the Company acquired Coyote from UPS and certain subsidiaries of UPS. We acquired Coyote for \$1.038 billion in cash, subject to certain additional customary adjustments. The purchase price was subsequently increased by \$10 million for working capital and other post-closing adjustments, which was paid in the first quarter of 2025. Refer to [Note 3 — Acquisition](#) to the consolidated financial statements in this Annual Report on Form 10-K for disclosures regarding the Company's acquisition of Coyote.

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 impact of macroeconomic conditions, including but not limited to, prolonged inflation, higher interest rates and capital costs, exchange rate volatility, increased shipping costs, labor disputes, reduced discretionary consuming spending, increased tariffs and international conflicts, could negatively impact our financial results. We continue to monitor the evolving macroeconomic environment and the impact to our business. For further discussion of potential impacts of these macroeconomic effects on our business, refer to [Item 1A — Risk Factors](#).

Impact of Inflation

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 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

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) includes both fixed and variable expenses and consists mainly of personnel costs; facility and equipment expenses, such as rent, utilities, equipment maintenance and repair; costs of materials and supplies; information technology expenses; and gains and losses on sales of property and equipment.

Sales, general and administrative expense ("SG&A") 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.

The Company's consolidated financial statements include the accounts of RXO, Inc. and its majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

RXO has one reportable segment.

Results of Operations

(Dollars in millions)	Years Ended December 31,			Percent of Revenue		
	2025	2024	2023	2025	2024	2023
Revenue	\$ 5,742	\$ 4,550	\$ 3,927	100.0 %	100.0 %	100.0 %
Cost of transportation and services (exclusive of depreciation and amortization)	4,611	3,565	2,967	80.3 %	78.4 %	75.6 %
Direct operating expense (exclusive of depreciation and amortization)	190	202	235	3.3 %	4.4 %	6.0 %
Sales, general and administrative expense	832	666	591	14.5 %	14.6 %	15.0 %
Depreciation and amortization expense	116	87	67	2.0 %	1.9 %	1.7 %
Transaction and integration costs	22	53	12	0.4 %	1.2 %	0.3 %
Restructuring costs	38	33	16	0.7 %	0.7 %	0.4 %
Goodwill impairment	12	—	—	0.2 %	— %	— %
Operating income (loss)	(79)	(56)	39	(1.4)%	(1.2)%	1.0 %
Other expense	1	218	3	— %	4.8 %	0.1 %
Interest expense, net	35	30	32	0.6 %	0.7 %	0.8 %
Income (loss) before income taxes	(115)	(304)	4	(2.0)%	(6.7)%	0.1 %
Income tax provision (benefit)	(15)	(14)	—	(0.3)%	(0.3)%	— %
Net income (loss)	\$ (100)	\$ (290)	\$ 4	(1.7)%	(6.4)%	0.1 %

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue increased by 26.2% to \$5.7 billion in 2025, compared with \$4.6 billion in 2024. The year-over-year increase in revenue in 2025 was driven by (i) a \$1.2 billion increase in truck brokerage revenue, primarily as a result of the Coyote acquisition and (ii) a \$141 million increase in last mile revenue, primarily as a result of a 13% increase in volume. This was partially offset by a \$51 million decrease in revenue in our managed transportation business, driven primarily by a decrease in automotive expedite volume.

Cost of transportation and services (exclusive of depreciation and amortization) in 2025 was \$4.6 billion, or 80.3% of revenue, compared with \$3.6 billion, or 78.4% of revenue in 2024. The \$1.0 billion increase is primarily attributable to a full year of Coyote activity in 2025. The year-over-year increase as a percentage of revenue during 2025 was driven primarily by (i) a 0.5 percentage point increase in truck brokerage cost of transportation and services as a percentage of revenue as the market tightened during 2025, with capacity rapidly exiting in certain regions driven primarily by regulatory changes and enforcement, which caused buy rates to increase faster than our contractual sell rates and (ii) a 2.7 percentage point increase in last mile cost of transportation and services as a percentage of revenue as a result of freight mix changes.

Direct operating expense (exclusive of depreciation and amortization) of \$190 million in 2025 decreased \$12 million, or 5.9%, from \$202 million in 2024. As a percentage of revenue, direct operating expense (exclusive of depreciation and amortization) decreased to 3.3% in 2025 compared to 4.4% in 2024 driven primarily by cost reduction initiatives and improved leverage as a result of increased scale due to the Coyote acquisition.

SG&A of \$832 million in 2025 increased \$166 million, or 24.9%, from \$666 million in 2024, primarily attributable to a full year of Coyote activity in 2025. As a percentage of revenue, SG&A decreased to 14.5% in 2025 compared with 14.6% in 2024 driven primarily by improved leverage as a result of increased scale due to the Coyote acquisition, as well as cost savings from restructuring actions.

Depreciation and amortization expense in 2025 was \$116 million, compared with \$87 million in 2024. Depreciation and amortization expense for 2025 included an increase of \$28 million attributable to a full year of Coyote activity in 2025.

Transaction and integration costs in 2025 were \$22 million, compared with \$53 million in 2024. Transaction and integration costs for 2025 and 2024 included \$19 million and \$49 million, respectively, attributable to the Coyote acquisition.

Restructuring costs in 2025 and 2024 were \$38 million and \$33 million, respectively, and primarily comprised severance costs and operating lease impairments.

Goodwill impairment in 2025 was \$12 million and was driven by the impairment of our ground and air express reporting unit resulting from our annual goodwill assessment.

Other expense in 2024 included a one-time charge of \$216 million representing a deemed non-pro rata distribution in connection with the private placement common stock issuance completed in August 2024.

Our effective income tax rates were 13.3% and 4.6% for 2025 and 2024, respectively. Our effective tax rate for 2025 differs from the U.S. corporate income tax rate of 21% primarily due to the effect of non-deductible expenses when experiencing a pre-tax loss. Our effective tax rate for 2024 differs from the U.S. corporate income tax rate of 21% primarily due to the effect of large non-deductible tax items associated with the Coyote acquisition and related common stock issuances.

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 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, share repurchases 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 and thereafter, for the foreseeable future.

Capital Expenditures

Our 2025 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 equipment. 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

Notes

On October 25, 2022, we completed an offering of \$355 million in aggregate principal amount of unsecured notes (the “Notes” or the “7.50% Notes due 2027”). The Notes bear interest at a rate of 7.50% per annum payable semiannually in cash in arrears on May 15 and November 15 of each year, beginning May 15, 2023, and mature on November 15, 2027, unless earlier repurchased or redeemed. RXO is permitted to redeem some or all of the Notes prior to their maturity at redemption prices described in the indenture governing the Notes. The Notes were issued at a price of 98.962% of par. Refer to [Note 10 — Debt](#) to the consolidated financial statements for additional information.

Revolving Credit Facilities

On October 18, 2022, we entered into a five-year, \$500 million unsecured, multi-currency revolving credit facility (the “Revolver”) with \$50 million 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. There was \$35 million outstanding under the Revolver as of December 31, 2025.

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

The Revolver requires the Company to maintain a minimum interest coverage ratio of not less than 3.00:1.00. On August 8, 2024, the Company and lenders entered into an amendment, which, following the completion of the Coyote acquisition on September 16, 2024, increased the Company's maximum consolidated leverage ratio to not greater than 4.50:1.00. This amendment also extended the Revolver maturity date to September 16, 2029, subject to a springing earlier maturity date based on outstanding borrowings under the Company's existing notes. Refer to [Note 10 — Debt](#) to the consolidated financial statements for additional information.

As of December 31, 2025, the Company had \$565 million committed under the Revolver, net of outstanding borrowings. As of December 31, 2025, the Company's available borrowing capacity under the Revolver, after giving effect to the financial covenants described above, was \$202 million.

In connection with entering into the ABL Facility, on February 5, 2026, the existing Revolver was fully repaid and terminated.

We also have a non-U.S. revolving credit facility with a maximum commitment of approximately \$17 million. This facility has a one-year term and we had \$15 million outstanding as of December 31, 2025 classified as short-term debt.

ABL Facility

On February 5, 2026, we entered into an asset-based five-year revolving credit facility (the “ABL Facility”) in an amount of up to \$450 million, with \$100 million available for the issuance of letters of credit. Proceeds from loans under the ABL Facility were used to repay and terminate the existing Revolver. Loans under the ABL Facility bear interest at a rate per annum equal to, at the Company's election: (i) a base rate plus an applicable margin or (ii) an adjusted term Secured Overnight Financing Rate (“SOFR”) plus an applicable margin; interest is payable quarterly. The Company is required to pay a commitment fee on any unused commitment, based on pricing levels set forth in the agreement.

The ABL Facility contains customary representations and warranties, events of default and financial, affirmative and negative covenants for facilities of this type, including, but not limited to, financial covenants relating to a fixed charge coverage ratio, a minimum liquidity requirement and a minimum excess availability requirement, and restrictions on indebtedness, liens, investments and acquisitions, asset dispositions, specified agreements, restricted payments and prepayment of certain indebtedness.

Refer to [Note 10 — Debt](#) to the consolidated financial statements for additional information.

Loan Covenants and Compliance

As of December 31, 2025, we were in compliance with the covenants and other provisions of our debt agreements. Any failure to comply with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

Equity Offering

During 2024, the Company completed both a private placement and public offering of its common stock. Total proceeds from these offerings, net of related issuance costs, of approximately \$1.1 billion were used to fund the acquisition of Coyote on September 16, 2024. Refer to [Note 13 — Stockholders' Equity](#) to the consolidated financial statements for additional information.

Financial Condition

Our asset and liability balances are summarized as follows:

(In millions)	December 31,		\$ Change	% Change
	2025	2024		
Total current assets	\$ 1,317	\$ 1,339	\$ (22)	(1.6)%
Total long-term assets	1,960	2,075	(115)	(5.5)%
Total current liabilities	1,038	1,065	(27)	(2.5)%
Total long-term liabilities	698	737	(39)	(5.3)%

Total assets decreased by \$137 million from December 31, 2024 to December 31, 2025, primarily due to (i) an \$18 million decrease in cash and cash equivalents, as described in the Cash Flow Activity section below, (ii) a \$46 million decrease in identifiable intangible assets as a result of amortization and (iii) a \$38 million decrease in operating lease assets primarily as a result of amortization. Total liabilities decreased by \$66 million from December 31, 2024 to December 31, 2025, primarily due to (i) a \$30 million decrease in short-term and long-term operating lease liabilities as a result of lease payments and (ii) a \$37 million decrease in deferred tax liabilities. These decreases were partially offset by a \$36 million increase in long-term debt and obligations under finance leases.

Cash Flow Activity

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

(In millions)	Years Ended December 31,		\$ Change
	2025	2024	
Net cash provided by (used in) operating activities	\$ 51	\$ (12)	\$ 63
Net cash used in investing activities	(71)	(1,064)	993
Net cash provided by financing activities	1	1,108	(1,107)
Effect of exchange rates on cash, cash equivalents and restricted cash	2	(2)	4
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (17)	\$ 30	\$ (47)

Net cash provided by operating activities in 2025 was \$51 million compared with \$12 million used in 2024. The increase in net cash provided by operating activities was primarily due to higher income and changes in working capital.

Net cash used in investing activities in 2025 was \$71 million compared with \$1.1 billion used in 2024. The primary uses of cash in 2025 were (i) \$59 million for purchases of property and equipment and (ii) \$10 million paid related to the Coyote acquisition for working capital and post-closing adjustments. The primary uses of cash in 2024 were (i) \$1.0 billion for the acquisition of Coyote, net of cash acquired, and (ii) \$45 million for purchases of property and equipment.

Net cash provided by financing activities in 2025 was \$1 million compared with \$1.1 billion in 2024. The primary source of cash in 2025 was \$33 million in net proceeds from borrowings on revolving credit facilities, partially offset by \$19 million in payments for tax withholdings primarily attributable to the vesting of stock compensation awards held by non-RXO employees at the spin which are now substantially complete. The primary source of cash from financing activities in 2024 was \$1.1 billion in net proceeds from the issuance of common stock.

Contractual Obligations

We lease certain facilities and equipment under non-cancellable operating and finance lease arrangements. As of December 31, 2025, our outstanding discounted obligations under operating and finance leases were \$266 million and \$3 million, respectively. See [Note 8 — Leases](#) to the consolidated financial statements for additional information.

As of December 31, 2025, we had \$355 million of the Notes outstanding with interest payable semiannually in cash in arrears on May 15 and November 15 of each year, beginning May 15, 2023. The Notes mature on November 15, 2027, unless earlier repurchased or redeemed, if applicable.

As of December 31, 2025, we had \$35 million outstanding under the Revolver. Interest on any outstanding borrowings is payable monthly or quarterly, depending on RXO's upfront election. Borrowings under the Revolver are payable, at our option, at any time prior to or at maturity on September 16, 2029. We also have a non-U.S. revolving credit facility with a maximum commitment of approximately \$17 million. This facility has a one-year term and we had \$15 million outstanding as of December 31, 2025 classified as short-term debt. See [Note 10 — Debt](#) to the consolidated financial statements for additional information.

In connection with entering into the ABL Facility, on February 5, 2026, the existing Revolver was fully repaid and terminated.

In addition, we have obligations for agreements to purchase goods or services entered into in the ordinary course of business that are enforceable and legally binding.

Critical Accounting Policies and Estimates

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

Business Combinations

We apply the acquisition method of accounting with respect to the identifiable assets and liabilities of a business combination and record the assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. The excess of the cost of the acquired business and the fair value of the assets acquired and liabilities assumed is recognized as goodwill. During the measurement period, which is up to one year from the acquisition date, we may adjust provisional amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Determining the fair value of assets acquired and liabilities assumed requires our management to make significant estimates and assumptions for intangible assets, contract obligations assumed, and pre-acquisition contingencies, where applicable. Although we believe the assumptions and estimates we have made in the past are reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. The assistance of an independent third-party valuation firm was used to determine the estimated fair values and useful lives of finite-lived intangible assets including customer relationships and trademarks. Valuation methods used were based on income-based approaches including the excess earnings method and relief-from-royalty method for customer relationships and trademarks, respectively. Critical estimates and assumptions used in valuing certain acquired intangible assets include projected revenues, projected expenses, customer retention rate, contributory asset charges, and discount rate for the customer relationships; and projected revenues, trademark phase-out projection, trademark royalty rate, and discount rate for the trademarks. Unanticipated events and circumstances may occur which could affect the accuracy or validity of such assumptions, estimates or actual results.

Evaluation of Goodwill

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

For our 2025 goodwill assessment, we performed a quantitative analysis for our reporting units using a combination of the income and market approaches. As of November 30, 2025, we completed our annual impairment tests for goodwill. During 2025, our ground and air express reporting unit experienced lower than anticipated operating results and changing market fundamentals, resulting in the decision to restructure the reporting unit. Based on the quantitative assessment performed in 2025, we recognized an impairment loss of \$12 million to fully impair the goodwill of our ground and air express reporting unit as the discounted cash flows expected to be generated by the reporting unit were not sufficient to recover its carrying value. No impairments resulted for our remaining reporting units as their assessed fair values exceeded their carrying values.

As of November 30, 2025, our Managed Solutions reporting unit had \$116 million in goodwill and the excess of its estimated fair value over carrying value was 9%. Should our estimates change based on Managed Solutions' operating results, market conditions, long-term growth projections or other assumptions underlying our forecast, including changes to the discount rate, the Managed Solutions reporting unit may become subject to goodwill impairment in future periods.

A quantitative goodwill impairment test, when performed, includes estimating the fair value of a reporting unit using an income approach and/or a market-based approach. The income approach of determining fair value is based on the present value of estimated future cash flows, which requires us to make various assumptions, including assumptions about the timing and amount of future cash flows, growth rates and discount rates. The discount rates reflect management's judgment and are based on a risk adjusted weighted-average cost of capital utilizing industry market data of businesses similar to the reporting units. Inherent in our preparation of cash flow projections are assumptions and estimates derived from a review of our operating results, business plans, expected growth rates, cost of capital and tax rates. Our forecasts also reflect expectations concerning future economic conditions, interest rates and other market data. The market approach of determining fair value is based on comparable market multiples for companies engaged in similar businesses, as well as recent transactions within our industry. We believe our approach, which utilizes multiple valuation techniques, yields the most appropriate evidence of fair value.

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

Insurance

We participate in a combination of self-insurance programs, partially through our wholly-owned captive insurance company, and purchased insurance that are managed to provide for the costs of medical, casualty, liability, vehicular, cargo, workers' compensation, cyber risk and property claims. Insurance coverage levels are adjusted annually based on risk tolerance and premium expense.

Liabilities for the risks we retain, including estimates of claims incurred but not reported, are not discounted and are estimated, in part, by considering retention levels, historical cost experience, demographic and severity factors, and judgments about current and expected levels of cost per claim. Additionally, claims may emerge in future years for events that occurred in a prior year at a rate that differs from previous actuarial projections. Changes in these assumptions can impact actual costs paid to settle the claims and those amounts may be different than estimates.

New Accounting Standards

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Our market risk disclosures involve forward-looking statements. Actual results could differ materially from those projected in such forward-looking statements.

We are exposed to market risk related to changes in foreign currency exchange rates, commodity prices, interest rates and the price of diesel fuel purchased for use by third-party carriers who perform the physical freight movements we arrange. We include fuel price adjustment clauses or cost-recovery mechanisms in many of our customer contracts, enabling us to pass on to these customers substantially all of the fluctuations in the price of diesel fuel, except for short-term economic fluctuations, in the price for our services. Therefore, a hypothetical 10% change in the price of diesel fuel would not be expected to materially affect our financial performance.

Our long-term debt consists of both fixed-rate and variable-rate instruments, which exposes us to interest rate risk. A 1% increase or decrease in the interest rate on borrowings under variable-rate debt would not have a material impact on our annual interest expense.

Additionally, a portion of our net assets and income are in non-U.S. dollar currencies and, as such, we are exposed to currency risk from potential changes in the functional currency values of our foreign currency denominated assets, liabilities and cash flows. We believe that this foreign currency exchange rate risk will not have a material impact on our financial results.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of RXO, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of RXO, Inc. and subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), cash flows, and changes in equity, for the years ended December 31, 2025 and 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 9, 2026, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

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

Self-insurance Automobile Liabilities - Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company participates in a combination of self-insurance programs and purchased insurance that are managed to provide for the costs of liability, automobile, and workers compensation (self-insured claims). The Company records estimates of the undiscounted liabilities associated with claims incurred as of the balance sheet date, including estimates of claims incurred, but not yet reported, by considering historical experience, demographic, and severity factors, and judgments about current and expected levels of cost per claim and retention levels.

We identified the assessment of certain of the estimated liabilities for self-insured automobile claims as a critical audit matter. The subjectivity of estimating the claims liabilities for pending claims and incurred but not reported claims requires a high degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists, when performing audit procedures to evaluate whether claims liabilities are appropriately stated as of December 31, 2025.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the self-insured claims – automobile liability included the following, among others:

- Evaluated the design and tested the operating effectiveness of certain internal controls related to the self-insured automobile claims liabilities, including controls over the projected development of known claims and incurred but not reported claims.
- Tested the underlying data and inputs for completeness and accuracy that served as the basis for the actuarial analysis, including reconciling the claims data to the Company's actuarial analysis and testing current year claims and payment data.
- Compared the Company's actuarial reserving methodologies with accepted actuarial methods and procedures.
- Evaluated assumptions and data used in determining the liability, including the ultimate loss selection, historical loss triangles, exposures by year (revenue and mileage), and the expected level of cost per claim, in relation to recent historical loss payment trends and severity factors.
- With the assistance of our actuarial specialists, we developed an independent range of estimates of the claims liabilities, utilizing loss development factors from the Company's historical data and industry claim development factors, and compared our estimated range to management's recorded liability.
- Evaluating the reasonableness of the methodologies used in management's estimate based on actuarial methods followed in the insurance industry associated with such liabilities.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 9, 2026

We have served as the Company's auditor since 2024.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of RXO, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of RXO, Inc. and subsidiaries (the “Company”) as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 9, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 9, 2026

We have served as the Company’s auditor since 2024.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), cash flows, and changes in equity of RXO, Inc. for the year ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

We served as the Company's auditor from 2022 to 2023.

Charlotte, North Carolina
February 12, 2024, except for Note 4, as to which the date is February 26, 2025

RXO, Inc.
Consolidated Balance Sheets

	December 31,	
	2025	2024
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 17	\$ 35
Accounts receivable, net of \$16 and \$13 in allowances, respectively	1,226	1,227
Other current assets	74	77
Total current assets	<u>1,317</u>	<u>1,339</u>
Long-term assets		
Property and equipment, net of \$381 and \$317 in accumulated depreciation, respectively	134	135
Operating lease assets	238	276
Goodwill	1,111	1,123
Identifiable intangible assets, net of \$164 and \$146 in accumulated amortization, respectively	453	499
Other long-term assets	24	42
Total long-term assets	<u>1,960</u>	<u>2,075</u>
Total assets	<u>\$ 3,277</u>	<u>\$ 3,414</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 539	\$ 568
Accrued expenses	397	373
Short-term debt and current maturities of long-term debt	17	17
Short-term operating lease liabilities	75	81
Other current liabilities	10	26
Total current liabilities	<u>1,038</u>	<u>1,065</u>
Long-term liabilities		
Long-term debt and obligations under finance leases	387	351
Deferred tax liabilities	51	88
Long-term operating lease liabilities	191	215
Other long-term liabilities	69	83
Total long-term liabilities	<u>698</u>	<u>737</u>
Commitments and Contingencies (Note 17)		
Equity		
Preferred stock, \$0.01 par value; 10,000 shares authorized; 0 shares issued and outstanding as of December 31, 2025 and 2024	—	—
Common stock, \$0.01 par value; 300,000 shares authorized; 164,160 and 162,517 shares issued and outstanding as of December 31, 2025 and 2024, respectively	2	2
Additional paid-in capital	1,929	1,904
Accumulated deficit	(384)	(284)
Accumulated other comprehensive loss	(6)	(10)
Total equity	<u>1,541</u>	<u>1,612</u>
Total liabilities and equity	<u>\$ 3,277</u>	<u>\$ 3,414</u>

See accompanying notes to consolidated financial statements.

RXO, Inc.
Consolidated Statements of Operations

	Years Ended December 31,		
	2025	2024	2023
<i>(Dollars in millions, shares in thousands, except per share amounts)</i>			
Revenue	\$ 5,742	\$ 4,550	\$ 3,927
Cost of transportation and services (exclusive of depreciation and amortization)	4,611	3,565	2,967
Direct operating expense (exclusive of depreciation and amortization)	190	202	235
Sales, general and administrative expense	832	666	591
Depreciation and amortization expense	116	87	67
Transaction and integration costs	22	53	12
Restructuring costs	38	33	16
Goodwill impairment	12	—	—
Operating income (loss)	(79)	(56)	39
Other expense	1	218	3
Interest expense, net	35	30	32
Income (loss) before income taxes	(115)	(304)	4
Income tax provision (benefit)	(15)	(14)	—
Net income (loss)	\$ (100)	\$ (290)	\$ 4
Earnings (loss) per share			
Basic	\$ (0.59)	\$ (2.17)	\$ 0.03
Diluted	\$ (0.59)	\$ (2.17)	\$ 0.03
Weighted-average common shares outstanding			
Basic	168,462	133,412	116,871
Diluted	168,462	133,412	119,456

See accompanying notes to consolidated financial statements.

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

<i>(In millions)</i>	Years Ended December 31,		
	2025	2024	2023
Net income (loss)	\$ (100)	\$ (290)	\$ 4
Other comprehensive income (loss), net of tax			
Foreign currency gain (loss)	\$ 4	\$ (7)	\$ 1
Other comprehensive income (loss)	<u>4</u>	<u>(7)</u>	<u>1</u>
Comprehensive income (loss)	<u>\$ (96)</u>	<u>\$ (297)</u>	<u>\$ 5</u>

See accompanying notes to consolidated financial statements.

RXO, Inc.
Consolidated Statements of Cash Flows

(In millions)	Years Ended December 31,		
	2025	2024	2023
Operating activities			
Net income (loss)	\$ (100)	\$ (290)	\$ 4
Adjustments to reconcile net income (loss) to net cash from operating activities			
Depreciation and amortization expense	116	87	67
Stock compensation expense	29	23	19
Deferred tax benefit	(21)	(19)	(8)
Deemed non-pro rata distribution	—	216	—
Impairment of operating lease assets	4	13	—
Goodwill impairment	12	—	—
Other	11	7	9
Changes in assets and liabilities			
Accounts receivable	(5)	(109)	158
Other current assets and other long-term assets	19	8	(14)
Accounts payable	(16)	(65)	(86)
Accrued expenses, other current liabilities and other long-term liabilities	2	117	(60)
Net cash provided by (used in) operating activities	<u>51</u>	<u>(12)</u>	<u>89</u>
Investing activities			
Payment for purchases of property and equipment	(59)	(45)	(64)
Business acquisition, net of cash acquired	(10)	(1,019)	—
Proceeds from sale of property and equipment	2	—	—
Other	(4)	—	(2)
Net cash used in investing activities	<u>(71)</u>	<u>(1,064)</u>	<u>(66)</u>
Financing activities			
Proceeds from borrowings on revolving credit facilities	566	238	76
Repayment of borrowings on revolving credit facilities	(533)	(226)	(71)
Proceeds from issuance of common stock and pre-funded warrants	—	1,125	—
Payment for equity issuance costs	(1)	(30)	—
Repayment of debt and finance leases	(2)	(3)	(104)
Payment for debt issuance costs	—	(3)	—
Payment for tax withholdings related to vesting of stock compensation awards	(19)	(4)	(14)
Repurchase of common stock	—	—	(2)
Other	(10)	11	(2)
Net cash provided by (used in) financing activities	<u>1</u>	<u>1,108</u>	<u>(117)</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	2	(2)	1
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(17)</u>	<u>30</u>	<u>(93)</u>
Cash, cash equivalents and restricted cash, beginning of period	<u>35</u>	<u>5</u>	<u>98</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 18</u>	<u>\$ 35</u>	<u>\$ 5</u>
Supplemental disclosure of cash flow information:			
Cash paid for income taxes, net	7	4	27
Cash paid for interest, net	32	27	32
Purchases of property and equipment in accounts payable, accrued expenses and other liabilities	11	3	2
Accrued tax withholdings related to vesting of stock compensation awards	—	15	—

See accompanying notes to consolidated financial statements.

RXO, Inc.
Consolidated Statements of Changes in Equity

	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount				
<i>(Dollars in millions, shares in thousands)</i>						
Balance as of December 31, 2022	116,400	\$ 1	\$ 588	\$ 2	\$ (4)	\$ 587
Net income	—	—	—	4	—	4
Other comprehensive income	—	—	—	—	1	1
Stock compensation expense	—	—	19	—	—	19
Vesting of stock compensation awards	726	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(15)	—	—	(15)
Repurchase of common stock	(100)	—	(2)	—	—	(2)
Balance as of December 31, 2023	117,026	\$ 1	\$ 590	\$ 6	\$ (3)	\$ 594
Net loss	—	—	—	(290)	—	(290)
Other comprehensive loss	—	—	—	—	(7)	(7)
Stock compensation expense	—	—	23	—	—	23
Vesting of stock compensation awards	739	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(19)	—	—	(19)
Deemed non-pro-rata distribution	—	—	216	—	—	216
Issuance of common stock and pre-funded warrants, net of issuance costs	44,752	1	1,094	—	—	1,095
Balance as of December 31, 2024	162,517	\$ 2	\$ 1,904	\$ (284)	\$ (10)	\$ 1,612
Net loss	—	—	—	(100)	—	(100)
Other comprehensive income	—	—	—	—	4	4
Stock compensation expense	—	—	29	—	—	29
Vesting of stock compensation awards	1,643	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(4)	—	—	(4)
Balance as of December 31, 2025	164,160	\$ 2	\$ 1,929	\$ (384)	\$ (6)	\$ 1,541

See accompanying notes to consolidated financial statements.

RXO, Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2025, 2024 and 2023

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 asset-light managed transportation and last mile services, which complement our truck brokerage business. We present our operations in the consolidated financial statements as one reportable segment.

RXO’s common stock, par value of \$0.01 per share, began trading on the New York Stock Exchange under the ticker symbol “RXO” on November 1, 2022. RXO was incorporated as a Delaware corporation in May 2022.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The Company’s consolidated financial statements include the accounts of RXO, Inc. and its majority-owned subsidiaries. The Company has eliminated intercompany accounts and transactions.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires the use of estimates, judgments and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The Company bases its estimates and judgments on historical information and on various other assumptions that it believes are reasonable under the circumstances. GAAP requires the Company to make estimates and judgments in several areas, including, but not limited to, those related to revenue recognition, income taxes, loss contingencies, insurance reserves, valuation of long-lived assets including goodwill and intangible assets and their associated estimated useful lives, collectability of accounts receivable and the fair value of financial instruments. Actual results may vary from those estimates.

Significant Accounting Policies

Business Combinations

We apply the acquisition method of accounting with respect to the identifiable assets and liabilities of a business combination and record the assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. The excess of the cost of the acquired business and the fair value of the assets acquired and liabilities assumed is recognized as goodwill. Estimates of fair value represent management’s best estimate of assumptions and about future events and uncertainties, including significant judgments related to future cash flows, discount rates, competitive trends, margin and revenue growth assumptions, including customer attrition rates, market comparables and others. Inputs used are generally obtained from historical data supplemented by current and anticipated market conditions and growth rates. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in our consolidated statements of operations.

Significant judgment is required in estimating the fair value of identifiable intangible assets and in assigning their respective useful lives. The fair value estimates are based on historical information and on future expectations and assumptions deemed reasonable by management, but which are inherently uncertain. See [Note 3 — Acquisition](#) for further information regarding the fair value determination of each of the classes of identifiable intangible assets. Determining the useful life of an intangible asset also requires judgment. The useful lives of identifiable intangibles with determinable useful lives are based on a variety of factors, including, but not limited to, the competitive environment, historical customer attrition rates, market share, operating plans and the macroeconomic environment. The costs of determinable-lived intangible assets are amortized to expense over the estimated useful life.

Revenue Recognition

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

Performance Obligations

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

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

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

Generally, we can adjust our pricing based on contractual provisions related to achieving agreed-upon performance metrics, changes in volumes, services and market conditions. The estimate of variable consideration is determined by the expected value or most likely amount method and factors in current, past and forecasted experience with the customer.

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments with an original maturity of three months or less on the date of purchase to be cash equivalents. As of December 31, 2025, our restricted cash included in Other current assets on our Consolidated Balance Sheets was \$1 million. Restricted cash relates to amounts that are subject to contractual restrictions and are not readily available.

Accounts Receivable and Allowance for Credit Losses

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

The rollforward of the allowance for credit losses is as follows:

<i>(In millions)</i>	Years Ended December 31,		
	2025	2024	2023
Beginning balance	\$ 13	\$ 12	\$ 13
Provision charged to expense	8	5	5
Write-offs, less recoveries, and other adjustments	(5)	(4)	(6)
Ending balance	<u>\$ 16</u>	<u>\$ 13</u>	<u>\$ 12</u>

The Company may sell certain accounts receivable from time to time on a non-recourse basis pursuant to factoring arrangements to better match and neutralize the cash flow impact of transportation cost outflows. During the quarter ended December 31, 2023, we received cash for accounts receivable balances sold of \$36 million under these arrangements.

Property and Equipment

Property and equipment, which includes assets recorded under finance leases, is stated at cost less accumulated depreciation or, in the case of acquired property and equipment, at fair value at the date of acquisition. Maintenance and repair expenditures are charged to expense as incurred.

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

Certain costs incurred for implementation, setup, and other upfront activities in a hosting arrangement that is a service contract are capitalized during the application development stage. Upgrades and enhancements are capitalized if they will result in additional functionality. Amortization of capitalized costs is recorded on a straight-line basis over the term of the associated hosting arrangement, inclusive of reasonably certain renewal periods.

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

Classification	Estimated Useful Life
Buildings and leasehold improvements	Term of lease to 39 years
Vehicles, tractors and trailers	3 to 14 years
Machinery and equipment	3 to 10 years
Computer software and equipment	1.5 to 7 years

Leases

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

Lease liabilities assumed through acquisitions are measured at the present value of the future minimum lease payments over the remaining lease term and the incremental borrowing rate of RXO as if the acquired leases were new leases as of the acquisition date. Right-of-use assets are equal to the amount of the lease liability at the acquisition date adjusted for any off-market terms of the lease. The remaining lease term is based on the remaining term at the acquisition date, and may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option.

We include options to extend or terminate a lease in the lease term when we are reasonably certain to exercise such options. We exclude variable lease payments (such as payments based on an index or reimbursements of lessor costs) from our initial measurement of the lease liability. We recognize leases with an initial term of 12 months or less as lease expense over the lease term, and those leases are not recorded on our Consolidated Balance Sheets. We account for lease and non-lease components within a contract as a single lease component for our real estate leases. Lease expense for operating leases is recognized on a straight-line basis over the lease term, while variable lease payments are expensed as incurred. Finance lease expense is recognized based on the effective interest method over the lease term.

Other Current Assets

The components of other current assets are as follows:

(In millions)	December 31,	
	2025	2024
Prepaid expenses	\$ 32	\$ 37
Contract assets	26	17
Other current assets	16	23
Total other current assets	<u>\$ 74</u>	<u>\$ 77</u>

Goodwill

We measure goodwill as the excess of consideration transferred over the fair value of net assets acquired in business combinations. We allocate goodwill to our reporting units for the purpose of impairment testing. We evaluate goodwill for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. We measure goodwill impairment, if any, at the amount a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. Our reporting units are our operating segments or one level below our operating segments for which discrete financial information is prepared and regularly reviewed by segment management. We have six reporting units.

The review of goodwill impairment consists of either using a qualitative approach to determine whether it is more likely than not that the fair value of the assets is less than their respective carrying values or a one-step quantitative impairment test. In performing the qualitative assessment, the entity considers many factors in evaluating whether the carrying value of goodwill may not be recoverable, including declines in the entity's stock price and market capitalization of the entity and macroeconomic conditions. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed. The quantitative test requires that the carrying value of each reporting unit be compared with its estimated fair value. If the carrying value of a reporting unit is greater than its fair value, a goodwill impairment charge will be recorded for the difference (up to the carrying value of goodwill). The Company uses a combination of the income approach and a market-based approach to determine the reporting units' fair values. Under the income approach, the determination of discounted cash flows of the reporting units and assets and liabilities within the reporting units requires significant estimates and assumptions. These estimates and assumptions primarily include, but are not limited to, the discount rate, terminal growth rates, earnings before depreciation and amortization, and capital expenditures forecasts. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. The Company evaluates the merits of each significant assumption, both individually and in the aggregate, used to determine the fair value of the reporting units, as well as the fair values of the corresponding assets and liabilities within the reporting units. The market approach of determining fair value is based on comparable market multiples for companies engaged in similar businesses, as well as recent transactions within our industry.

For our 2025 goodwill assessment, we performed a quantitative analysis for our reporting units using a combination of the income and market approaches. See [Note 9 — Goodwill and Intangible Assets](#) for more information on our goodwill.

Intangible Assets and Long-lived Assets

We review intangible assets and long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired if the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset group is less than its carrying amount. An impairment loss is measured as the amount by which the carrying amount of the asset group exceeds the fair value of the asset. We estimate fair value using the expected future cash flows discounted at a rate comparable with the risks associated with the recovery of the asset. Our intangible assets subject to amortization consist of customer relationships and trade names. We amortize intangible assets on a straight-line basis or on a basis consistent with the pattern in which the economic benefits are realized. The estimated useful life is 4 to 16 years for customer relationships and 15 years for trade names.

Accrued Expenses

The components of accrued expenses are as follows:

(In millions)	December 31,	
	2025	2024
Accrued transportation and facility charges	\$ 262	\$ 211
Accrued salaries and wages	60	73
Accrued insurance	46	48
Other accrued expenses	29	41
Total accrued expenses	<u>\$ 397</u>	<u>\$ 373</u>

Insurance

We participate in a combination of self-insurance programs, partially through a wholly-owned captive insurance company, and purchased insurance that are managed to provide for the costs of medical, casualty, liability, vehicular, cargo, workers' compensation, cyber risk and property claims. Insurance coverage levels are adjusted annually based on risk tolerance and premium expense.

Liabilities for the risks we retain, including estimates of claims incurred but not reported, are not discounted and are estimated, in part, by considering retention levels, historical cost experience, demographic and severity factors, and judgments about current and expected levels of cost per claim. Changes in these assumptions can impact actual costs paid to settle the claims and those amounts may be different than estimates. Additionally, claims may emerge in future years for events that occurred in a prior year at a rate that differs from previous actuarial projections. At December 31, 2025 and 2024, our insurance liabilities amounted to \$91 million and \$111 million, respectively, and are included in Accrued expenses and Other long-term liabilities on our Consolidated Balance Sheets.

Income Taxes

We account for income taxes using the asset and liability method on a legal entity and jurisdictional basis, under which we recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns. Our calculation relies on several factors, including pre-tax earnings, differences between tax laws and accounting rules, statutory tax rates, tax credits, uncertain tax positions, and valuation allowances. We use judgment and estimates in evaluating our tax positions. Valuation allowances are established when, in our judgment, it is more likely than not that our deferred tax assets will not be realized based on all available evidence. We recognize tax benefits from uncertain tax positions only if (based on the technical merits of the position) it is more likely than not that the tax positions will be sustained on examination by the tax authority. We adjust these tax liabilities, including related interest and penalties, based on the current facts and circumstances. We report tax-related interest and penalties as a component of income tax expense.

Foreign Currency Translation and Transactions

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

We convert foreign currency transactions recognized on our Consolidated Statements of Operations to USD by applying the exchange rate prevailing on the date of the transaction. Gains and losses arising from foreign currency transactions and the effects of remeasuring monetary assets and liabilities are recorded in Other expense in our Consolidated Statements of Operations and were not material for any of the periods presented.

Stock-Based Compensation

We account for stock-based compensation based on the equity instrument’s grant date fair value. For grants of restricted stock units (“RSUs”) subject to service-based or performance-based vesting conditions only, the Company establishes the fair value based on the market price on the date of the grant. For grants of RSUs subject to market-based vesting conditions, we establish the fair value using the Monte Carlo simulation lattice model. The Company recognizes the grant date fair value of equity awards as compensation cost over the requisite service period. The Company accounts for forfeitures as they occur.

Recent Accounting Pronouncements

Adoption of New Accounting Standard

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 seeks to enhance income tax information primarily through changes in the rate reconciliation and income taxes paid information. The amendments are effective for annual periods beginning after December 15, 2024 on a prospective basis. Refer to [Note 15 — Income Taxes](#) for required disclosures.

Accounting Pronouncements Issued but Not Yet Effective

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses (“ASU 2024-03”). ASU 2024-03 seeks to improve the disclosures about a public business entity’s expenses by requiring more detailed information about the types of expenses in commonly presented expense captions. The amendments are effective for annual periods beginning after December 15, 2026 and interim reporting periods after December 15, 2027 on either a prospective or retrospective basis. Early adoption is permitted. We are currently evaluating the impact of the new guidance.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (“ASU 2025-05”), which creates a new optional practical expedient related to the estimation of future expected credit losses on accounts receivable. If elected, this expedient removes the requirement, when estimating expected credit losses, to consider changes in forecasted macroeconomic conditions, such as changes in unemployment rates or gross domestic product growth. Instead, companies electing the practical expedient may assume that current conditions as of the balance sheet date will not change for the remaining life of the asset. The amendments in ASU 2025-05 are effective for annual reporting periods beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted and the amendments should be applied prospectively. We are currently evaluating the potential impact of the new guidance.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software (“ASU 2025-06”). ASU 2025-06 improves the operability of the accounting for internal-use software by removing all references to software development project stages so that the guidance is neutral to different software development methods. This standard is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, and early adoption is permitted. We are currently evaluating the potential impact of the new guidance.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements (“ASU 2025-11”), which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. ASU 2025-11 provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. This standard is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the potential impact of the new guidance.

On July 4, 2025, the U.S. enacted into law H.R.1, commonly referred to as “The One Big Beautiful Bill Act” (the “Act”). The Act contains several key tax provisions impacting businesses, including the permanent reinstatement of 100% bonus depreciation for qualified property and the restoration of immediate expensing of domestic research and experimental expenditures. The Act also modifies the business interest deduction limitation as well as several international tax provisions. The legislation has various effective dates of implementation from 2025 through 2027. The impact of the Act has been reflected in our consolidated financial statements for the year ended December 31, 2025. The Act did not have any material impact on our effective tax rate or cash flow in the current fiscal year.

3. Acquisition

On September 16, 2024 (the “acquisition date”), the Company acquired the technology-driven, asset-light based truckload freight brokerage services business, as well as certain assets used to conduct haulage, dedicated transport and warehousing services in the United Kingdom (collectively, “Coyote”), from United Parcel Service of America, Inc. (“UPS”) and certain subsidiaries of UPS (the “Transaction”). We acquired Coyote for \$1.038 billion in cash, subject to certain additional customary adjustments. The purchase price was subsequently increased by \$10 million for working capital and other post-closing adjustments, which was paid in the first quarter of 2025. We believe the acquisition of Coyote enhances our competitive position with greater scale, a broader array of service offerings and strengths in a more diverse set of end markets.

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The Transaction was accounted for under the acquisition method of accounting. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the acquisition date.

The following table summarizes the final allocation of the purchase price to Coyote's identifiable tangible and intangible assets acquired and liabilities assumed by the Company at the acquisition date. During the measurement period, adjustments to the preliminary purchase price allocation were made primarily to reflect the final valuation of acquired identifiable intangible assets, property and equipment, self-insured liabilities and deferred tax liabilities.

(In millions)

Cash and cash equivalents	\$	19
Accounts receivable		394
Other current assets		31
Property and equipment		25
Intangible assets		459
Operating lease assets		88
Other long-term assets		19
Total assets	\$	1,035
Accounts payable	\$	(209)
Accrued expenses		(62)
Short-term operating lease liabilities		(17)
Deferred tax liabilities		(80)
Long-term operating lease liabilities		(70)
Other long-term liabilities		(41)
Total liabilities	\$	(479)
Net assets acquired	\$	556
Purchase price	\$	1,048
Goodwill recorded	\$	492

The purchase price exceeded the estimated fair value of the net assets acquired, and, as such, the excess was allocated to goodwill. Goodwill will not be amortized but instead will be reviewed for impairment at least annually, absent any indicators of impairment. Goodwill is attributable to synergies expected to be achieved from the combined operations of the Company and Coyote and the assembled workforce. Goodwill recognized in the Transaction is not expected to be deductible for tax purposes.

The following table summarizes the purchase price allocated to the identifiable intangible assets acquired:

(Dollars in millions)

	Fair Value	Weighted Average Useful Life (Years)
Customer relationships	\$ 444	15
Trademarks	15	4
Total	\$ 459	15

The Company's results of operations included \$796 million of revenue and a \$21 million pre-tax loss attributable to Coyote for the year ended December 31, 2024. The Company incurred acquisition-related costs of \$43 million for the year ended December 31, 2024, which are included in Transaction and integration costs in the consolidated statements of operations.

The following unaudited pro forma financial information presents the Company's results of operations as if the Coyote acquisition occurred on January 1, 2023. The unaudited pro forma information includes adjustments for intangible assets acquired and elimination of historical intercompany transactions between RXO and Coyote. The pro forma results for the year ended December 31, 2023 include a non-recurring charge of \$216 million related to the deemed non-pro rata distribution, as further discussed in [Note 13 — Stockholders' Equity](#). The unaudited pro forma financial information is for informational purposes only and is not necessarily indicative of our consolidated results of operations of the combined business had the acquisition been completed as of January 1, 2023 or of the results of our future operations of the combined business.

(In millions)	Years Ended December 31,	
	2024	2023
Revenue	\$ 6,390	\$ 7,079
Loss before income taxes	(92)	(298)

4. Segment Reporting

The Company 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 asset-light managed transportation and last mile services, which complement our truck brokerage business.

Our chief operating decision maker ("CODM"), identified as our chief executive officer, regularly reviews financial information at the operating segment level to allocate resources and assess performance. The CODM assesses operating segment performance by using segment adjusted earnings before interest, taxes, depreciation and amortization ("segment adjusted EBITDA"). The CODM uses segment adjusted EBITDA predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances for this profit measure when making decisions about the allocation of operating and capital resources. The CODM also uses adjusted EBITDA to evaluate pricing strategy and to assess the overall performance of the Company.

We have determined that all our operating segments share the following similar economic and qualitative characteristics and therefore meet the criteria for operating segments to be aggregated into one reportable segment:

- The operating segments have similar economic characteristics (e.g., comparable segment adjusted EBITDA margins, our measure of segment profitability), and similar long-term financial models;
- The nature of the services offered by each operating segment is similar: all the services leverage technology and an asset-light infrastructure to arrange for the transportation of customer goods by qualified independent carriers;
- The operating segments all operate within the transportation industry and in primarily the same geography (North America);
- All operating segments provide business-to-business services, with no segment transacting directly with the end-user customer;
- Each operating segment's customer base spans diversified industry verticals that overlap with other operating segments and have a common salesforce engaged in significant cross-selling activities; and
- All operating segments conduct business in a similar regulatory environment applicable to the transportation industry, including regulation and licensing by various governmental agencies; most notably, the Federal Motor Carrier Safety Administration of the U.S. Department of Transportation.

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All of our operating segments can be expected to have similar future prospects as they have similar economic attributes. The causes for fluctuations in operating and financial performance are generally the same among the operating segments and include such factors as: (i) changes in overall demand for outsourced freight transportation services, (ii) changes in prices charged by third-party carriers, (iii) decisions by customers to develop or expand internal transportation capabilities, and (iv) macroeconomic impacts on supply chains for materials, parts and finished goods.

The tables below provide information about the Company's reportable segment:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Revenue	\$ 5,742	\$ 4,550	\$ 3,927
Less:			
Cost of transportation and services (exclusive of depreciation and amortization)	4,611	3,565	2,967
Direct operating expense (exclusive of depreciation and amortization)	190	202	235
Sales, general and administrative expense ⁽¹⁾	796	648	555
Other expense (income)	1	(1)	1
Segment adjusted EBITDA	<u>\$ 144</u>	<u>\$ 136</u>	<u>\$ 169</u>
Unallocated corporate expenses	35	15	35
Depreciation and amortization expense	116	87	67
Transaction and integration costs	22	53	12
Restructuring and other costs	39	36	17
Goodwill impairment	12	—	—
Other expense	—	219	2
Interest expense, net	35	30	32
Consolidated income (loss) before income taxes	<u>\$ (115)</u>	<u>\$ (304)</u>	<u>\$ 4</u>

⁽¹⁾ Excludes unallocated corporate expenses and other costs.

(In millions)	December 31,	
	2025	2024
Segment assets	\$ 3,207	\$ 3,345
Corporate assets	70	69
Total assets	<u>\$ 3,277</u>	<u>\$ 3,414</u>

5. 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% of our revenues were generated outside the U.S. (primarily in Canada, Mexico, Europe and Asia) for each of the years ended December 31, 2025, 2024 and 2023.

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Our revenue disaggregated by service offering is as follows:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Truck brokerage	\$ 4,225	\$ 3,029	\$ 2,358
Last mile	1,196	1,055	1,014
Managed transportation	549	600	690
Eliminations	(228)	(134)	(135)
Total	\$ 5,742	\$ 4,550	\$ 3,927

Our revenue disaggregated by industry sector is as follows:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Retail/e-commerce	\$ 2,147	\$ 1,677	\$ 1,533
Industrial/manufacturing	1,077	854	743
Food and beverage	907	578	438
Logistics and transportation	519	419	197
Automotive	369	412	411
Other	723	610	605
Total	\$ 5,742	\$ 4,550	\$ 3,927

For the year ended December 31, 2025, revenue from our largest customer represented approximately \$653 million, or 11.4%, of total revenue.

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 December 31, 2025, the fixed consideration component of our remaining performance obligation was approximately \$13 million, and we expect approximately 94% of that amount to be recognized over the next three 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 contract revisions or terminations.

6. 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 impairment of real estate and equipment 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 activity:

(In millions)	Reserve Balance as of December 31, 2024	Year Ended December 31, 2025		Reserve Balance as of December 31, 2025
		Charges Incurred	Payments and Other	
Severance	\$ 5	\$ 21	\$ (18)	\$ 8
Equipment and facilities	15	17	(13)	19
Total	\$ 20	\$ 38	\$ (31)	\$ 27

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(In millions)	Reserve Balance as of December 31, 2023	Year Ended December 31, 2024			Reserve Balance as of December 31, 2024
		Acquisition	Charges Incurred	Payments and Other	
Severance	\$ 4	\$ 1	\$ 13	\$ (13)	\$ 5
Equipment and facilities	2	—	19	(6)	15
Contract termination	—	—	1	(1)	—
Total	\$ 6	\$ 1	\$ 33	\$ (20)	\$ 20

We expect the majority of the cash outlays related to the remaining severance restructuring liability at December 31, 2025 to be complete within twelve months. Cash outlays related to the remaining equipment and facilities restructuring liability at December 31, 2025 will be completed over the remaining term of the impaired leases.

7. Property and Equipment

The following table summarizes our property and equipment:

(In millions)	December 31,	
	2025	2024
Property and equipment		
Buildings and leasehold improvements	\$ 57	\$ 45
Vehicles, tractors and trailers	23	25
Machinery and equipment	47	44
Computer software and equipment	388	338
Total property and equipment, gross	515	452
Less: accumulated depreciation	(381)	(317)
Total property and equipment, net	\$ 134	\$ 135
Net book value of capitalized internally-developed software included in property and equipment, net	\$ 63	\$ 67

Depreciation of property and equipment and amortization of computer software was \$69 million, \$60 million and \$55 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025 and 2024, our long-lived tangible assets outside of the U.S. were not significant.

8. Leases

Most of our leases are operating leases and consist of real estate leases. In addition, we lease trucks, tractors and trailers.

The following amounts are recorded in the Consolidated Balance Sheets related to leases:

(In millions)	December 31,	
	2025	2024
Operating leases:		
Operating lease assets	\$ 238	\$ 276
Short-term operating lease liabilities	\$ 75	\$ 81
Long-term operating lease liabilities	191	215
Total operating lease liabilities	\$ 266	\$ 296
Finance leases:		
Property and equipment, gross	\$ 9	\$ 9
Accumulated depreciation	(7)	(5)
Property and equipment, net	\$ 2	\$ 4
Current portion of obligations under finance leases	\$ 2	\$ 2
Long-term portion of obligations under finance leases	1	2
Total finance lease liabilities	\$ 3	\$ 4

Supplemental weighted-average information for leases is as follows:

	December 31,	
	2025	2024
Weighted-average remaining lease term (years)		
Operating leases	4.5	4.7
Finance leases	1.4	2.3
Weighted-average discount rate		
Operating leases	5.2 %	5.5 %
Finance leases	5.6 %	5.6 %

The components of our lease expense are as follows:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 99	\$ 85	\$ 59
Short-term lease cost	9	11	15
Variable lease cost	13	11	15
Total operating lease cost	\$ 121	\$ 107	\$ 89
Finance lease cost:			
Amortization of leased assets	\$ 3	\$ 3	\$ 2
Interest on lease liabilities	—	—	1
Total finance lease cost	\$ 3	\$ 3	\$ 3
Total lease cost	\$ 124	\$ 110	\$ 92

Supplemental cash flow information related to leases is as follows:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	\$ 90	\$ 70	\$ 57
Financing cash flows for finance leases	2	2	2
Leased assets obtained in exchange for new lease obligations:			
Operating leases	49	75	100
Finance leases	—	—	2

Future minimum lease payments as of December 31, 2025 are as follows:

(In millions)	Finance Leases	Operating Leases
2026	\$ 2	\$ 85
2027	1	72
2028	—	55
2029	—	36
2030	—	22
Thereafter	—	31
Total lease payments	3	301
Less: interest	—	(35)
Present value of lease liabilities	\$ 3	\$ 266

As of December 31, 2025, we had additional operating leases that have not yet commenced with future undiscounted lease payments of \$52 million. These operating leases will commence in 2026, with initial lease terms ranging from 7 years to 11 years.

9. Goodwill and Intangible Assets

The following table presents the changes in goodwill for the years ended December 31, 2025 and 2024:

(In millions)	
Balance as of December 31, 2023	\$ 630
Acquired goodwill ⁽¹⁾	493
Balance as of December 31, 2024	1,123
Goodwill impairment	(12)
Adjustments to acquired goodwill ⁽²⁾	(1)
Foreign exchange translation	1
Balance as of December 31, 2025	\$ 1,111
Goodwill	\$ 1,123
Accumulated impairment losses	(12)
Balance as of December 31, 2025	\$ 1,111

⁽¹⁾ Represents the excess of the purchase price over the estimated fair value of net assets acquired resulting from the Coyote acquisition.

⁽²⁾ Represents adjustments to the preliminary purchase price allocation for the Coyote acquisition.

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As of November 30, 2025, we completed our annual impairment tests for goodwill. During 2025, our ground and air express reporting unit experienced lower than anticipated operating results and changing market fundamentals, resulting in the decision to restructure the reporting unit. Based on the quantitative assessment performed in 2025, we recognized an impairment loss of \$12 million to fully impair the goodwill of our ground and air express reporting unit as the discounted cash flows expected to be generated by the reporting unit were not sufficient to recover its carrying value. No impairments resulted for our remaining reporting units as their assessed fair values exceeded their carrying values.

Our identifiable intangible assets consist of customer relationships and trade names, all of which are definite-lived. We did not recognize any impairment of our identified intangible assets in 2025 or 2024.

The following table summarizes the balance of our identifiable intangible assets as of December 31, 2025:

<i>(In millions)</i>	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	\$ 613	\$ (163)	\$ 450
Trade name	4	(1)	3
Total	\$ 617	\$ (164)	\$ 453

The following table summarizes the balance of our identifiable intangible assets as of December 31, 2024:

<i>(In millions)</i>	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	\$ 630	\$ (139)	\$ 491
Trade name	15	(7)	8
Total	\$ 645	\$ (146)	\$ 499

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

<i>(In millions)</i>	2026	2027	2028	2029	2030	Thereafter
Estimated amortization expense	\$ 42	\$ 41	\$ 38	\$ 37	\$ 36	\$ 259

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

Intangible asset amortization expense was \$47 million, \$28 million and \$13 million for the years ended December 31, 2025, 2024 and 2023, respectively.

10. Debt

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

(In millions)	December 31, 2025		December 31, 2024	
	Principal Balance	Carrying Value	Principal Balance	Carrying Value
Revolver	\$ 35	\$ 35	\$ —	\$ —
7.50% Notes due 2027 ⁽¹⁾	355	351	355	349
Finance leases, asset financing and short-term debt	18	18	19	19
Total debt and obligations under finance leases	408	404	374	368
Less: Short-term debt and current maturities of long-term debt	17	17	17	17
Total long-term debt and obligations under finance leases	\$ 391	\$ 387	\$ 357	\$ 351

⁽¹⁾ The carrying value of the 7.50% Notes due 2027 is presented net of unamortized debt issuance cost and discount of \$4 million and \$6 million as of December 31, 2025 and December 31, 2024, respectively.

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

(In millions)	2026	2027	2028	2029	2030	Thereafter
Principal payments on debt	\$ 15	\$ 355	\$ —	\$ 35	\$ —	\$ —

Notes

On October 25, 2022, we completed an offering of \$355 million in aggregate principal amount of unsecured notes (the “Notes” or the “7.50% Notes due 2027”). The Notes bear interest at a rate of 7.50% per annum payable semiannually in cash in arrears on May 15 and November 15 of each year, beginning May 15, 2023, and mature on November 15, 2027, unless earlier repurchased or redeemed, if applicable. The Notes were issued at an issue price of 98.962% of par. The effective interest rate on the Notes was 8.13% as of December 31, 2025.

We may redeem the Notes, in whole or in part, at any time at a redemption price equal to (i) 101.875% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on November 15, 2025 and (ii) 100% of the principal amount to be redeemed if the redemption occurs on or after November 15, 2026, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The Notes are guaranteed by each of our direct and indirect wholly-owned domestic subsidiaries (other than certain excluded subsidiaries). The Notes and their guarantees are unsecured, senior indebtedness for us and our guarantors. The Notes contain covenants customary for debt securities of this nature. At December 31, 2025, the Company was in compliance with the covenants of the Notes.

Revolving Credit Facilities

On October 18, 2022, we entered into a five-year, \$500 million, unsecured multi-currency revolving credit facility (the “Revolver”), with \$50 million available for the issuance of letters of credit. Loans under the Revolver bear interest at a fluctuating rate plus an applicable margin based on the Company’s credit ratings, with interest payable quarterly. The Company is required to pay a commitment fee on any unused commitment, based on pricing levels set forth in the agreement. The effective interest rate on the Revolver was 5.40% as of December 31, 2025.

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

The covenants in the Revolver are customary for financings of this type. The Revolver requires the Company to maintain a minimum interest coverage ratio of not less than 3.00:1.00. On August 8, 2024, the Company and lenders entered into an amendment, which, following the completion of the Coyote acquisition on September 16, 2024, increased the Company's maximum consolidated leverage ratio to not greater than 4.50:1.00. At December 31, 2025, the Company was in compliance with the covenants of the Revolver. There were no letters of credit outstanding on the Revolver at December 31, 2025.

In addition, the amendment extended, upon the completion date of the Coyote acquisition, the Revolver maturity date five years from the amendment date to September 16, 2029. To the extent there is more than \$50 million of the Company's Notes outstanding on the date that is 91 days prior to the earlier of the extended maturity date and the maturity date of the Notes, then the extended maturity date will be subject to a springing earlier maturity date that is 91 days prior to the earlier of the extended maturity date and the Notes maturity date, unless the Notes are refinanced or replaced with debt that matures at least 91 days after the extended maturity date.

As of December 31, 2025, the Company had \$565 million committed under the Revolver, net of outstanding borrowings. As of December 31, 2025, the Company's available borrowing capacity under the Revolver, after giving effect to the financial covenants described above, was \$202 million.

In connection with entering into the ABL Facility, on February 5, 2026, the existing Revolver was fully repaid and terminated.

We also have a non-U.S. revolving credit facility with a maximum commitment of approximately \$17 million. This facility has a one-year term and we had \$15 million outstanding as of December 31, 2025 classified as short-term debt.

Letters of Credit

The Company maintains a bilateral unsecured letter of credit facility. As of December 31, 2025, we had \$41 million in aggregate face amount of letters of credit outstanding under the facility.

ABL Facility

On February 5, 2026, we entered into an asset-based five-year revolving credit facility (the "ABL Facility") in an amount of up to \$450 million, with the option to request an increase in the revolving commitment by up to the greater of \$200 million and the amount, if positive, by which the borrowing base exceeds the aggregate commitments of the lenders, not to exceed 5% of the aggregate amount of the commitments of the lenders at such time. A portion of the ABL Facility, not to exceed \$100 million, is available for the issuance of letters of credit. On February 5, 2026, the \$41 million in aggregate face amount of letters of credit outstanding described above were converted into letters of credit issued and outstanding under the ABL Facility. The Company is required to pay a commitment fee on any unused commitment, based on pricing levels set forth in the agreement.

Proceeds from loans under the ABL Facility were used to repay and terminate the existing Revolver.

The ABL Facility is secured by a first priority perfected security interest (subject to customary exceptions) in all assets of the credit parties, whether consisting of personal, tangible or intangible property; provided that all interests in fee-owned real property and all leasehold interests in real property are excluded.

Amounts available to be drawn under the ABL Facility are determined by calculating the applicable borrowing base, which is based upon applicable percentages of the values of eligible investment grade accounts receivable, eligible non-investment grade accounts receivable, eligible unbilled accounts receivable, and eligible liquid assets, less reserves.

Outstanding amounts under the ABL Facility bear interest at a rate per annum equal to, at the Company's election: (i) a base rate plus an applicable margin or (ii) an adjusted term SOFR plus an applicable margin; interest is payable quarterly.

Subject to customary exceptions and restrictions, the Company may voluntarily prepay outstanding amounts under the ABL Facility at any time without premium or penalty. Any voluntary prepayments made will not reduce commitments under the ABL Facility. The ABL Facility contains mandatory prepayment provisions which require prepayment of amounts outstanding under the ABL Facility (i) upon the receipt of proceeds from the issuance of any non-permitted indebtedness and (ii) when there is an availability shortfall.

The ABL Facility contains customary representations and warranties, events of default and financial, affirmative and negative covenants for facilities of this type, including, but not limited to, financial covenants relating to a fixed charge coverage ratio, a minimum liquidity requirement and a minimum excess availability requirement, and restrictions on indebtedness, liens, investments and acquisitions, asset dispositions, specified agreements, restricted payments and prepayment of certain indebtedness.

11. Fair Value Measurements

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

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

Assets and Liabilities

The Company bases its fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and short-term debt and current maturities of long-term debt approximated their fair values as of December 31, 2025 and December 31, 2024, 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	December 31, 2025	December 31, 2024
Revolver	3	\$ 35	\$ —
7.50% Notes due 2027	1	363	365

We valued Level 1 debt using quoted prices in active markets. We valued Level 3 debt using unobservable inputs, which reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

12. Employee Benefit Plan

The Company sponsors a defined contribution plan that is available to employees whose primary place of employment is the U.S. The Company matches up to 5% of employees' pre-tax contributions, after completing one year of service. The Company's costs for the defined contribution plan were \$14 million, \$12 million and \$9 million for the years ended December 31, 2025, 2024 and 2023, respectively, and were primarily included in Sales, general and administrative expense in the Consolidated Statements of Operations.

13. Stockholders' Equity

On August 12, 2024, the Company entered into purchase agreements with investors in which the Company agreed to issue and sell to the investors in a private placement an aggregate of 20,954,780 shares of the Company's common stock, par value \$0.01 per share ("common stock"), at a purchase price of \$20.21 per share and pre-funded warrants to purchase 6,259,471 shares of common stock at a purchase price of \$20.20 per warrant. The aggregate gross proceeds from the private placement were \$550 million before deducting offering expenses. The Company incurred \$6 million in equity issuance costs related to the private placement, which were recorded as a reduction to Additional paid-in capital in the consolidated balance sheets. Net proceeds from the private placement were used to finance a portion of the acquisition of Coyote on September 16, 2024.

In connection with the private placement common stock issuance completed in August 2024, a deemed non-pro rata distribution of \$216 million was recorded within Other expense in the consolidated statements of operations for the year ended December 31, 2024, based on the difference between the issuance price and the closing market price of common stock on August 12, 2024, the effective date of the private placement.

On September 9, 2024, the Company agreed to sell 19,230,770 shares of the Company's common stock at a public offering price of \$26.00 per share. In connection with the offering, the Company granted the underwriters an option to purchase up to an additional 2,884,615 shares of common stock, which was exercised in full. The aggregate gross proceeds from the public offering, including the shares issued pursuant to the option granted to and exercised by the underwriters, were \$575 million before deducting offering expenses. The Company incurred \$25 million in equity issuance costs related to the public offering, which were recorded as a reduction to Additional paid-in capital in the consolidated balance sheets. Net proceeds from the public offering were used to finance a portion of the acquisition of Coyote on September 16, 2024.

On May 2, 2023, the Company's Board of Directors authorized the repurchase of up to \$125 million of the Company's common stock (the "2023 Share Repurchase Program"). During 2023, the Company repurchased 100,000 shares of its common stock for \$2 million at an average price of \$20.53 per share, funded by available cash. There were no share repurchases under the 2023 Share Repurchase Program during 2025 or 2024. As of December 31, 2025, \$123 million remained approved to be used for share repurchases under the 2023 Share Repurchase Program. The 2023 Share Repurchase Program does not have an expiration date and may be suspended or discontinued at any time at the discretion of the Company's Board of Directors. We are not obligated to repurchase any specific number of shares or use a specific dollar amount of the approved and remaining \$123 million.

14. Stock-Based Compensation

In October 2022, the Company established the RXO, Inc. 2022 Omnibus Incentive Plan (the "2022 Incentive Plan" or the "Plan"), which authorizes the issuance of up to 13.9 million shares of common stock as awards. Under the 2022 Incentive Plan, directors, officers and employees may be granted various types of stock-based compensation awards, including stock options, restricted stock, restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs"), stock appreciation rights and cash incentive awards (collectively, "Awards"). As of December 31, 2025, 4.3 million shares of common stock were available for the grant of Awards under the 2022 Incentive Plan.

The following table summarizes stock-based compensation expense recorded in Sales, general and administrative expense in our Consolidated Statements of Operations:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Restricted stock and RSUs	\$ 21	\$ 17	\$ 14
PRSUs	8	6	5
Total stock-based compensation expense	\$ 29	\$ 23	\$ 19
Tax benefit on stock-based compensation	\$ 7	\$ 6	\$ 4

RSUs and PRSUs

We grant RSUs and PRSUs to our key employees, officers and directors with various vesting requirements. RSUs generally vest based on the passage of time (service conditions) and PRSUs generally vest based on the achievement of our financial targets (performance conditions). PRSUs may also be subject to stock price (market conditions), employment conditions and other non-financial conditions. The holders of the RSUs and PRSUs do not have the rights of a stockholder and do not have voting rights until the shares are issued and delivered in settlement of the awards. The number of RSUs and PRSUs vested includes shares of our common stock that we withheld or sold on behalf of our employees to satisfy the minimum tax withholdings.

The Company granted a portion of PRSUs subject to market-based vesting conditions. The Company determines the fair value of PRSUs subject to market-based vesting conditions using a Monte Carlo simulation model that incorporates the probability of the market conditions being met as of the grant date. Assumptions used in the Monte Carlo simulation model for the estimated fair value were as follows:

	Years Ended December 31,	
	2025	2024
Expected volatility	44.2 %	41.3 %
Risk-free interest rate	4.0 %	4.5 %

A summary of RSU and PRSU award activity for the year ended December 31, 2025 is presented below:

	RSUs		PRSUs	
	Number of RSUs	Weighted-Average Grant Date Fair Value	Number of PRSUs	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2024	1,712,379	\$ 21.29	1,100,768	\$ 19.59
Granted	978,281	20.37	752,531	19.65
Vested	(835,309)	21.45	(207,863)	19.00
Forfeited and canceled	(184,329)	20.99	(139,061)	20.23
Outstanding as of December 31, 2025	1,671,022	\$ 20.70	1,506,375	\$ 19.65

The total aggregate fair value of RSUs and PRSUs that vested during 2025, 2024 and 2023 was \$20 million, \$18 million and \$13 million, respectively. As of December 31, 2025, all outstanding RSUs vest subject to service conditions. Of the outstanding PRSUs as of December 31, 2025, 0.5 million vest subject to service and performance conditions and 1.0 million vest subject to service and market conditions.

As of December 31, 2025, unrecognized compensation cost related to unvested RSUs and PRSUs of \$32 million is anticipated to be recognized over a weighted-average period of approximately 1.5 years.

15. Income Taxes

Income before taxes related to our U.S. and foreign operations is as follows:

(In millions)	Years Ended December 31,		
	2025	2024	2023
U.S.	\$ (107)	\$ (307)	\$ (2)
Foreign	(8)	3	6
Income (loss) before income taxes	\$ (115)	\$ (304)	\$ 4

The components of the income tax provision (benefit) consist of the following:

(In millions)	Years Ended December 31,		
	2025	2024	2023
Current:			
U.S. Federal	\$ —	\$ (2)	\$ 4
State	3	2	3
Foreign	3	5	1
Total current income tax provision	6	5	8
Deferred:			
U.S. Federal	(20)	(14)	(8)
State	—	(3)	(1)
Foreign	(1)	(2)	1
Total deferred income tax benefit	(21)	(19)	(8)
Total income tax provision (benefit)	\$ (15)	\$ (14)	\$ —

The table below provides the updated requirements of ASU 2023-09 for 2025. See [Note 2 — Basis of Presentation and Significant Accounting Policies](#) for additional details on the adoption of ASU 2023-09.

The reconciliation of the statutory federal income tax rate to the effective income tax rate for the year ended December 31, 2025, consists of the following:

(Dollars in millions)	Year Ended December 31, 2025	
	\$	%
Provision for income taxes at U.S. federal statutory rate	\$ (24)	21.0 %
State and local income taxes, net of federal benefit ⁽¹⁾	3	(2.6)
Foreign tax effects:		
Mexico		
Return to provision	(4)	3.5
Valuation allowance	5	(4.3)
Other foreign jurisdictions	1	(0.9)
Tax credits:		
Research and development tax credits	(2)	1.7
Non-taxable or non-deductible items:		
Meals and entertainment	1	(0.9)
Non-deductible compensation	2	(1.7)
Goodwill impairment	2	(1.7)
Other adjustments	1	(0.8)
Total income tax benefit and effective tax rate	\$ (15)	13.3 %

⁽¹⁾ State taxes in California, Georgia, Pennsylvania and Texas made up the majority (greater than 50%) of the tax effect in this category.

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As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09, the reconciliation of the statutory federal income tax rate to the effective income tax rate consists of the following:

	Years Ended December 31,	
	2024	2023
U.S. federal statutory tax rate	21.0 %	21.0 %
State taxes, net of U.S. federal benefit	0.5	42.4
Non-deductible expenses	(1.2)	81.6
Foreign rate differential	(0.1)	17.1
Foreign operations ⁽¹⁾	(0.8)	32.2
Provision to return and deferred tax adjustments	(0.4)	4.5
Changes in uncertain tax positions	—	(55.5)
Non-deductible deemed non-pro rata distribution	(14.9)	—
Other	0.5	(156.3)
Effective tax rate	4.6 %	(13.0)%

(1) Foreign operations include the net impact of changes to valuation allowances, the cost of inclusion of foreign income in the U.S. net of foreign taxes, and permanent items related to foreign operations.

Components of the Net Deferred Tax Asset or Liability

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

(In millions)	December 31,	
	2025	2024
Deferred tax asset		
Net operating loss and other tax attribute carryforwards	\$ 42	\$ 8
Accrued expenses	39	33
Property and equipment	—	6
Other	23	26
Total deferred tax asset	104	73
Valuation allowance	(13)	(4)
Total deferred tax asset, net	91	69
Deferred tax liability		
Intangible assets	(128)	(138)
Property and equipment	(4)	—
Other	(4)	(15)
Total deferred tax liability	(136)	(153)
Net deferred tax liability	\$ (45)	\$ (84)

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

(In millions)	December 31,	
	2025	2024
Other long-term assets	\$ 6	\$ 4
Deferred tax liabilities	(51)	(88)
Net deferred tax liability	\$ (45)	\$ (84)

Operating Loss and Tax Credit Carryforwards

Our operating loss and tax credit carryforwards are as follows:

(In millions)	Expiration Date	December 31,	
		2025	2024
Federal net operating losses for all U.S. operations	Indefinite	\$ 113	\$ 3
Tax effect (before federal benefit) of state net operating losses	Various times starting in 2028 ⁽¹⁾	3	3
Foreign net operating losses available to offset future taxable income	Various times starting in 2029 ⁽¹⁾	19	7
Federal tax credit carryforwards	Various times starting in 2045	2	2

⁽¹⁾ Some losses have unlimited carryforward periods.

Valuation Allowance

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

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

(In millions)	Beginning Balance	Additions	Reductions	Ending Balance
Year Ended December 31, 2025	\$ 4	\$ 9	\$ —	\$ 13
Year Ended December 31, 2024	1	3	—	4
Year Ended December 31, 2023	1	—	—	1

Unrecognized Tax Benefits

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

(In millions)	Years Ended December 31,		
	2025	2024	2023
Beginning balance	\$ 8	\$ —	\$ —
Gross amount of increase recorded against goodwill for uncertainties arising from acquisition	—	8	—
Reductions due to the statute of limitations	(1)	—	—
Ending balance	\$ 7	\$ 8	\$ —
Interest and penalties	—	—	—
Gross unrecognized tax benefits	\$ 7	\$ 8	\$ —
Total unrecognized tax benefits that, if recognized, would impact the effective income tax rate as of the end of the year	\$ 7	\$ 8	\$ —

We are subject to taxation in the U.S. and various states and foreign jurisdictions. As of December 31, 2025, we have no tax years under examination by the IRS, states or in any foreign jurisdictions. The U.S. federal tax return after the completion of the separation from XPO, Inc. on November 1, 2022, certain state and local returns after 2017 and non-U.S. returns after 2011 are open under relevant statutes of limitations and are subject to audit.

We consider prior year earnings and current year earnings to be permanently reinvested to the extent of working capital needs in each of the Company's foreign subsidiaries. To the extent current earnings are in excess of working capital needs, we do not assert permanent reinvestment. Additionally, circumstances may arise in which current earnings are in excess of working capital needs, but due to regulatory restrictions, the excess earnings remain in the local jurisdictions. Where necessary, taxes resulting from foreign distributions of current and accumulated earnings have been considered in our provision for income taxes. For each of the years ended December 31, 2025 and December 31, 2024, \$1 million of deferred tax liability was recorded. We have not recorded incremental income taxes for outside basis differences in its investments in foreign subsidiaries as these amounts are indefinitely reinvested. Determining the amount of unrecognized deferred tax liability related to the outside basis differences in these entities is not practicable.

Cash Paid for Income Taxes

The following is a supplemental schedule of cash paid for income taxes, net of refunds, for the year ended December 31, 2025:

<i>(In millions)</i>	Year Ended December 31, 2025	
U.S. State and local	\$	3
Foreign		4
Total cash paid for income taxes, net of refunds	\$	7

Individual jurisdictions equaling 5% or more of the total cash paid for income taxes, net of refunds, for the year ended December 31, 2025 include Canada at \$1.6 million, Mexico at \$1.2 million, Texas at \$0.7 million, Florida at \$0.4 million, India at \$0.4 million and North Carolina at \$0.3 million.

16. Earnings Per Share

Diluted earnings per share is computed by giving effect to all potentially dilutive stock awards that are outstanding. The computation of diluted earnings per share excludes the effect of the potential exercise of stock-based awards when the effect of the potential exercise would be anti-dilutive.

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

<i>(Dollars in millions, shares in thousands, except per share amounts)</i>	Years Ended December 31,		
	2025	2024	2023
Net income (loss)	\$ (100)	\$ (290)	\$ 4
Basic weighted-average common shares ⁽¹⁾	168,462	133,412	116,871
Dilutive effect of stock-based awards	—	—	2,585
Diluted weighted-average common shares ⁽¹⁾	168,462	133,412	119,456
Basic earnings (loss) per share	\$ (0.59)	\$ (2.17)	\$ 0.03
Diluted earnings (loss) per share	\$ (0.59)	\$ (2.17)	\$ 0.03
Antidilutive shares excluded from diluted weighted-average common shares	1,980	2,783	396

⁽¹⁾ Of the 6,259,471 pre-funded warrants issued in the private placement, warrants to purchase 2,558,753 shares of common stock did not require stockholder approval; therefore, basic and diluted weighted-average common shares include 2,558,753 pre-funded warrants from their August 13, 2024 issuance date. Stockholder approval for the remaining warrants was obtained on December 5, 2024; therefore, basic and diluted weighted-average common shares include 3,700,718 pre-funded warrants from the December 5, 2024 approval date. For all pre-funded warrants, the exercise price of \$0.01 per share is not substantive.

17. 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”). Plaintiffs in such cases may seek substantial monetary damages (including claims for unpaid wages, overtime, unreimbursed business expenses, deductions from wages, penalties and other items), injunctive relief, or both.

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

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

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

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 as of November 1, 2022. Pursuant to the Separation and Distribution Agreement, RXO has agreed to indemnify XPO for certain matters relating to RXO, including indemnifying XPO from and against any liabilities, damages, costs, or expenses incurred by XPO arising out of or resulting from the misclassification claims.

In one of the misclassification claims, *Gonzalez v. RXO Last Mile, Inc.*, we recently reached an agreement to settle the matter for an immaterial amount without admitting any liability. We have accrued the full amount of the settlement.

We continue to believe the other misclassification claims are without merit and we intend to defend the Company vigorously in these matters. We do not believe that the incurrence of a loss is probable at this time and, accordingly, we have not accrued for any losses in these matters. Further, the plaintiffs have not quantified damages sought in the misclassification claims and 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 the other misclassification claims.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer (“CEO”) and chief financial officer (“CFO”), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act as of December 31, 2025. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2025, such that the information required to be included in our SEC reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to RXO, including our consolidated subsidiaries; and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, we concluded that our internal control over financial reporting was effective as of December 31, 2025.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report, has issued an audit report, which is included in Part II, Item 8 of this Annual Report, on the effectiveness of our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the year ended December 31, 2025, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item (other than certain information required by Item 401 of Regulation S-K with respect to our executive officers, which is provided under Item 1, “Business” of Part I of this Annual Report) will be set forth in our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2025 (the “2026 Proxy Statement”), and is incorporated herein by reference.

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

We have adopted a Securities Trading Policy governing the purchase, sale and/or other dispositions of our securities by our directors, officers and employees that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our Securities Trading Policy is incorporated by reference as Exhibit 19 to this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by this Item will be set forth in our 2026 Proxy Statement, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be set forth in our 2026 Proxy Statement, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be set forth in our 2026 Proxy Statement, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this Item will be set forth in our 2026 Proxy Statement, and is incorporated herein by reference.

PART IV**Item 15. Exhibits and Financial Statement Schedules.****Financial Statements and Financial Statement Schedules**

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

<u>Exhibit Number</u>	<u>Description</u>
2.1	Separation and Distribution Agreement, dated as of October 31, 2022, by and between XPO Logistics, Inc. and RXO, Inc. (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
3.1	Amended and Restated Certificate of Incorporation of RXO, Inc. (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
3.2	Second Amended and Restated Bylaws of RXO, Inc. (incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on September 25, 2024).
4.1	Indenture, dated as of October 25, 2022, between XPO Escrow Sub, LLC and U.S. Bank Trust Company, National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 25, 2022).
4.2	First Supplemental Indenture, dated as of October 25, 2022, between XPO Escrow Sub, LLC and U.S. Bank Trust, National Association, as Trustee (incorporated herein by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed with the SEC on October 25, 2022).
4.3	Second Supplemental Indenture, dated as of October 31, 2022, by and among RXO, Inc., XPO Escrow Sub, LLC, certain subsidiaries as guarantors, and U.S. Bank Trust Company, National Association (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).
4.4	Description of the registrant's securities registered under Section 12 of the Exchange Act (incorporated herein by reference to Exhibit 4.4 to the registrant's Annual Report on Form 10-K filed with the SEC on February 24, 2023).
4.5	Form of Pre-Funded Warrant to Purchase Common Stock (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on August 12, 2024).
10.1 +	Offer Letter between XPO Logistics, Inc. and Drew Wilkerson, dated May 6, 2022 (incorporated herein by reference to Exhibit 10.1 to the registrant's Registration Statement on Form 10 filed with the SEC on September 28, 2022).
10.2 +	Offer Letter between XPO Logistics, Inc. and Jeff Firestone, dated July 19, 2022 (incorporated herein by reference to Exhibit 10.3 to the registrant's Registration Statement on Form 10 filed with the SEC on September 28, 2022).
10.3 +	Offer Letter between XPO Logistics, Inc. and Jamie Harris, dated August 24, 2022 (incorporated herein by reference to Exhibit 10.2 to the registrant's Registration Statement on Form 10 filed with the SEC on September 28, 2022).
10.4	Revolving Credit Agreement, dated as of October 18, 2022, by and among RXO, the guarantors from time to time party thereto, the lenders and other parties from time to time party thereto, and Citibank, N.A., as Administrative Agent and an Issuing Lender (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 18, 2022).
10.5	Incremental Amendment and Lender Joinder Agreement (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2023).

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<u>Exhibit Number</u>	<u>Description</u>
10.6	<u>Amendment No. 2 to the Revolving Credit Agreement, dated as of April 11, 2024, entered into by and among RXO, Inc., each lender party thereto and Citibank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on April 11, 2024).</u>
10.7	<u>Amendment No. 3 to the Revolving Credit Agreement, dated as of July 31, 2024, among RXO, Inc., the guarantors party thereto, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on August 8, 2024).</u>
10.8	<u>Amendment No. 4 to the Revolving Credit Agreement, dated as of August 8, 2024, among RXO, Inc., the guarantors party thereto, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on August 8, 2024).</u>
10.9	<u>Intellectual Property License Agreement dated as of October 24, 2022, between XPO NAT Solutions, LLC and XPO Logistics, Inc. (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 25, 2022).</u>
10.11	<u>Tax Matters Agreement, dated as of October 31, 2022, by and between XPO Logistics, Inc. and RXO, Inc. (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.12	<u>Employee Matters Agreement, dated as of October 31, 2022, by and between XPO Logistics, Inc. and RXO, Inc. (incorporated herein by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.13	<u>Registration Rights Agreement, dated as of October 31, 2022, by and between RXO, Inc. and Jacobs Private Equity, LLC (incorporated herein by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.14 +	<u>Summary of Non-Employee Director Compensation Program of RXO, Inc. (incorporated herein by reference to Exhibit 10.5 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.15 +	<u>Form of Performance-Based Restricted Stock Unit Award Agreement under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 30, 2022).</u>
10.16 +	<u>RXO, Inc. 2022 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 4.3 to the registrant's Form S-8 filed with the Securities and Exchange Commission on October 25, 2022 (File No. 333-268006)).</u>
10.17 +	<u>RXO, Inc. Severance Plan (incorporated herein by reference to Exhibit 10.7 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.18 +	<u>RXO, Inc. Cash Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.8 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.19 +	<u>North America Transport Consolidated Annual Incentive Plan (incorporated herein by reference to Exhibit 10.9 to the registrant's Current Report on Form 8-K filed with the SEC on November 1, 2022).</u>
10.20 +	<u>Form of Restricted Stock Unit Award Agreement under the RXO, Inc. 2022 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.17 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 3, 2023).</u>
10.21 +	<u>Form of Performance-Based Restricted Stock Unit Award Agreement under the RXO, Inc. 2022 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.19 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2024).</u>
10.22	<u>Form of Purchase Agreement, dated as of August 12, 2024, by and among the Company and the Investors signatory thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on August 12, 2024).</u>
10.23 +	<u>Form of RXO, Inc. Annual Incentive Plan (incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2025).</u>

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<u>Exhibit Number</u>	<u>Description</u>
10.24	<u>Asset-Based Revolving Credit Agreement, dated as of February 5, 2026, by and among RXO, Inc., RXO Capacity Solutions Inc., RXO Last Mile Canada Inc., the guarantors party thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on February 6, 2026).</u>
19	<u>RXO, Inc. Securities Trading Policy (incorporated by reference to Exhibit 19 to the registrant's Annual Report on Form 10-K filed with the SEC on February 27, 2025).</u>
21 *	<u>Subsidiaries of the registrant.</u>
23.1 *	<u>Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.</u>
23.2 *	<u>Consent of KPMG LLP, Independent Registered Public Accounting Firm.</u>
31.1 *	<u>Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.</u>
31.2 *	<u>Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.</u>
32.1 **	<u>Certification of the Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.</u>
32.2 **	<u>Certification of the Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.</u>
97	<u>RXO, Inc. Clawback Policy (incorporated herein by reference to Exhibit 97 to the registrant's Annual Report on Form 10-K filed with the SEC on February 13, 2024).</u>
101.INS *	Inline XBRL Instance Document.
101.SCH *	Inline XBRL Taxonomy Extension Schema.
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase.
104 *	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).
*	Filed herewith.
**	Furnished herewith.
+	This exhibit is a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 9th day of February 2026.

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)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on this 9th day of February 2026.

<u>Signature</u>	<u>Title</u>
<u>/s/ Drew M. Wilkerson</u> Drew M. Wilkerson	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)
<u>/s/ James E. Harris</u> James E. Harris	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Jason Kerr</u> Jason Kerr	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Troy Cooper</u> Troy Cooper	Director
<u>/s/ Adrian Kingshott</u> Adrian Kingshott	Director
<u>/s/ Mary Kissel</u> Mary Kissel	Director
<u>/s/ Christine Breves</u> Christine Breves	Director
<u>/s/ Michelle Nettles</u> Michelle Nettles	Director
<u>/s/ Stephen Renna</u> Stephen Renna	Director
<u>/s/ Thomas A. Szlosek</u> Thomas A. Szlosek	Director

SUBSIDIARIES OF THE REGISTRANT

RXO, Inc. maintains 39 subsidiaries. Set forth below are the names of wholly owned subsidiaries of RXO, Inc., as of December 31, 2025, that provide freight transportation services.

Name	Jurisdiction of Incorporation
RXO, Inc.	Delaware
Community House Insurance Company	North Carolina
RXO Corporate Solutions, LLC	Delaware
RXO Managed Transport, LLC	Delaware
RXO Corporate Services Canada Inc.	Ontario
Jacobson Transportation Company, Inc.	Iowa
Jacobson Logistics Company, L.C.	Iowa
RXO Managed Transport Mexico S. de R.L. de C.V.	Mexico
RXO Last Mile Holding, Inc.	Delaware
RXO Last Mile, Inc.	Georgia
RXO Courier, LLC	Delaware
RXO Last Mile Canada Inc.	Canada
RXO Capacity Solutions, LLC	Delaware
RXO NLM, LLC	Delaware
Bounce Logistics, LLC	Delaware
RXO Express, LLC	Delaware
RXO Air Transport, LLC	Delaware
RXO Dedicated, LLC	Delaware
RXO Capacity Solutions, Inc.	Ontario
RXO Freight Forwarding, Inc.	Delaware
RXO Customs Clearance Solutions, LLC	Delaware
RXO Customs Canada, Inc.	Canada
RXO Freight Forwarding Mexico S. de R.L. de C.V.	Mexico
Pacer Holdings Coöperateif U.A.	Netherlands
RXO Freight Forwarding (HK) Limited	Hong Kong
RXO Freight Forwarding Sin Pte. Ltd.	Singapore
XPO Ocean World Lines Europe GmbH	Germany
RXO Hong Kong Freight Forwarding Limited	Hong Kong
RXO China Freight Forwarding Limited	China
RXO Capacity Solutions Mexico S. de R.L. de C.V.	Mexico
Logistics Financing UK Limited	United Kingdom
Logistics Financing UK II Limited	United Kingdom
XPO Global Forwarding Chile SA	Chile
RXO Global Services India Private Limited	India
Coyote Logistics Midco, Inc.	Delaware
Coyote Logistics, LLC	Delaware
Access America Transport, LLC	Tennessee
Coyote Logistics de Mexico, S.A. de C.V. (MX)	Mexico
Coyote Logistics UK Limited	United Kingdom
Coyote Logistics Nederland B.V.	Netherlands

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-282002 on Form S-3 and Registration Statement No. 333-268006 on Form S-8 of our reports dated February 9, 2026, relating to the consolidated financial statements of RXO, Inc. and the effectiveness of RXO Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 9, 2026

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-282002) on Form S-3 and (No. 333-268006) on Form S-8 of our report dated February 12, 2024, except for Note 4, as to which the date is February 26, 2025, with respect to the consolidated financial statements of RXO, Inc.

/s/ KPMG LLP

Charlotte, North Carolina
February 9, 2026

CERTIFICATION

I, Drew M. Wilkerson, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of RXO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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

Date: February 9, 2026

CERTIFICATION

I, James E. Harris, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of RXO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James E. Harris

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

Date: February 9, 2026

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 Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (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: February 9, 2026

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 Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (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: February 9, 2026