

RXO Investor Webcast: Artificial Intelligence and Machine Learning

June 26, 2023



RXO

Forward-Looking Statements

This presentation includes forward-looking statements, including statements relating to our continued development of artificial intelligence and machine learning solutions that will impact our future business competitiveness and results. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "predict," "should," "will," "expect," "project," "forecast," "goal," "outlook," "target," or the negative of these terms or other comparable terms. The absence of these words does not, however, mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in our filings with the SEC and the following: competition and pricing pressures; economic conditions generally; the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; fluctuations in fuel prices; increased carrier prices; severe weather, natural disasters, terrorist attacks or similar incidents that cause material disruptions to our operations or the operations of the third-party carriers and independent contractors with which we contract; our dependence on third-party carriers and independent contractors; labor disputes or organizing efforts affecting our workforce and those of our third-party carriers; legal and regulatory challenges to the status of the third-party carriers with which we contract, and their delivery workers, as independent contractors, rather than employees; litigation that may adversely affect our business or reputation; increasingly stringent laws protecting the environment, including transitional risks relating to climate change, that impact our third-party carriers; governmental regulation and political conditions; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; the impact of potential cyber-attacks and information technology or data security breaches; issues related to our intellectual property rights; our ability to access the capital markets and generate sufficient cash flow to satisfy our debt obligations; our ability to attract and retain qualified personnel; our ability to successfully implement our cost and revenue initiatives and other strategies; our ability to successfully manage our growth; our reliance on certain large customers for a significant portion of our revenue; damage to our reputation through unfavorable publicity; our failure to meet performance levels required by our contracts with our customers; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; a determination by the IRS that the distribution or certain related separation transactions should be treated as taxable transactions; and the impact of the separation on our businesses, operations and results. All forward-looking statements set forth in this release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this release speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law

Today's Speakers



Jared Weisfeld
Chief Strategy Officer



Yoav Amiel
Chief Information Officer



Alyssa Myers
Vice President,
Brokerage Technology



Tudor Bodea
Director, Data Science

RXO Is Leading Technological Disruption



RXO Connect™ innovative platform

Freight Optimizer

- Proprietary operational system
- Launched October 2012

RXO Connect™

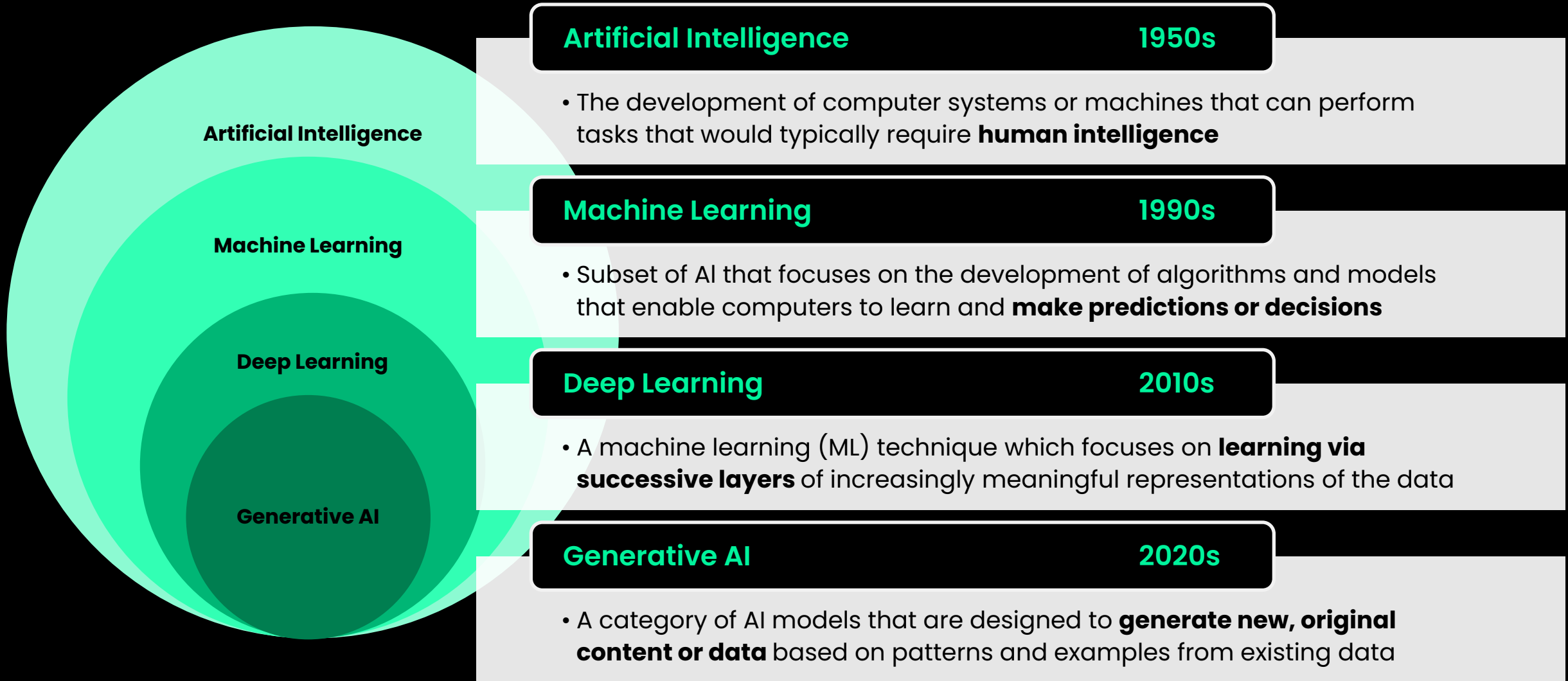
- Digital freight marketplace
- Launched April 2018

RXO Drive™

- Carriers' mobile app
- Launched April 2018

Unique combination of deep industry experience, granular multi-year datasets and ground-up technology

AI Is Evolving at an Accelerated Speed



Key Ingredients of Successful AI / ML Models

1 Data ▪ Big, comprehensive and high-quality data is required (not desired)

2 Time ▪ Data collected & curated over longer periods of time informs smarter models
▪ Reduced time to market drives faster revenue realization

3 Algorithms ▪ State of the art AI/ML platforms facilitate innovation and create efficiencies

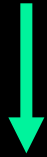
4 Training ▪ Fit for purpose, reliable and high integrity training data delivers insights

5 Governance ▪ Strong model governance drives competitiveness in high velocity environments

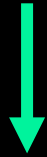
AI / ML at RXO: A Differentiated, Value-Driven Approach

Key Ingredients

Data



Time



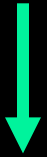
Algorithms



Training



Governance



RXO's Strength

Proprietary data curated by business and tech **experts** and augmented with data from leading 3rd party providers

Collecting proprietary data systematically for over a **decade**, through countless freight market cycles

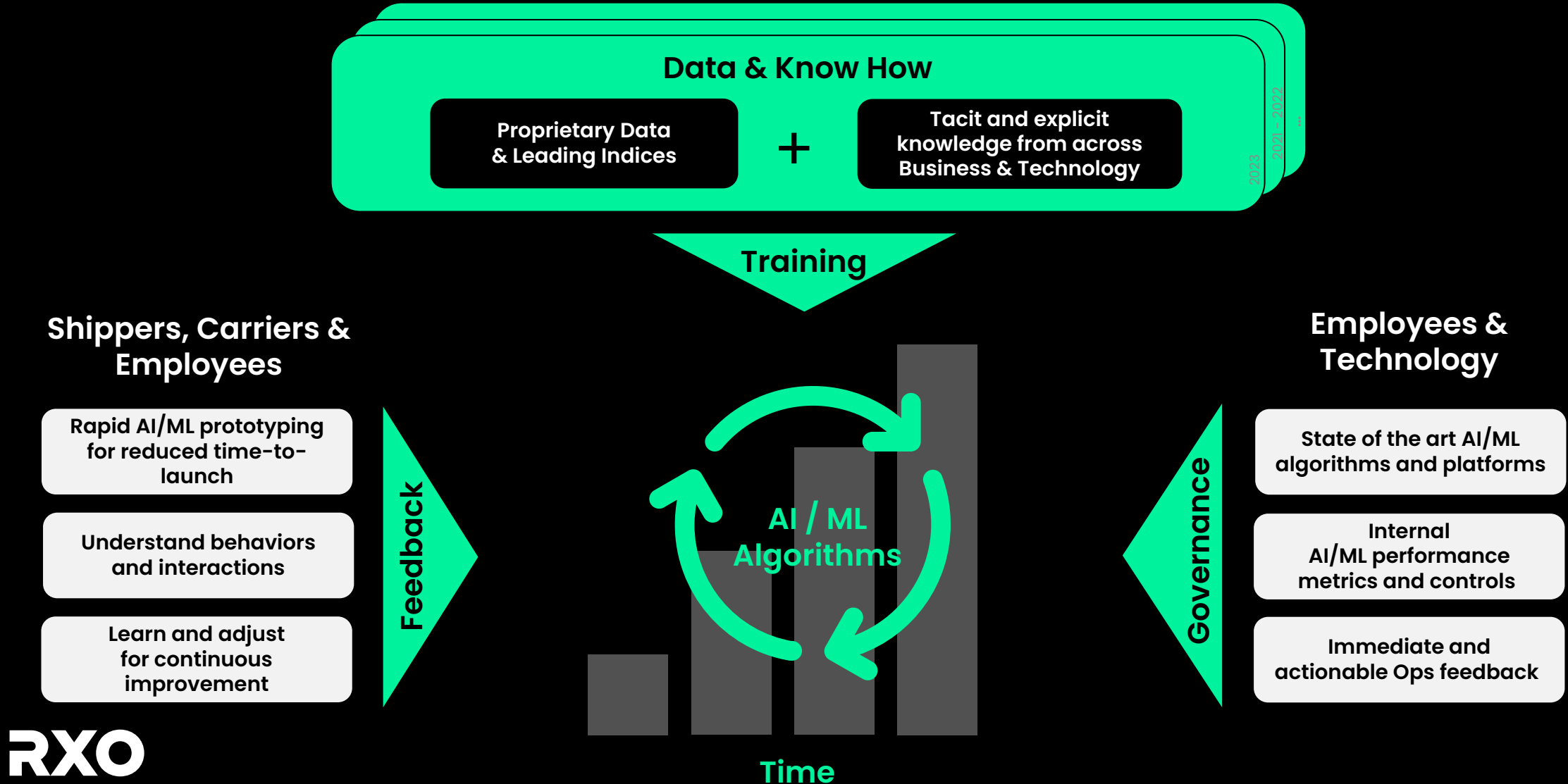
Algorithms built carefully in line with business objectives to drive **impactful results**

Rare combination of **business know-how** and top-notch **tech capabilities** that are difficult to replicate

Proprietary monitoring tools to ensure the **integrity** of the outputs and provide mechanisms for manual overrides

RXO leverages proprietary data, industry expertise, best-in-class technology and robust feedback loops that, when amplified by time, have delivered strong results

How the AI / ML Process Works at RXO



Pricing



Use Case

- Capitalize on sales opportunities by instantly responding to RFQs with reliable pricing
- Maximize procurement window by pricing freight to carriers as soon as a load is received
- Shorten the sales cycle to enable faster growth

RXO Solution

- Leveraged over 10 years of data to train pricing algorithms
- Harnessed the expertise of seasoned operators to provide pricing feedback to refine algorithm intelligence
- Automated buy and sell pricing for spot and contract freight

Key Results

- Q1 '23 volume growth +61% on a 3-year stack, while maintaining best-in-class GM
- Key driver of automation, with 96% of freight created or covered digitally

Matching



Use Case

- Predict matches between carriers and available freight to boost workforce productivity
- Recommend loads to enhance carrier retention in the RXO capacity network

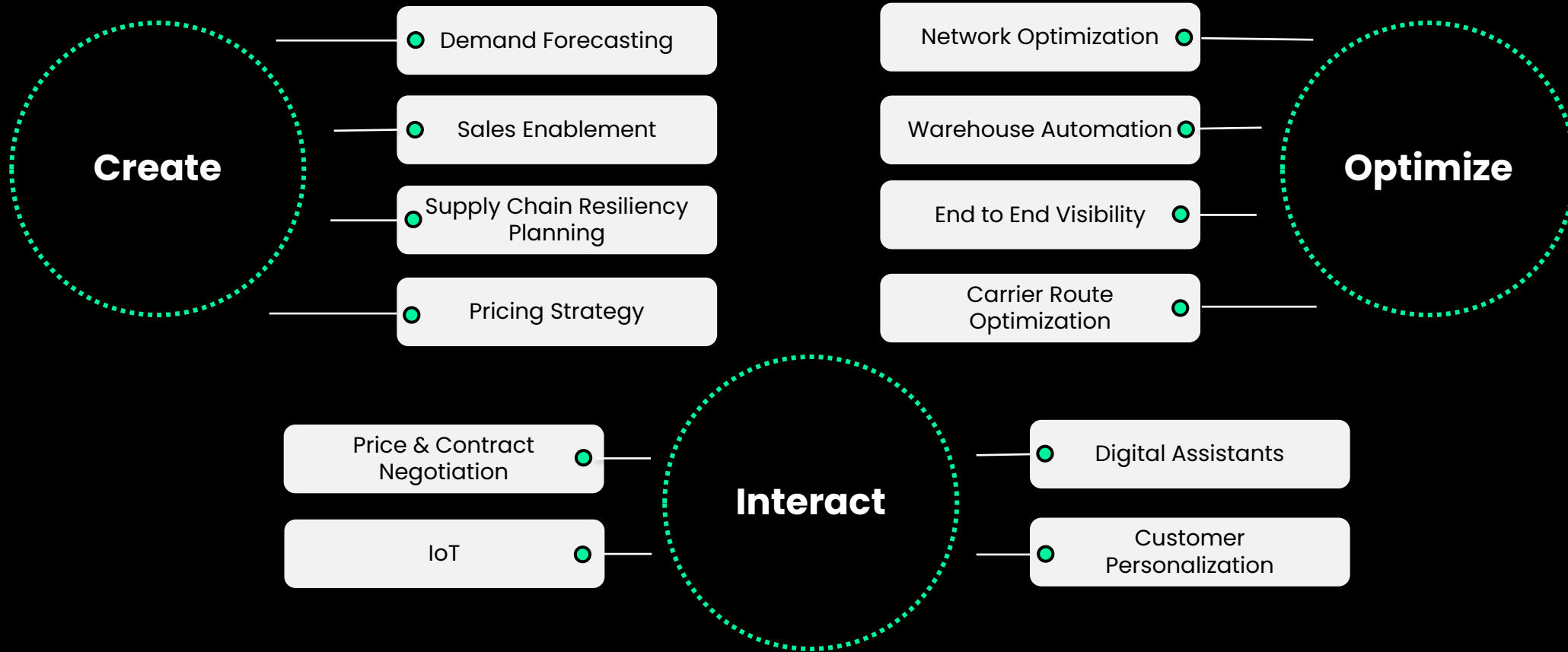
RXO Solution

- Intelligent Lane Assignment automatically matches awards from shippers to carriers
- Load recommendations in RXO Connect™ keep carriers coming back to the platform to book additional freight
- Top matching carriers for loads are surfaced to operators in our proprietary Freight Optimizer® TMS to enhance productivity

Key Results

- 79% Carrier 7-day retention
- 50% increase in productivity from 2018-2021

AI and the Future of Transportation



RXO combines strong AI/ML engines with operational excellence, customer relationships, and value-added services to drive results

Q&A

RXO

RXO

Massive capacity. Cutting-edge technology.