

XPO Logistics, Inc.
 Form 10-Q
 August 10, 2015
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UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

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

For the transition period from _____ to _____
 Commission file number: 001-32172

XPO Logistics, Inc.
 (Exact name of registrant as specified in its charter)

Delaware
 (State or other jurisdiction of incorporation or organization) 03-0450326
 (I.R.S. Employer Identification No.)

Five Greenwich Office Park
 Greenwich, CT 06831
 (Address of principal executive offices) (Zip code)
 (855) 976-4636

(Registrant's telephone number, including area code)
 (Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

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

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As of August 7, 2015, there were 95,355,557 shares of the registrant's common stock, par value \$0.001 per share, outstanding.

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Part I—Financial Information

Item 1. Financial Statements.

XPO Logistics, Inc.

Condensed Consolidated Balance Sheets

(In millions, except share and per share data)

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,175.8	\$644.1
Restricted cash, current	690.5	—
Accounts receivable, net of allowances of \$10.1 and \$9.8, respectively	1,673.2	543.8
Prepaid expenses	109.1	13.2
Deferred tax asset, current	22.3	9.2
Income tax receivable	29.0	15.4
Other current assets	194.4	7.4
Total current assets	3,894.3	1,233.1
Property and equipment, net of \$88.1 and \$47.3 in accumulated depreciation, respectively	958.5	221.9
Goodwill	3,391.8	929.3
Identifiable intangible assets, net of \$113.4 and \$74.6 in accumulated amortization, respectively	1,230.4	341.5
Deferred tax asset, long-term	94.7	—
Restricted cash, long-term	11.3	9.1
Other long-term assets	121.7	26.3
Total long-term assets	5,808.4	1,528.1
Total assets	\$9,702.7	\$2,761.2
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,030.0	\$252.7
Accrued salaries and wages	304.8	50.1
Accrued expenses, other	325.4	69.8
Current maturities of long-term debt	365.2	1.8
Other current liabilities	104.0	6.7
Total current liabilities	2,129.4	381.1
Senior notes	3,074.2	500.0
Convertible senior notes	64.1	91.9
Revolving credit facility and other long-term debt, net of current maturities	267.4	0.2
Deferred tax liability, long-term	388.6	74.5
Employee benefit obligations	127.5	—
Other long-term liabilities	159.9	58.4
Total long-term liabilities	4,081.7	725.0
Commitments and contingencies		
Redeemable noncontrolling interests	667.8	—
Stockholders' equity:		
	590.6	42.2

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Convertible perpetual preferred stock, \$.001 par value; 10,000,000 shares authorized; 73,035 and 73,335 of Series A and 562,525 and 0 of Series C shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively			
Common stock, \$.001 par value; 150,000,000 shares authorized; 95,332,765 and 77,421,683 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	0.1	0.1	
Additional paid-in capital	2,554.5	1,831.9	
Accumulated deficit	(309.4) (219.1)
Accumulated other comprehensive loss	(20.0) —	
Noncontrolling interests	8.0	—	
Total stockholders' equity	2,823.8	1,655.1	
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$9,702.7	\$2,761.2	
See accompanying notes to condensed consolidated financial statements.			

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XPO Logistics, Inc.
 Condensed Consolidated Statements of Operations
 (Unaudited)
 (In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		
	2015	2014	2015	2014	
Revenue	\$1,215.9	\$581.0	\$1,918.9	\$863.4	
Operating expenses					
Cost of transportation and services	707.3	459.1	1,148.0	683.1	
Direct operating expense	318.3	27.2	469.5	31.2	
Sales, general and administrative expense	220.4	106.6	336.0	182.4	
Total operating expenses	1,246.0	592.9	1,953.5	896.7	
Operating loss	(30.1) (11.9) (34.6) (33.3)
Other expense	21.9	0.3	22.4	0.4	
Interest expense	36.3	3.4	59.4	13.5	
Loss before income tax benefit	(88.3) (15.6) (116.4) (47.2)